

Control Number: 35077



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AEP Texas AEP Texas North Company 400 West 15th Street, Suite 1520 Austin, TX 78701 AEPTexas com

June 12, 2013

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Naomi Hudgins, Filing Clerk Public Utility Commission of Texas 1701 Congress Avenue P.O. Box 13326 Austin, TX 78711-3326

Re: Project No. 35077 – AEP Texas North Company's Standard Generation Interconnection Agreement Filing Pursuant to Substantive Rule 25.195(e)

Dear Ms. Hudgins:

On June 6, 2013, AEP Texas North Company (TNC) filed its ERCOT Standard Generation Interconnection Agreement, dated April 30, 2013, between TNC and White Camp Solar, LLC (the "Agreement"). The filing is listed as item number 376 on the Commission's interchange. This transmittal letter was inadvertently omitted at the time of the filing. AEP Texas North Company is subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") with respect to transmission rates and service, including generation interconnection. This Agreement has been filed for acceptance with FERC. AEP Texas North Company is also filing this Agreement with the PUCT for informational purposes. Because the Agreement contains deviations from the Commission-approved Standard Generation Interconnection Agreement (2007 version published by ERCOT) ("SGIA"), AEP Texas North Company has prepared this letter in accordance with Substantive Rule 25.195(e) identifying the deviations and requests that it be filed with the Agreement.

• The following exhibits have been added to the list of exhibits in the <u>Table of</u> <u>Contents:</u>

Exhibit "C-1" – Conceptual One-Line Drawing of Interconnection Facilities Exhibit "E-1" – Form of Corporate Guaranty Exhibit "E-2" – Form of Irrevocable Standby Letter of Credit

• The first sentence of the "ERCOT Requirements" definition in Section 1.5 of Article 1. <u>Definitions</u> of the Agreement has been revised as follows:

1.5 "<u>ERCOT Requirements</u>" means the ERCOT Nodal Operating Guides, ERCOT Metering Guidelines, ERCOT Generation Interconnection Procedures, ERCOT Nodal Protocols as well as any other documents adopted by ERCOT relating to the interconnection and operation of generators and transmission systems in ERCOT as amended from time to time, and any successors thereto.

- A new definition of the Federal Energy Regulatory Commission has been added as Section 1.8 of Article 1. Definitions of the Agreement: 1.8 "<u>FERC</u>" shall mean the Federal Energy Regulatory Commission.
- A new S&C definition has been added as Section 1.20 of Article 1. Definitions of the Agreement: 1.20 "<u>S&C</u>" shall mean S&C Electric Company.
- References to the PUCT Rules in the following definitions in Section 1.6 of Article 1. <u>Definitions</u> of the Agreement have been revised:

1.11 "Good Utility Practice" shall have the meaning described in PUCT Rule 25.5 or its successor.

1.19 "<u>Reasonable Efforts</u>" shall mean the use of Good Utility Practice and the exercise of due diligence (pursuant to PUCT Rule 25.198(e) or its successor).

1.22 "<u>System Security Study</u>" shall have the meaning as described in PUCT Rule 25.198(c) or its successor.

• Paragraph B. of Section 2.1, Article 2. Termination Procedures has been revised as follows:

the TSP may terminate this Agreement (subject to Governmental Authority approval, if required) on written notice to the Generator: (i) if the Generator's Plant has not achieved Commercial Operation within one (1) year after the scheduled Commercial Operation date reflected in Exhibit "B"; or (ii) if the Construction Contract is terminated as a result of either Generator's or S&C's default or voluntary termination of the Construction Contract, in each case before Commercial Operation; or

• The first sentence of Section 3.1 of Article 3. <u>Regulatory Filings</u> has been revised as follows:

The TSP shall file this executed Agreement with FERC, and provide a copy of this Agreement to the PUCT within thirty (30) business days after

the Execution Date. Each Party will reasonably cooperate with each other in connection with such filings.

• Sections to Article 4. <u>Interconnection Facilities Engineering</u>, <u>Procurement</u>, and <u>Construction</u> has been revised as follows:

<u>4.1</u> Construction of TIF. The TSP shall design, procure, and construct the TIF, using Reasonable Efforts to complete the TIF identified in Sections 8a) i)-v) ("TNC TIF") by the In-Service Date reflected in Exhibit *"B"*. To facilitate Generator's Time Schedule in Exhibit B to this Agreement, the Parties intend that TSP will enter into a Construction Contract with Generator and S&C for completion of the TIF identified in Section 8a) vi) of Exhibit "C" to this Agreement. TSP may utilize its own resources and may contract for additional resources, as reasonably necessary, to complete the TNC TIF. Such resources shall include, as the TSP believes is reasonable, use of other contractors, other equipment suppliers, other material suppliers, additional contract personnel, additional payments to contractors for expedited work, and premiums paid to equipment and material suppliers for expedited delivery. The TSP shall not be required to undertake any initiative, which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements. applicable laws and regulations, and ERCOT Requirements. In the event the TSP reasonably expects that it will not be able to complete the TNC TIF by the In-Service Date, the TSP will promptly provide written notice to the Generator and will undertake Reasonable Efforts to meet the earliest date thereafter. The designated In-Service Date will be extended day for day for each day that the ISO refuses to grant clearances to install equipment.

4.2 <u>Engineering and Equipment Procurement</u>. The Parties entered into that certain Preliminary Development Agreement executed as of September 19, 2011 (the "<u>PDA</u>"), pursuant to which TSP agreed to perform certain preliminary engineering and procurement activities. The Parties agree that the execution of this Agreement terminates the PDA under PDA Section 2.5.2 and the Work performed under the PDA shall be merged into and deemed to have been performed under this Agreement in accordance with PDA Section 2.7.2. TSP will release the security posted by Generator under the PDA, subject to Generator furnishing new security acceptable to TSP under Section 8.3 of this Agreement.

4.3.C The TSP has entered into the Construction Contract with Generator and S&C and has received written authorization to proceed with construction from the Generator by the date specified in Exhibit "B"; and

The first sentence to Section 4.4 <u>Work Progress</u>. Generator will keep TSP advised periodically as to the progress of the design, procurement, and construction efforts of the Plant.

4.5 <u>Delay</u>. Since the Parties intend that the Generator and S&C will act together as the contractor under the Construction Contract, TSP will not be held responsible under this Agreement for any failure to meet the dates set forth in Exhibit "B", except for a delay caused solely by TSP's gross negligence. Without limitation of the foregoing, TSP will not be responsible for any delay resulting from failure of Generator or S&C to perform the Construction Contract in accordance with its terms nor for any delay resulting from a Force Majeure event.

4.6 <u>Conditions Precedent Delay</u>. To the extent this Agreement incorporates a specified In-Service Date and the Generator fails to satisfy conditions precedent under Sections 4.2 and, 4.3 so that the TSP may meet the In-Service Date, the Parties will negotiate in good faith to establish a new schedule for completion of the TIF, and the In-Service Date shall be extended accordingly.

• The following new sentence has been added to Section 5.2 of Article 5. <u>Facilities</u> and <u>Equipment</u>:

In addition, Generator agrees to design and construct the GIF in accordance with the National Electric Code.

• The last sentence of Section 5.2 of Article 5. <u>Facilities and Equipment</u> has been revised as follows:

Within one hundred and twenty (120) days after Commercial Operation . . . the Generator shall deliver to the TSP the following "as-built" drawings, information and documents for the GIF: . . . the facilities connecting the Plant to the main power transformers and the GIF, and the impedances (determined by factory tests) for the associated main power transformers and the generators and the impedance of any transmission voltage lines that are part of the GIF.

• Paragraph B. of Section 5.5 of Article 5. <u>Facilities and Equipment</u> has been revised as follows:

B. The metering and telemetry equipment shall be owned by the TSP. However, the TSP shall provide the Generator with metering and telemetry values in accordance with ERCOT Requirements.

• Paragraph E. of Section 5.5 of Article 5. <u>Facilities and Equipment</u> has been revised as follows:

E. Prior to the connection of the GIF to the TIF, acceptance tests will be performed by the owning Party . . . to verify the accuracy of data being received by the TSP, ERCOT and the Generator. . ..

• The following new sentence has been added to Section 6.1 of Article 6. <u>Operation</u> <u>and Maintenance</u>:

In addition, Generator agrees to operate and maintain its system in accordance with the National Electric Code.

• The last sentence of Section 6.1 of Article 6. Operation and Maintenance_has been revised as follows:

All testing of the Plant that affects the operation of the Point of Interconnection shall be coordinated between the TSP, ERCOT, and Generator and will be conducted in accordance with ERCOT Requirements.

• Section 6.2 of Article 6. Operation and Maintenance has been deleted and replaced with the following:

6.2 <u>Control Area Notification</u>. The Control Area within ERCOT is a single Control Area with ERCOT assuming authority as the Control Area operator in accordance with ERCOT Requirements.

- The reference to "ISO" in Section 7.3 of Article 7. <u>Data Requirements</u> has been replaced with "ERCOT".
- The second and third sentences of Section 8.3 of Article 8. <u>Performance</u> <u>Obligation</u> have been revised as follows:

The required security arrangements are specified in Exhibit "E". Within five (5) business days after TSP has received notice from the Generator that the Plant has achieved Commercial Operation, and TSP has verified the same, the TSP shall return the deposit(s) or security to the Generator.

• The last sentence of Paragraph E. of Section 9.1 of Article 9. <u>Insurance</u> has been revised as follows:

All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) days advance written notice to Other Party Group prior to cancellation or any material change in coverage or condition. • The last sentence of Section 10.6 of Article 10. <u>Miscellaneous</u> has been revised as follows:

Except as provided in Section 10.6.B, the defaulting Party shall have thirty (30) days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) days, the defaulting Party shall commence such cure within thirty (30) days after Default notice and continuously and diligently complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such Default notice shall cease to exist.

• The following Paragraphs of Exhibit "B" Time Schedule has been removed:

Interconnection Option chosen by Generator (check one): _____ Section 4.1.A. or _____ Section 4.1.B

If Section 4.1.B is chosen by Generator, the In-Service Date(s) was determined by (check one): (1) ______ good faith negotiations, or (2______ designated by Generator upon failure to agree.

Date by which Generator must provide notice to proceed with design and procurement and provide security, as specified in Section 4.2 so that TSP may maintain schedule to meet the In-Service Date:

Please feel free to contact me if there are any questions.

Sincerely,

<u>Allen Smith</u> Allen Smith Senior Regulatory Consultant American Electric Power Service Corporation