



Control Number: 35077



Item Number: 448

Addendum StartPage: 0

WIND ENERGY TRANSMISSION TEXAS, LLC

WETT

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PUBLIC UTILITY COMMISSION
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March 20, 2014

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

Re: Project No./Docket No. 35077—Wind Energy Transmission Texas, LLC's Generation Interconnection Agreement Filing Pursuant to PUCT Substantive Rule 25.195(e)

Attached, please find the Generation Interconnection Agreement (the "Agreement") between Wind Energy Transmission Texas, LLC ("WETT") and Wake Wind Energy LLC ("Wake Wind") dated to be effective as of February 28, 2014, for filing at the Public Utility Commission of Texas pursuant to Substantive Rule 25.195(e). Because the Agreement contains slight deviations from the Commission-approved Standard Generation Interconnection Agreement, WETT has prepared this letter explaining the changes and requests that it be filed with the Agreement.

Exhibit "A":

- The following definition for "Affiliate" has been added as Section 1.1: "'Affiliate' shall mean any person or entity that controls, is controlled by, or is under common control with the Party in question. For purposes of this definition, control shall mean direct or indirect ownership or control of a majority of the voting interests of an entity."
- The following definition for "Applicable Laws and Regulations" has been added as Section 1.2: "'Applicable Laws and Regulations' shall mean all applicable federal, state, and local laws, ordinances, rules, and regulations, and all duly promulgated orders and other duly authorized actions of any Governmental Authority having jurisdiction over the Parties and/or their respective facilities. Notwithstanding the foregoing, each Party shall have the right at its sole expense to contest the application of any Applicable Laws and Regulations to such Party before the appropriate authorities."
- The following definition for "FERC" has been added as Section 1.9: "'FERC' shall mean the Federal Energy Regulatory Commission, or any successor thereto."

WIND ENERGY TRANSMISSION TEXAS, LLC
210 Barton Springs Road Suite 400
Austin, Texas 78704
WWW.WINDENERGYOFTexas.COM

Phone: 512.279.7369

Fax: 512.279.7398

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- All other definitions have been renumbered accordingly.
- The references to PUCT Rules 25.5(8), 25.198(g), 25.5(23), and 25.198(f) in the Article 1 definitions of "Control Area," "Facilities Study," "Good Utility Practice," and "System Security Study," respectively, have been deleted and replaced with "Chapter 25 of the PUCT Rules or its successor." In the definition of "Reasonable Efforts," the phrase "(pursuant to PUCT Rule 25.196(e))" has been deleted entirely.
- In Sections 2.1(B) and 8.3, the words "scheduled Commercial Operation date" have been capitalized as "Scheduled Commercial Operation Date" to correspond with that term as identified in Exhibit "B."
- Section 2.3 has been changed to read as follows: "Upon termination of this Agreement, the Parties will disconnect the GIF from the TIF in accordance with Good Utility Practice and all Applicable Laws and Regulations."
- In Section 3.1, the following has been added as the second sentence of the paragraph: "The Parties agree to assist one another and use all reasonable efforts in obtaining applicable approvals or making such filings as promptly as practicable."
- In Sections 4.1(A) and 6.1, the phrase "applicable laws and regulations" has been capitalized to correspond to the defined term.
- The following has been added to the end of Section 4.5: "and the In-Service Date and the Scheduled Commercial Operation Date identified in Exhibit "B" shall be extended accordingly."
- In Section 5.2, the last instance of the word "Generator" has been replaced with "Plants."
- In Section 5.2, the following has been added to the list of information and documents that Wake Wind is to deliver to WETT: "the impedance of any transmission voltage lines that are part of the GIF."
- In Section 5.5(H), the following sentence has been added to the end of the paragraph: "If a meter is found to be not in compliance with the accuracy standards required by ERCOT Requirements, readings for the prior six (6) months, or from the time the meter was in service since last tested, but not exceeding six (6) months, shall be corrected, and adjusted bills shall be rendered."
- Section 5.6(B) has been changed to read as follows: "The Generator shall be responsible for protection of its facilities consistent with ERCOT Requirements and Good Utility Practice."

WIND ENERGY TRANSMISSION TEXAS, LLC
 210 Barton Springs Road Suite 400
 Austin, Texas 78704
 WWW.WINDENERGYOFTEXAS.COM

Phone: 512.279.7369

Fax: 512.279.7398

- In Section 6.1, the following sentence has been added as a new fourth sentence: "Each Party shall use commercially reasonable efforts to minimize the frequency and duration of any outages."
- In Section 6.1, the last sentence has been changed to read as follows: "All testing of the Plant that affects the operation of the Point of Interconnection shall be coordinated between the TSP, the Control Area(s) in which the Plant and the TSP are located, the Generator, and ERCOT and will be conducted in accordance with ERCOT Requirements."
- Section 6.7 has been changed to read as follows: "On a timely basis, the Parties shall exchange all information necessary to comply with ERCOT Requirements and shall otherwise reasonably cooperate with each other."
- In Section 8.3, the words "may require" in the first sentence have been deleted and replaced with "requires."
- In Section 8.3, references to the applicable Phase have been deleted. The third sentence now reads as follows: "Within five business days after the Plant achieves Commercial Operation, the TSP shall return the deposit or security to the Generator."
- In Section 9.1(E), the words "anniversary date of cancellation" have been changed to "cancellation."
- In Section 10.7, the references to "the Federal Energy Regulatory Commission" have been changed to "FERC" to correspond to the defined term.
- In Section 10.17, the word "affiliate" has been capitalized to correspond to the defined term.

Exhibit "B":

- The following three paragraphs have been added to the end of Exhibit "B": "The Parties acknowledge and agree that the Generator's failure to fulfill the conditions under Section 4.2 and Section 4.3 in a timely fashion in accordance with the dates set forth in this Exhibit "B" will result in adjustments to the Scheduled Trial Operation Date, Scheduled Commercial Operation Date, and In-Service Date and may cause the need for additional or revised studies to be performed or other reasonably related conditions or obligations to be fulfilled. The Parties further acknowledge and agree that ERCOT may require additional studies at any time due to changing system conditions or otherwise and that this Agreement is subject to revision as necessary based on the outcome of any such additional studies.

Generator acknowledges and agrees that the dates set forth in this Exhibit "B" were established based on the circumstances of Generator being the next in line entity

WIND ENERGY TRANSMISSION TEXAS, LLC
210 Barton Springs Road Suite 400
Austin, Texas 78704
WWW.WINDENERGYOFTEXAS.COM

Phone: 512.279.7369

Fax: 512.279.7398

attempting to interconnect its generating facilities to TSP's TIF, and that such dates are subject to change in the event a third party generator desiring to interconnect said third party generator's generating facilities to TSP's TIF (an "Intervening Generator") provides the applicable notice to proceed and security with respect to the Intervening Generator's interconnection prior to TSP having received from Generator Generator's notice to proceed and security as specified in both Section 4.2 and Section 4.3.

Generator acknowledges and agrees that the activities of an Intervening Generator that provides the applicable notice to proceed and security as described in the paragraph above may result in the need for additional studies and/or restudies, that such additional studies and/or restudies may result in a change in the number of days needed for TSP to design, procure, and construct the TIF, and that any such changes may require changes to one or more dates set forth in this Exhibit "B." Generator further acknowledges and agrees that any such additional studies and/or restudies may also result in changes to the financial security amounts set forth in Exhibit "E".

Exhibit "C":

- Paragraph 14 regarding cost estimate differences has been deleted as inapplicable.

Sincerely,

WIND ENERGY TRANSMISSION TEXAS, LLC

By:



Name: Patrick Burnett

Title: Contracts Manager

WIND ENERGY TRANSMISSION TEXAS, LLC
210 Barton Springs Road Suite 400
Austin, Texas 78704
WWW.WINDENERGYOFTEXAS.COM

Phone: 512.279.7369

Fax: 512.279.7398

GENERATION INTERCONNECTION AGREEMENT

Between

WIND ENERGY TRANSMISSION TEXAS, LLC

and

WAKE WIND ENERGY LLC

February 28, 2014

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GENERATION INTERCONNECTION AGREEMENT

This Generation Interconnection Agreement ("Agreement") is made and entered into this 28th day of February, 2014 (the "Effective Date") between Wind Energy Transmission Texas, LLC ("Transmission Service Provider") and Wake Wind Energy LLC ("Generator"), hereinafter individually referred to as "Party," and collectively referred to as "Parties." In consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

Transmission Service Provider represents that it is a public utility that owns and operates facilities for the transmission and distribution of electricity. Generator represents that it will own and operate the Plant. Pursuant to the terms and conditions of this Agreement, Transmission Service Provider shall interconnect Generator's Plant with Transmission Service Provider's System consistent with the Facilities Study Agreement executed between the Parties on June 28, 2013.

This Agreement applies only to the Plant and the Parties' interconnection facilities as identified in Exhibit "C".

This Agreement shall become effective on the Effective Date, subject to Governmental Authority approval, if required, and shall continue in full force and effect until terminated in accordance with Exhibit "A".

This Agreement will be subject to the following, all of which are incorporated herein:

- A. The "Terms and Conditions of the Generation Interconnection Agreement" attached hereto as Exhibit "A";
- B. The ERCOT Requirements (unless expressly stated herein, where the ERCOT Requirements are in conflict with this Agreement, the ERCOT Requirements shall prevail);
- C. The PUCT Rules (where the PUCT Rules are in conflict with this Agreement, the PUCT Rules shall prevail);
- D. The Time Schedule attached hereto as Exhibit "B";
- E. The Interconnection Details attached hereto as Exhibit "C";
- F. The notice requirements attached hereto as Exhibit "D"; and
- G. The Security Arrangement Details attached hereto as Exhibit "E".

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

TRANSMISSION SERVICE PROVIDER:

WIND ENERGY TRANSMISSION
TEXAS, LLC

By: [Signature]
Title: General Manager
Date: March 14, 2014

GENERATOR:

WAKE WIND ENERGY LLC

By: [Signature]
Title: Vice President
Date: 3/17/2014

(WES)

Exhibit "A"
Terms and Conditions of the Generation Interconnection Agreement

ARTICLE 1. DEFINITIONS

Capitalized terms shall have the meanings as set forth below, except as otherwise specified in the Agreement:

1.1 "Affiliate" shall mean any person or entity that controls, is controlled by, or is under common control with the Party in question. For purposes of this definition, control shall mean direct or indirect ownership or control of a majority of the voting interests of an entity.

1.2 "Applicable Laws and Regulations" shall mean all applicable federal, state, and local laws, ordinances, rules, and regulations, and all duly promulgated orders and other duly authorized actions of any Governmental Authority having jurisdiction over the Parties and/or their respective facilities. Notwithstanding the foregoing, each Party shall have the right at its sole expense to contest the application of any Applicable Laws and Regulations to such Party before the appropriate authorities.

1.3 "CCN" shall mean a Certificate of Convenience and Necessity issued by the PUCT.

1.4 "Commercial Operation" shall mean the date on which Generator declares that the construction of the Plant has been substantially completed, Trial Operation of the Plant has been completed, and the Plant is ready for dispatch.

1.5 "Control Area" shall have the meaning ascribed thereto in Chapter 25 of the PUCT Rules or its successor.

1.6 "ERCOT" shall mean the Electric Reliability Council of Texas, Inc.

1.7 "ERCOT Requirements" means the ERCOT Operating Guides, ISO Generation Interconnection Procedures as well as any other documents adopted by the ISO or ERCOT relating to the interconnection and operation of generators and transmission systems in ERCOT as amended from time to time, and any successors thereto. Any requirement in the foregoing documents imposed upon generation entities or generation facilities shall become the responsibility of the Generator, and any requirements imposed on transmission providers or transmission facilities shall become the responsibility of the TSP.

1.8 "Facilities Study" shall have the meaning as described in Chapter 25 of the PUCT Rules or its successor.

1.9 "Facilities Study Agreement" shall mean an agreement executed by the Parties relating to the performance of the Facilities Study.

- 1.10 “FERC” shall mean the Federal Energy Regulatory Commission, or any successor thereto.
- 1.11 “GIF” shall mean Generator’s interconnection facilities as described in Exhibit “C.”
- 1.12 “Good Utility Practice” shall have the meaning described in Chapter 25 of the PUCT Rules or its successor.
- 1.13 “Governmental Authority(ies)” shall mean any federal, state, local or municipal body having jurisdiction over a Party.
- 1.14 “In-Service Date” shall be the date, as reflected in Exhibit “B,” that the TIF will be ready to connect to the GIF.
- 1.15 “ISO” shall mean the ERCOT Independent System Operator.
- 1.16 “Plant” shall mean the electric generation facility owned and operated by the Generator, as specified in Exhibit “C.”
- 1.17 “Point of Interconnection” shall mean the location(s) where the GIF connects to the TIF as negotiated and defined by the Parties and as shown on Exhibit “C” of this Agreement.
- 1.18 “PUCT” shall mean the Public Utility Commission of Texas.
- 1.19 “PUCT Rules” shall mean the Substantive Rules of the PUCT.
- 1.20 “Reasonable Efforts” shall mean the use of Good Utility Practice and the exercise of due diligence.
- 1.21 “System Protection Equipment” shall mean those facilities located within the TIF and the GIF as described in Section 5.6 and Exhibit “C.”
- 1.22 “System Security Study” shall have the meaning as described in Chapter 25 of the PUCT Rules or its successor.
- 1.23 “TCOS” shall mean the TSP’s transmission cost of service as allowed by the applicable Governmental Authority.
- 1.24 “TIF” shall mean the TSP’s interconnection facilities as described in Exhibit “C” to this Agreement.
- 1.25 “Trial Operation” shall mean the process by which the Generator is engaged in on-site test operations and commissioning of the Plant prior to Commercial Operation.
- 1.26 “TSP” shall mean the Transmission Service Provider.

1.27 “TSP System” shall mean the electric transmission facilities, including the TIF, and all associated equipment and facilities owned and/or operated by the TSP.

ARTICLE 2. TERMINATION

2.1 Termination Procedures. This Agreement may be terminated as follows:

A. the Generator may terminate this Agreement after giving the TSP thirty (30) days advance written notice; or

B. the TSP may terminate this Agreement (subject to Governmental Authority approval, if required) on written notice to the Generator if the Generator’s Plant has not achieved Commercial Operation within one year after the Scheduled Commercial Operation Date reflected in Exhibit “B”; or

C. either Party may terminate this Agreement in accordance with Section 10.6.

2.2 Termination Costs. If a Party elects to terminate the Agreement pursuant to Section 2.1 above, the Generator shall pay all costs incurred (or committed to be incurred) by TSP, as of the date of the other Party’s receipt of such notice of termination, that are the responsibility of the Generator under this Agreement. In the event of termination by either Party, both Parties shall use commercially reasonable efforts to mitigate the damages and charges that they may incur as a consequence of termination. The provisions of the Sections 2.2 and 2.3 shall survive termination of the Agreement.

2.3 Disconnection. Upon termination of this Agreement, the Parties will disconnect the GIF from the TIF in accordance with Good Utility Practice and all Applicable Laws and Regulations.

ARTICLE 3. REGULATORY FILINGS

3.1 Filing. The TSP shall file this executed Agreement with the appropriate Governmental Authority, if required. The Parties agree to assist one another and use all reasonable efforts in obtaining applicable approvals or making such filings as promptly as practicable. Any portions of this Agreement asserted by Generator to contain competitively sensitive commercial or financial information shall be filed by the TSP identified as “confidential” under seal stating, for the TSP’s showing of good cause, that Generator asserts such information is confidential information and has requested such filing under seal. If requested by the TSP, Generator shall provide the TSP, in writing, with the Generator’s basis for asserting that the information referred to in this Section 3.1 is competitively sensitive information, and the TSP may disclose such writing to the appropriate Governmental Authority.

3.2 Regulatory Approvals. Unless exempt, the TSP shall timely request ISO and all regulatory approvals necessary for it to carry out its responsibilities under this Agreement. Such approvals shall include any CCN required for the construction of the TIF.

ARTICLE 4. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

4.1 Options. The Generator shall select one of the following options (subsection A or subsection B) and include the selected option in Exhibit "B" for completion of the TIF:

A. The TSP shall design, procure, and construct the TIF, using Reasonable Efforts to complete the TIF by the In-Service Date reflected in Exhibit "B." The TSP will utilize its own resources and will contract for additional resources, as reasonably necessary, to meet the In-Service Date. 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, or ERCOT Requirements. In the event the TSP reasonably expects that it will not be able to complete the 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.

B. (i) The TSP shall design, procure, and construct the TIF by the In-Service Date reflected in Exhibit "B." The Parties acknowledge that the In-Service Date was either agreed upon through good faith negotiations or designated by the Generator upon failure of the Parties to agree. In the process of negotiating the In-Service Date, Generator will request a date upon which it reasonably expects it will be ready to begin use of the TIF and upon which it reasonably expects to begin doing so. Any date designated by the Generator shall in no event be less than fifteen months from the date that all conditions of Sections 4.2 and 4.3 have been satisfied. The designated In-Service Date will be extended day for day for each day that the ISO refuses to grant clearances to install equipment. If the TSP fails to complete the TIF by the In-Service Date reflected in Exhibit "B," the TSP shall pay the Generator liquidated damages in accordance with this Section 4.1.B.

(ii) The Parties agree that actual damages to the Generator, in the event the TIF are not completed by the In-Service Date, may include Generator's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. The Parties agree that, because of such uncertainty, any liquidated damages paid by the TSP to the Generator shall be an amount equal to $\frac{1}{2}$ of 1% of the actual cost of the TIF, per day. However, in no event shall the total liquidated damages exceed 20% of the actual cost of the TIF. The Parties agree that such liquidated damages are less than the Generator's actual damages. The Parties agree that the foregoing payments will be made by the TSP to the Generator as just compensation for the damages caused to the Generator, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this Agreement.

(iii) The TSP shall apply to have the full costs of the TIF included in TCOS. If the PUCT issues a final, appealable order excluding from TCOS any portion of the TIF costs,

including higher contractor and vendor costs due to liquidated damage provisions in those contracts and insurance costs to cover liquidated damages, which costs may have been reasonably incurred but which the PUCT finds should not be recovered through TCOS, the Generator shall reimburse the TSP for such costs in an amount not to exceed the difference between the TSP's estimate of the cost of the TIF under section 4.1.A and the TSP's estimate of the cost of the TIF under Section 4.1.B as reflected in Exhibit "C." Such costs shall be estimated using Good Utility Practice.

(iv) No liquidated damages shall be paid to Generator if the Generator is not ready to commence use of the TIF for the delivery of power to the Plant for Trial Operation or export of power from the Plant on the In-Service Date, unless the Generator would have been able to commence use of the TIF for the delivery of power to the Plant for Trial Operation or export of power from the Plant but for TSP's delay.

(v) If the In-Service Date has been designated by the Generator upon a failure of the Parties to agree on the In-Service Date, the TSP may, at its option, require the Generator to subcontract with the TSP for all or part of the design, procurement and construction of the TIF in accordance with the TSP's standard subcontractor agreements. In such event, the TSP shall be subject to the payment of liquidated damages to the Generator only if the In-Service Date is not met solely due to the TSP's failure to complete the portion of the TIF for which the TSP has retained responsibility. It is the intent of this subsection to give the TSP full control of the contents and quality of the TIF. To the extent the Generator acts as a subcontractor to the TSP, the following will apply: 1) The Generator shall engineer, procure equipment, and construct the TIF (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the TSP; 2) In its engineering, procurement and construction of the TIF, the Generator shall comply with all requirements of law to which the TSP would be subject in the engineering, procurement or construction of the TIF; 3) The TSP shall review and approve the engineering design, acceptance tests of equipment, and the construction of the TIF; 4) The TSP shall have the right to approve and accept for operation the TIF in accordance with the standards and specifications provided in advance by the TSP, such approval and acceptance shall not be unreasonably withheld, conditioned, or delayed; 5) Should any phase of the engineering, equipment procurement, or construction of the TIF, including selection of subcontractors, not meet the standards and specifications provided by the TSP, and therefore be deemed unacceptable, then the Generator shall be obligated to remedy that portion of the TIF or selection of subcontractors that is deemed unacceptable, the TSP's approval of the Generator's selection of subcontractors will not be unreasonably withheld, conditioned or delayed; and 6) Once the TIF is accepted for operation by the TSP, then the TSP shall reimburse the Generator for the reasonable and necessary costs incurred by the Generator to complete the TIF, not to exceed the amount specified in the subcontract. Such reimbursement shall be made within thirty days after receipt of the invoice, unless otherwise agreed to by the Parties.

4.2 Equipment Procurement. If responsibility for construction of the TIF is borne by the TSP, then the TSP shall commence design of the TIF and procure necessary equipment within a reasonable time after all of the following conditions are satisfied:

A. The TSP has completed the Facilities Study pursuant to the Facilities Study Agreement;

B. The TSP has received written authorization to proceed with design and procurement from the Generator by the date specified in Exhibit "B"; and

C. The Generator has provided security to the TSP in accordance with Section 8.3 by the dates specified in Exhibit "B."

4.3 Construction Commencement. The TSP shall commence construction of the TIF as soon as practicable after the following additional conditions are satisfied:

A. Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

B. Necessary real property rights, if any, have been obtained;

C. The TSP has received written authorization to proceed with construction from the Generator by the date specified in Exhibit "B"; and

D. The Generator has provided security to the TSP in accordance with Section 8.3 by the dates specified in Exhibit "B."

4.4 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. If, at any time, the Generator becomes aware that the completion of the TIF will not be required until after the specified In-Service Date, the Generator will promptly provide written notice to the TSP of a new, later In-Service Date.

4.5 Conditions Precedent Delay. 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 and the Scheduled Commercial Operation Date identified in Exhibit "B" shall be extended accordingly.

ARTICLE 5. FACILITIES AND EQUIPMENT

5.1 Information Exchange. The Parties shall exchange information and mutually agree upon the design and compatibility of the Parties' interconnection facilities. The Parties shall work diligently and in good faith to make any necessary design changes to ensure compatibility of the GIF to the TSP System.

5.2 GIF Construction. Generator agrees to cause the GIF to be designed and constructed in accordance with Good Utility Practice, ERCOT Requirements and the National Electrical Safety Code in effect at the time of construction. Within one-hundred and twenty (120) days after Commercial Operation, unless the Parties agree on another mutually acceptable deadline, the

Generator shall deliver to the TSP the following “as-built” drawings, information and documents for the GIF: a one-line diagram, a site plan showing the Plant and the GIF, plan and elevation drawings showing the layout of the GIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Generator’s main-power transformers, the facilities connecting the Plants to the main power transformers and the GIF, 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.

5.3 TIF Construction. The TSP agrees to cause the TIF to be designed and constructed in accordance with Good Utility Practice, ERCOT Requirements and the National Electrical Safety Code in effect at the time of construction.

5.4 Equipment Changes. For facilities not described in Exhibit “C,” if either Party makes equipment changes to the Plant, the GIF, the TIF or the TSP System which it knows will affect the operation or performance of the other Party’s interconnection facilities, the Parties agree to notify the other Party, in writing, of such changes. Such changes shall be made in accordance with ERCOT Requirements and coordinated between the Parties.

5.5 Metering, Telemetry and Communications Requirements.

A. Metering and telemetry of data will be accomplished in accordance with ERCOT Requirements. The specific metering, telemetry and communications equipment to be installed and data to be telemetered are described in Exhibit “C.”

B. At the Point of Interconnection, 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.

C. A minimum set of inputs to the telemetry equipment are specified in Exhibit “C.” Additional sets of inputs may be subsequently mutually agreed upon.

D. The TSP will notify the Generator at least five (5) working days in advance of any planned maintenance, inspection, testing, or calibration of the metering equipment, unless otherwise agreed to in writing. The Generator, or its designated representative, shall have the right to be present for these activities and to receive copies of any documents related to the procedures and results.

E. Prior to the connection of the GIF to the TIF, acceptance tests will be performed by the owning Party to ensure the proper functioning of all metering, telemetry and communications equipment associated with the Point of Interconnection and both Parties’ interconnection facilities, and to verify the accuracy of data being received by the TSP, the Control Area(s) in which the Plant and the TSP are located and the Generator. All acceptance tests will be performed consistent with ERCOT Requirements.

F. The TSP shall, in accordance with Good Utility Practice and ERCOT Requirements, specify communications facilities, including those necessary to transmit data from the metering equipment to the TSP, that are necessary for the effective operation of the Plant and the GIF with the TSP System. Such communication facilities shall be included in Exhibit "C." The Generator shall make arrangements to procure and bear the cost of such facilities.

G. Any changes to the meters, telemetry equipment, voltage transformers, current transformers, and associated panels, hardware, conduit and cable, which will affect the data being received by the other Party must be mutually agreed to by the Parties.

H. Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible in accordance with ERCOT Requirements. If a meter is found to be not in compliance with the accuracy standards required by ERCOT Requirements, readings for the prior six (6) months, or from the time the meter was in service since last tested, but not exceeding six (6) months, shall be corrected, and adjusted bills shall be rendered.

5.6 System Protection and Other Controls Requirements.

A. Each Party's facilities shall be designed to isolate any fault, or to correct or isolate any abnormality, that would negatively affect the other Party's system or other entities connected to the TSP System.

B. The Generator shall be responsible for protection of its facilities consistent with ERCOT Requirements and Good Utility Practice.

C. Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Section 5.6.F. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and tripping the Generator's units.

D. Recording equipment shall be installed to analyze all system disturbances in accordance with ERCOT Requirements.

E. Each Party will test, operate and maintain System Protection Equipment in accordance with ERCOT Requirements. Each Party will provide reasonable notice to the other Party of any testing of its System Protection Equipment allowing such other Party the opportunity to have representatives present during testing of its System Protection Equipment.

F. Prior to the In-Service Date, and again prior to Commercial Operation, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Equipment. At intervals suggested by Good Utility Practice or at intervals described in the ERCOT Requirements if so defined therein, and following any apparent malfunction of the System Protection Equipment, each Party shall perform both calibration and functional trip tests

of its System Protection Equipment. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

5.7 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 6. OPERATION AND MAINTENANCE

6.1 Operation and Maintenance of Interconnection Facilities. The Parties agree to operate and maintain their systems in accordance with Good Utility Practice, National Electrical Safety Code, the ERCOT Requirements, PUCT Rules and all Applicable Laws and Regulations. Subject to any necessary ISO approval, each Party shall provide necessary equipment outages to allow the other Party to perform periodic maintenance, repair or replacement of its facilities. Such outages shall be scheduled at mutually agreeable times, unless conditions exist which a Party believes, in accordance with Good Utility Practice, may endanger persons or property. Each Party shall use commercially reasonable efforts to minimize the frequency and duration of any outages. No changes will be made in the normal operation of the Point of Interconnection without the mutual agreement of the Parties except as otherwise provided herein. All testing of the Plant that affects the operation of the Point of Interconnection shall be coordinated between the TSP, the Control Area(s) in which the Plant and the TSP are located, the Generator, and ERCOT and will be conducted in accordance with ERCOT Requirements.

6.2 Control Area Notification. At least six months before Trial Operation, the Generator shall notify the TSP in writing of the Control Area in which it will be located. If the Generator elects to be located in a Control Area other than the Control Area in which the TSP is located, all necessary agreements, including but not limited to remote control area generator interchange agreements, if applicable, and appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Plant in the other Control Area. The Parties will diligently cooperate with one another to enable such agreements to be executed and implemented on a schedule necessary to meet the Trial Operation date specified in Exhibit "B."

6.3 Land Rights and Easements. Terms and conditions addressing the rights of the TSP and the Generator regarding any facilities located on the other Party's property shall be addressed in a separate, duly executed and recorded easement agreement between the Parties. Prior to Commercial Operation, the Parties will mutually agree upon procedures to govern access to each other's property as necessary for the Parties to fulfill their obligations hereunder.

6.4 Service Interruption. The Parties recognize that the interruption of service provisions of the PUCT Rules give TSP the right to disconnect the TSP System from the Plant under the conditions specified therein. The Generator will promptly disconnect the Plant from the TSP System when required by and in accordance with the PUCT Rules and ERCOT Requirements.

6.5 Switching and Clearance.

A. Any switching or clearances needed on the TIF or the GIF will be done in accordance with ERCOT Requirements.

B. Any switching and clearance procedure necessary to comply with Good Utility Practice or ERCOT Requirements that may have specific application to the Plant shall be addressed in Exhibit "C."

6.6 Start-Up and Synchronization. Consistent with ERCOT Requirements and the Parties' mutually acceptable procedure, the Generator is responsible for the proper synchronization of the Plant to the TSP System.

6.7 Routine Operational Communications. On a timely basis, the Parties shall exchange all information necessary to comply with ERCOT Requirements and shall otherwise reasonably cooperate with each other.

6.8 Blackstart Operations. If the Plant is capable of blackstart operations, Generator will coordinate individual Plant start-up procedures consistent with ERCOT Requirements. Any blackstart operations shall be conducted in accordance with the blackstart criteria included in the ERCOT Requirements and the TSP Blackstart Plan on file with the ISO. Notwithstanding this section, the Generator is not required to have blackstart capability by virtue of this Agreement. If the Generator will have blackstart capability, then Generator shall provide and maintain an emergency communication system that will interface with the TSP during a blackstart condition.

6.9 Power System Stabilizers. The Generator shall procure, install, maintain and operate power system stabilizers if required to meet ERCOT Requirements and as described in Exhibit "C."

ARTICLE 7. DATA REQUIREMENTS

7.1 Data Acquisition. The acquisition of data to realistically simulate the electrical behavior of system components is a fundamental requirement for the development of a reliable interconnected transmission system. Therefore, the TSP and the Generator shall be required to submit specific information regarding the electrical characteristics of their respective facilities to each other as described below in accordance with ERCOT Requirements.

7.2 Initial Data Submission by TSP. The initial data submission by the TSP shall occur no later than 120 days prior to Trial Operation and shall include transmission system data necessary to allow the Generator to select equipment and meet any system protection and stability requirements.

7.3 Initial Data Submission by Generator. The initial data submission by the Generator, including manufacturer data, shall occur no later than 90 days prior to the Trial Operation and shall include a completed copy of the following forms contained in the ISO's Generation Interconnection Procedure: (1) Plant Description/Data and (2) Generation Stability Data. It shall also include any additional data provided to the ISO for the System Security Study. Data in the initial submissions shall be the most current Plant design or expected performance data. Data

submitted for stability models shall be compatible with the ISO standard models. If there is no compatible model, the Generator will work with an ISO designated consultant to develop and supply a standard model and associated data.

7.4 Data Supplementation. Prior to Commercial Operation, the Parties shall supplement their initial data submissions with any and all “as-built” Plant data or “as-tested” performance data which differs from the initial submissions or, alternatively, written confirmation that no such differences exist. Subsequent to Commercial Operation, the Generator shall provide the TSP any data changes due to equipment replacement, repair, or adjustment. The TSP shall provide the Generator any data changes due to equipment replacement, repair, or adjustment in the directly connected substation or any adjacent TSP-owned substation that may affect the GIF equipment ratings, protection or operating requirements. The Parties shall provide such data no later than 30 days after the date of the actual change in equipment characteristics. Also, the Parties shall provide to each other a copy of any additional data later required by the ISO concerning these facilities.

7.5 Data Exchange. Each Party shall furnish to the other Party real-time and forecasted data as required by ERCOT Requirements. The Parties will cooperate with one another in the analysis of disturbances to either the Plant or the TSP’s System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records.

ARTICLE 8. PERFORMANCE OBLIGATION

8.1 Generator’s Cost Responsibility. The Generator will acquire, construct, operate, test, maintain and own the Plant and the GIF at its sole expense. In addition, the Generator may be required to make a contribution in aid of construction in the amount set out in and for the facilities described in Exhibit “C,” if any, in accordance with PUCT Rules.

8.2 TSP’s Cost Responsibility. The TSP will acquire, own, operate, test, and maintain the TIF at its sole expense, subject to the provisions of Section 4.1.B and the contribution in aid of construction provisions of Section 8.1 of this Agreement.

8.3 Financial Security Arrangements. The TSP requires the Generator to pay a reasonable deposit or provide another means of security, to cover the costs of planning, licensing, procuring equipment and materials, and constructing the TIF. The required security arrangements shall be specified in Exhibit “E.” Within five business days after the Plant achieves Commercial Operation, the TSP shall return the deposit or security to the Generator. However, the TSP may retain an amount to cover the incremental difference between the TSP’s actual out of pocket costs associated with the choice of Section 4.1.B over Section 4.1.A, pending a final PUCT Order as contemplated in Section 4.1.B(iii). If the Plant has not achieved Commercial Operation within one year after the Scheduled Commercial Operation Date identified in Exhibit “B” or if the Generator terminates this Agreement in accordance with Section 2.1 and the TIF are not required, the TSP may, subject to the provisions of Section 2.2, retain as much of the deposit or security as is required to cover the costs it incurred in planning, licensing, procuring equipment and materials, and constructing the TIF. If a cash deposit is made pursuant to Exhibit “E,” any

repayment of such cash deposit shall include interest at a rate applicable to customer deposits as established from time to time by the PUCT or other Governmental Authority.

ARTICLE 9. INSURANCE

9.1 Each Party shall, at its own expense, maintain in force throughout the period of this Agreement and until released by the other Party the following minimum insurance coverages, with insurers authorized to do business in Texas:

A. Employer's Liability and Worker's Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the State of Texas. The minimum limits for the Employer's Liability insurance shall be One Million Dollars (\$1,000,000) each accident bodily injury by accident, One Million Dollars (\$1,000,000) each employee bodily injury by disease, and One Million Dollars (\$1,000,000) policy limit bodily injury by disease.

B. Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

C. Comprehensive Automobile Liability Insurance for coverage of owned, non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

D. Excess Public Liability Insurance over and above the Employer's Liability, Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.

E. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and affiliated companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. 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.

F. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for

other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

G. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

H. The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.

I. Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

J. Notwithstanding the foregoing, each Party may self-insure to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade, or better, by Standard & Poor's. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Sections 9.1.A through 9.1.I. In the event that a Party is permitted to self-insure pursuant to this Section 9.1.J, it shall not be required to comply with the insurance requirements applicable to it under Sections 9.1.A through 9.1.I.

K. The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

ARTICLE 10. MISCELLANEOUS

10.1 Governing Law and Applicable Tariffs.

A. This Agreement for all purposes shall be construed in accordance with and governed by the laws of the State of Texas, excluding conflicts of law principles that would refer to the laws of another jurisdiction. The Parties submit to the jurisdiction of the federal and state courts in the State of Texas.

B. This Agreement is subject to all valid, applicable rules, regulations and orders of, and tariffs approved by, duly constituted Governmental Authorities.

C. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

10.2 No Other Services. This Agreement is applicable only to the interconnection of the Plant to the TSP System at the Point of Interconnection and does not obligate either Party to provide, or entitle either Party to receive, any service not expressly provided for herein. Each Party is responsible for making the arrangements necessary for it to receive any other service that it may desire from the other Party or any third party. This Agreement does not address the sale or purchase of any electric energy, transmission service or ancillary services by either Party, either before or after Commercial Operation.

10.3 Entire Agreement. This Agreement, including all Exhibits, Attachments and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement. Notwithstanding the other provisions of this Section, the Facilities Study Agreement, if any, is unaffected by this Agreement.

10.4 Notices. Except as otherwise provided in Exhibit "D," any formal notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person, or sent by either registered or certified mail, postage prepaid, overnight mail or fax to the address or number identified on Exhibit "D" attached to this Agreement. Either Party may change the notice information on Exhibit "D" by giving five business days written notice prior to the effective date of the change.

10.5 Force Majeure.

A. The term "Force Majeure" as used herein shall mean any cause beyond the reasonable control of the Party claiming Force Majeure, and without the fault or negligence of such Party, which materially prevents or impairs the performance of such Party's obligations hereunder, including but not limited to, storm, flood, lightning, earthquake, fire, explosion, failure or imminent threat of failure of facilities, civil disturbance, strike or other labor disturbance, sabotage, war, national emergency, or restraint by any Governmental Authority.

B. Neither Party shall be considered to be in Default (as hereinafter defined) with respect to any obligation hereunder (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Section shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to

remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

10.6 Default

A. The term "Default" shall mean the failure of either Party to perform any obligation in the time or manner provided in this Agreement. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. 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 30 days, the defaulting Party shall commence such cure within 30 days after notice and continuously and diligently complete such cure within 90 days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

B. If a Default is not cured as provided in this Section, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Section will survive termination of this Agreement.

10.7 Intrastate Operation. The operation of the Plant by Generator shall not cause there to be a synchronous or an asynchronous interconnection between ERCOT and any other transmission facilities operated outside of ERCOT unless ordered by FERC under Section 210 of the Federal Power Act. The Parties recognize and agree that any such interconnection will constitute an adverse condition giving the TSP the right to immediately disconnect the TIF from the GIF, until such interconnection has been disconnected. The Generator will not be prohibited by this Section from interconnecting the Plant with facilities operated by the Comision Federal de Electricidad of Mexico, unless such interconnection would cause ERCOT utilities that are not "public utilities" under the Federal Power Act to become subject to the plenary jurisdiction of FERC.

10.8 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

10.9 No Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of obligations, rights, or duties imposed upon the Parties. Termination or Default of this

Agreement for any reason by the Generator shall not constitute a waiver of the Generator's legal rights to obtain an interconnection from the TSP under a new interconnection agreement.

10.10 Headings. The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

10.11 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

10.12 Amendment. This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

10.13 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

10.14 Further Assurances. The Parties agree to (i) furnish upon request to each other such further information, (ii) execute and deliver to each other such other documents, and (iii) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement. Without limiting the generality of the foregoing, the TSP shall, at the Generator's expense, when reasonably requested to do so by the Generator at any time after the execution of this Agreement, prepare and provide such information in connection with this Agreement (including, if available, resolutions, certificates, opinions of counsel or other documents relating to the TSP's corporate authorization to enter into this Agreement and to undertake the obligations set out herein) as may be reasonably required by any potential lender to the Generator under a proposed loan agreement. The TSP will use commercially reasonable efforts to obtain any opinion of counsel reasonably requested by Generator, but the TSP shall not be in Default of any obligation under this Agreement if the TSP is unable to provide an opinion of counsel that will satisfy any potential lender to the Generator. Specifically, upon the written request of one Party, the other Party shall provide the requesting Party with a letter stating whether or not, up to the date of the letter, that Party is satisfied with the performance of the requesting Party under this Agreement.

10.15 Indemnification and Liability. The indemnification and liability provisions of the PUCT Rule 25.202(b)(2) or its successor shall govern this Agreement.

10.16 Consequential Damages. OTHER THAN THE LIQUIDATED DAMAGES HERETOFORE DESCRIBED, IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, COST OF

TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY; PROVIDED, HOWEVER, THAT DAMAGES FOR WHICH A PARTY MAY BE LIABLE TO THE OTHER PARTY UNDER ANOTHER AGREEMENT WILL NOT BE CONSIDERED TO BE SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES HEREUNDER.

10.17 Assignment. This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that the Generator shall have the right to assign this Agreement, without the consent of the TSP, for collateral security purposes to aid in providing financing for the Plant, provided that the Generator will require any secured party, trustee or mortgagee to notify the TSP of any such assignment. Any financing arrangement entered into by the Generator pursuant to this Section will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the TSP of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

10.18 Severability. If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement; provided that if the Generator (or any third-party, but only if such third-party is not acting at the direction of the TSP) seeks and obtains such a final determination with respect to any provision of Section 4.1.B, then none of the provisions of Section 4.1.B. shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by Section 4.1.A.

10.19 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

10.20 Invoicing and Payment. Unless the Parties otherwise agree (in a manner permitted by applicable PUCT Rules and as specified in writing in an Exhibit "E" attached hereto), invoicing and payment rights and obligations under this Agreement shall be governed by PUCT Rules or applicable Governmental Authority. Invoices shall be rendered to the paying Party at the address specified on, and payments shall be made in accordance with the requirements of, Exhibit "D."

10.21 Confidentiality.

A. Subject to the exception in Section 10.21.B, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("Confidential Information") shall not be disclosed by the other Party to any person not

employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Agreement or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to the ISO. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subsection, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subsection, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

B. This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a breach of this provision).

Exhibit "B"
Time Schedule

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

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: **02/28/14**

Date by which Generator must provide notice to commence construction and provide security, as specified in Section 4.3, so that TSP may maintain schedule to meet the In-Service Date: **06/30/14**

In - Service Date(s): **02/15/15**

Scheduled Trial Operation Date: **03/1/15**

Scheduled Commercial Operation Date: **04/15/15**

Due to the nature of the subject of this Agreement, the Parties may mutually agree to change the date and time of this Exhibit "B." The Parties acknowledge and agree that the Generator's failure to fulfill the conditions under Section 4.2 and Section 4.3 in a timely fashion in accordance with the dates set forth in this Exhibit "B" will result in adjustments to the applicable Scheduled Trial Operation Date, Scheduled Commercial Operation Date, and In-Service Date and may cause the need for additional or revised studies to be performed or other reasonably related conditions or obligations to be fulfilled. The Parties further acknowledge and agree that ERCOT may require additional studies at any time due to changing system conditions or otherwise and that this Agreement is subject to revision as necessary based on the outcome of any such additional studies.

Generator acknowledges and agrees that the dates set forth in this Exhibit "B" were established based on the circumstances of Generator being the next-in-line entity attempting to interconnect its generating facilities to TSP's TIF, and that such dates are subject to change in the event a third party generator desiring to interconnect said third party generator's generating facilities to TSP's TIF (an "Intervening Generator") provides the applicable notice to proceed and security with respect to the Intervening Generator's interconnection prior to TSP having received from Generator Generator's notice to proceed and security as specified in both Section 4.2 and Section 4.3.

Generator acknowledges and agrees that the activities of an Intervening Generator that provides the applicable notice to proceed and security as described in the paragraph above may result in the need for additional studies and/or restudies, that such additional studies and/or restudies may result in a change in the number of days needed for TSP to design, procure, and construct the

TIF, and that any such changes may require changes to one or more dates set forth in this Exhibit "B." Generator further acknowledges and agrees that any such additional studies and/or restudies may also result in changes to the financial security amounts set forth in Exhibit "E".

Exhibit "C"
Interconnection Details

1. Name: Wake Wind Energy LLC

2. Point of Interconnection Location:

The point of interconnection is located in Dickens County, Texas, at the Cottonwood Substation. Specifically, the point of interconnection shall be defined as the points where TSP's 345 kV transmission line conductors connect with the Generator's jumpers on the Generator's dead-end located on TSP's property adjacent to the Cottonwood Substation.

3. Delivery Voltage: 345kV

4. Number and Size of Generating Units: 171 units, 1.75 MW each

5. Type of Generating Unit: GE 1.75 MW

6. Metering and Telemetry Equipment:

Metering (voltage, location, losses adjustment due to metering location, and other), telemetry, and communications requirements shall be as follows:

- a) TSP shall, in accordance with ERCOT Requirements and Good Utility Practice, install, own, operate, inspect, test, calibrate, and maintain 345 kV metering accuracy potential and current transformers and associated metering and telemetry equipment (including remote terminal units "RTU") located in the TIF. TSP will connect its EPS primary meters to its RTU via a communication link. Primary EPS metering data may be made available to Generator via a Generator owned communication link connected to TSP's RTU, using TSP's available RTU protocol. Such data, if provided to the Generator, will be for Generator's informational purposes only. The Generator shall not rely on such data as the primary source for the metering data addressed in Sections 6 (b) and (c) below, or for any other scheduling or operational purposes. TSP makes no guarantee of the quality or availability of such data. The provisions of Exhibit "A," Section 5.5.G, shall not apply to TSP's RTU.
- b) Generator shall, in accordance with Good Utility Practice, install, own, operate, inspect, test, calibrate, and maintain the necessary metering potential and current transformers and associated metering and telemetry equipment in the GIF and/or Plant to satisfy the ERCOT Requirements for the provision of metering data by Generator's "Qualified Scheduling Entity."
- c) Generator shall, in accordance with ERCOT Requirements and Good Utility Practice, and in locations designated by the TSP, install, own, operate, inspect, test, calibrate, and maintain the metering and telemetry equipment (including an RTU or other equipment acceptable to TSP) necessary to supply all electrical parameters of the Plant and GIF in accordance with the specifications below, provided that, if there is a conflict between the

specifications below and the ERCOT Requirements, the ERCOT Requirements shall govern.

- i) The transfer of power between the TIF and the GIF shall be read as if metered at the Point of Interconnection with bi-directional metering. Backfeed power from the TSP System to the Plants is "MW Out". "MW Out" is considered positive and "MW In" is considered negative. The same conventions will be observed on the reactive power. Each of the four quantities will be recorded separately. Recording of Plant and GIF energy usage for the billing period will be determined by the EPS metering installed by TSP. If there is more than one Point of Interconnection (e.g., two (2) lines), independent bi-directional metering is required on each interconnecting circuit.
 - ii) Meters are required for net generation output, with the bi-directional feature used to measure station use auxiliaries when not exporting power. Unless used for the interconnection metering, all voltage and current transformers used for generation metering shall conform to relay accuracy class or better. MW and MVAR transducers shall be 3-element transducers with an accuracy of +/-0.2% or better.
 - iii) If requested by Generator, and if available from the TSP metering equipment, the following information can be provided to Generator at the Point of Interconnection. If not available from the TSP metering equipment, the "MWh Out", "MWh In", "MVAR Out", "MVAR In", +/- MW and +/- MVAR data can be provided to Generator at Generator's expense. If requested by Generator, MW and MVAR transducers shall be 3-element transducers with an accuracy of +/- 0.2% or better.
 - iv) All affected parties shall be involved in engineering changes of interconnect metering equipment from project inception. All parties must be notified so a mutually agreeable time can be set for the changes. All parties involved must be satisfied to the making of any changes.
 - v) Metering and operation personnel of all affected parties shall be notified at least forty-eight (48) hours in advance, or at a mutually acceptable advance notice, prior to any calibrations or maintenance. In emergency conditions, TSP may make necessary repairs with notification to affected parties within twenty-four (24) hours. Copies of the repair and calibration records shall be forwarded to all involved parties.
- d) Prior to the In-Service Date, acceptance tests will be performed by TSP and Generator to ensure the proper functioning of all metering, telemetry, and communications equipment, and to verify the accuracy of data being received by TSP.
 - e) Following the Commercial Operation date, each Party shall test its metering, telemetry, and communications equipment in accordance with ERCOT Requirements and Good Utility Practice. Each Party shall give the other Party reasonable advance notice of such testing. Each Party shall have the right to observe testing performed by the other Party.
 - f) Any changes to Generator's metering, telemetry, and communication equipment, including meters, voltage transformers, current transformers, and associated RTU, panels, hardware, conduit and cable, that will affect the data being received by TSP hereunder must be mutually agreed to by the Parties.
 - g) Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry, or communications equipment or related situation that requires attention and/or correction by the other Party.

7. Generator Interconnection Facilities:

a) GIF include the following:

- i) the Substations and all facilities within them, except for those facilities identified as being owned by TSP in Section 6 above and Section 8 below
- ii) the 345 kV transmission line, including structures, conductors, insulators, connecting hardware and optical ground wire ("OPGW") from the one (1) Substations to the Point of Interconnection
- iii) communication equipment described in Section 9a below

8. Transmission Service Provider Interconnection Facilities:

The TIF shall include the following facilities.

Cottonwood Switching Station is currently a breaker and a half design with two bays serving ONCOR Dermott (T-301 and T-302) and ETT Edith Clark and two bays serving Sharyland Tule Canyon and one bay with two (2) 50 MVAR reactors. The addition of the McAdoo interconnection will expand the existing station by adding a new bay. The addition of the interconnect line and associated bay will include the following:

a) **SUBSTATION PHYSICAL SCOPE**

The Physical scope of this project will be to furnish and install (including all Engineering and Design required):

- (2) - 345kV, 3000A, 63kA Gas Circuit Breakers
- (5) - 345kV, 3000A Motor Operated Double End Break Switches
- (3) - 345kV, 1800/3000:1 0.3 WXYZM ZZ CCVT'S
- (3) - 345kV 220MCOV Surge Arresters
- (1 LOT) – Bus and Conductor As Required
- (1 LOT) – Station Grounding As Required
- (1 LOT) – Conduit and Trench As Required
- (1 LOT) – Station Lightning Protection As Required
- (1 LOT) – Station Lighting As Required

b) **CIVIL & STRUCTURAL SCOPE**

The Civil and Structural scope of this project will be to furnish and install (including all Engineering and Design required):

- (3) - 345kV Dead End H-Frame Pier Foundation
- (2) - 345kV Gas Circuit Breaker Mat Foundation
- (5) - 345kV Motor Operated Double End Break Switch Stands & Pier Foundations
- (2) - 345kV Motor Operated Double End Break Switch Stands & Pier Foundations (utilized in design as 3-Phase Bus Supports)
- (3) - 345kV CCVT Stands and Pier Foundations
- (3) - 345kV Surge Arrester Stands and Pier Foundations
- (16) - 345kV Single-Phase Bus Support Stands & Pier Foundations
- (5) - 345kV Three-Phase Bus Support Stands & Pier Foundations
- (1 LOT) – Site Grading Design As Required
- (1 LOT) – Station Fence Installation
- (1 LOT) – Switch Ground Mats

- (1 LOT) – Miscellaneous Steel for switch-mounted bus supports

c) RELAY & CONTROL SCOPE

The Relay & Control scope of this project will be to furnish and install (including all Engineering and Design required):

All protective relay schemes will be consistent with the existing breaker-and-a-half design.

- Microprocessor based relays and devices will be used where practical.
- EHV transmission line protection will include separate primary and backup protective schemes.
- New 345kV Transmission Line Panel composed of 87L - line current differential scheme utilizing fiber optic medium for communications between the local and remote end of line, 21P/G – distance protection (phase and ground), 79 (reclose initiate), 50/62 (breaker failure initiate).
- (1) SEL 311L (primary)
- (1) SEL-421 or GE-L90 (secondary)
- (1) SEL 351-6 (GCB-101-220)
- (1 LOT) Lock-Out Relays, Control Switches, Test Switches, Terminal Blocks, Fuse Blocks
- (1 LOT) Steel, Raceway, Wire, Fuses, and Miscellaneous
- Back up line protection composed of 87L - line current differential scheme utilizing fiber optic medium for communications between the local and remote end of line, 21P/G – distance protection (phase and ground), 79 (reclose initiate), 50/62 (breaker failure initiate)
- New 345kV Breaker Panel with Breaker failure and automatic reclose relays for each breaker
- New 345kV Motor Operator Disconnect (MOD) panel for the additional five new (plus four spares for future) MODs (ASW-101-221, ASW-101-222, ASW-101-223, ASW-101-231, ASW-101-241)
- (9) Electro-switch Breaker Control Switch 4-Deck, LEDs
- (9) Electro-switch Cut-Off Switch, LEDs
- (1 LOT) Test Switches, Terminal Blocks, Fuse Blocks
- (1 LOT) Steel, Raceway, Wire, Fuses, and Miscellaneous.

Addition of fiber optic patch panel to link protective relays with the remote line end protective relays for 87L line current differential protection and additional miscellaneous fiber optic communications

- Addition of RS-232 cables for communication between protection relays and existing RTU or communication processor within existing control house
- Addition of new breaker current transformer signals to existing bus differential protection schemes
- Existing bus differential and breaker failure lockout outputs will need to interface with the new protection relay panels to ensure the applicable added breakers are tripped and lockout as required
- All adjacent protective schemes will overlap so no gaps occur in the protection of the electrical components of the station
- Test switches will be used for all current and potential circuits of all protective relay schemes
- Test switches will also be used for all protective relay trip circuits

- SCADA functions will include control, breaker and alarm status, and metering (some of these functions may be incorporated into the microprocessor based relaying)
- Sync Check will be used for all breaker close schemes where isolated source could be connected
- AC and DC control power will be from existing AC and DC panel boards within the existing control house
- Single-line and three-line diagram, schematic, and wiring diagram design and drawings

9. Communications Facilities:

If GIF includes fiber optic cable, including, but not limited to OPGW, all dielectric self-supporting (ADSS) cable and underground fiber optic cable, it shall be installed by Generator. Generator shall, at its cost, engineer, furnish, and install at its Substations an all-dielectric fiber optic station entrance cable system to ensure that no fiber optic cable with metallic members is extended into the Substation control building. Fiber optic cable with metallic members includes, but is not limited to, OPGW, fiber optic cable with an integral trace wire, and metallic-armored fiber optic cable. The all-dielectric fiber optic station entrance cable system shall include all-dielectric fiber optic station entrance cable, the outdoor splice case, trays and fusion splice sleeves for the fiber optic cable to station entrance cable transition, the indoor splice housing, trays and fusion splice sleeves, fiber pigtailed and the control building fiber distribution panel ("FDP"). If the GIF include fiber optic cable that contains no metallic members, it may be extended into each Substation control building without transitioning to the all-dielectric fiber optic station entrance cable noted above. The Generator shall, at its cost, at its Substation, perform splicing of all fibers in the transition splice and the FDP. The Generator, at its sole expense, will maintain in operating condition such fiber optic cable and associated station entrance cable systems at the Generator's Substation.

10. System Protection Equipment:

Protection of each Party's system shall meet the following TSP requirements in addition to ERCOT Requirements. If there is a conflict between the TSP requirements below and the ERCOT Requirements, the ERCOT Requirements shall govern.

- a) TSP assumes no responsibility for the protection of the Plant and GIF for any or all operating conditions. Generator is solely responsible for protecting his equipment in such a manner that faults or other disturbances on the TSP system or other interconnected systems do not cause damage to the Plants and GIF.
- b) It is the sole responsibility of Generator to protect its Plant and GIF from excessive negative sequence currents.
- c) Generator shall furnish at a minimum, a manual disconnect switch with visual contacts and allowance for padlocking, to separate the Plant and GIF from TIF. The location of this switch will be determined by TSP, and be readily accessible to TSP at all times. The disconnect switch will be under the exclusive control of TSP and will be considered as part of TSP's switching arrangement. TSP reserves the right to open this disconnecting device, isolating the Plants and GIF for any of the following reasons:
 - i) The Plant or GIF, upon TSP's determination, cause objectionable interference with other customers' service or with the secure operation of the TSP System.

- ii) The Plant's output as determined by TSP exceeds the operating boundaries outlined above.
 - iii) The Generator's control and protective equipment causes or contributes to a hazardous condition. TSP reserves the right to verify on demand all protective equipment including relays, circuit breakers, etc., at the inter-tie location. Verification may include the tripping of the tiebreaker by the protective relays.
 - iv) In TSP's opinion, continued parallel operation is hazardous to Generator, the TSP System or to the general public.
 - v) To provide TSP or TSP personnel the clearances for dead line or live line maintenance. TSP will attempt to notify Generator before disconnection, but notification may not be possible in emergency situations that require immediate action.
- d) Automatic reclosing is normally applied to transmission and distribution circuits. When the TSP's source breakers trip and isolate the Plants and GIF, Generator shall insure that the Plant and GIF are disconnected from the TSP circuit prior to automatic reclosure by TSP. Automatic reclosing out-of-phase with the Plant may cause damage to Generator's equipment. The Generator is solely responsible for the protection of his equipment from automatic reclosing by TSP.
 - e) For disturbance monitoring of the Generator's facilities, TSP requires a combination of SDR points and event recordings. SDR points are collected by TSP's SDRs. Event recordings are to be supplied to TSP by Generator from Generator's equipment. Each SDR and associated recording equipment will be paid for, owned and installed by TSP; installation shall be at either TSP's or Generator's facilities, as determined by TSP. If more than one (1) generator is connected to the low side of the step-up transformer or transmission line tied to TSP, the SDR and recording equipment will be installed at the generation plant. Such TSP recording equipment, consisting of one (1) or more intelligent electronic devices ("IED"), monitors the Generator's facilities and is polled by the SDR. For an SDR installed in Generator's facilities, Generator shall provide the cable and conduit for the SDR and the necessary connections to the recording equipment; TSP will terminate the signal connections in the SDR and recording equipment. A project-specific SDR points list will be developed by TSP based upon the project's electrical configuration. For such purpose the Generator shall be responsible for providing TSP with one-line diagrams of the Generator's facilities.
 - f) For thermal powered generation, Generator will be required, upon request by TSP, to provide event recordings per generation unit in a format satisfactory to TSP. For all other generation, Generator will be required, upon request by TSP, to provide event recordings per collection feeder in a format satisfactory to TSP. All disturbance monitoring equipment shall be equipped for time synchronization. The monitoring requirement of TSP does not reduce the Generator's obligation to meet all disturbance monitoring requirements of NERC.
 - g) Documentation of all protective device settings shall be provided to TSP. The setting documentation shall also include relay type, model/catalog number, and setting range. If automatic transfer schemes or unique or special protective schemes are used, a description of their operation should be included. TSP must review and approve the settings of all protective devices and automatic control equipment which: 1) serve to protect the TSP System from hazardous currents and voltages originating from the Plant

or 2) must coordinate with System Protection Equipment or control equipment located on the TSP System.

11. Inputs to Telemetry Equipment:

- a) A transmission-specific RTU is required for all transmission interconnections. In addition, a generation-specific RTU is required at each Plant for TSP's generation specific SCADA. Generator shall marshal all their RS-485 and hardwired RTU inputs at a marshalling cabinet (interface terminal block or interface cabinet) satisfactory to TSP. Generator shall engineer, procure, construct and own the marshalling cabinet, wire to the marshalling cabinet from the various generation or Substation equipment, provide TSP with documentation identifying the location of generation or Substation SCADA points wired to the marshalling cabinet, and provide TSP with terminals at the marshalling cabinet from which to wire to each RTU. For each RTU, Generator shall provide a dedicated Substation DC breaker and cable sourced from a minimum 8-hour Substation battery.
- b) Prior to TSP providing a continuous power source to the Plants and GIF, the transmission-specific RTU and the generation-specific RTUs described here shall be operational with TSP-required RTU functions commissioned by TSP.
- c) In addition to ERCOT Requirements, the following information shall be supplied by Generator, regardless of the size of the Substation capacities, for each Point of Interconnection and connected to TSP's recording equipment and the transmission specific RTU used for the transmission interconnection. If there is a conflict between the TSP requirements below and the ERCOT Requirements, the ERCOT Requirements shall govern. Except where specified as hardwired, RTU inputs shall be supplied from an IED, from a TSP-approved interface device, or hardwired. RTU inputs from an IED or a TSP-approved interface device shall be RS-232 (with optical isolation) or RS-485 using DNP 3.0 protocol.
 - i) Status Points
 - A) Transmission line breaker status (required for each Generator owned transmission line)
 - B) Switch line status
 - C) Transmission line lockout relay operated
 - D) Transmission line lockout relay failure
 - E) IED communications failure (required for each IED sourcing a required point)
 - F) Battery charger trouble (required for the battery powering the RTU)
 - G) Battery charger AC power failure (required for the battery powering the RTU)
 - H) Smoke alarm (required for the structure housing the RTU)
 - I) Fire or high temperature alarm (required for the structure housing the RTU)
 - ii) Analog Points from each Generator-owned transmission line shall include MW, MVAR, MVA, HZ, distance-to-fault, voltage per phase and current per phase.
 - iii) Hourly Accumulation Points from each Generator-owned transmission line shall include MWh In, MWh Out, MVARh In, and MVARh Out.
- d) For Plants where the total generation capacity is equal to or greater than 50 MVA, a generation-specific RTU is required at each Plant or GIF for TSP's generation specific SCADA. A specific RTU points list will be developed by TSP as a part of each

generation project based upon the project's electrical configuration. For such purpose the Generator shall be responsible for providing TSP with metering and relaying one-line diagrams of the generation and Substation facilities.

- e) Generator shall provide TSP with a station communications drawing which is to include RTU point sources (IEDs and contacts supplying required data), interface devices, and connections to the RTU. The following points list is a comprehensive list that is not intended to be the final point list that will be designed by TSP for each Plant:
 - i) Control Points – The following RTU inputs shall be hardwired.
 - A) Trip (required for one or more generation or transmission line breakers to allow TSP to trip the Plant during system emergencies)
 - ii) Status Points – Except where specified as hardwired, the following RTU inputs shall be supplied from an IED, from a TSP-approved interface device, or hardwired. RTU inputs from an IED or a TSP-approved interface device shall be RS-232 (with optical isolation) or RS-485 using DNP 3.0 protocol.
 - A) Generation breaker status (hardwired for each breaker where trip control is required)
 - B) Circuit switcher / line switch status (“a” and “b” contacts)
 - C) Transformer high-side breaker status (hardwired for each breaker where trip control is required)
 - D) Transformer high-side motor operated switch status (“a” and “b” contacts)
 - E) Auxiliary breaker status
 - F) Collection feeder breaker status
 - G) Tie breaker status
 - H) Voltage control status (required for each dynamic reactive controller)
 - I) Power factor control status (required for each dynamic reactive controller)
 - J) Shunt device (capacitor and reactor) breaker/switch status
 - K) Supervisory cutoff (hardwired for each breaker where trip control is required)
 - L) Breaker failure lockout status (hardwired for each breaker where trip control is required)
 - M) Breaker critical alarm (required for each breaker where trip control is required, combine critical alarms for each breaker)
 - N) Transformer critical alarm (combine critical alarms for each transformer)
 - O) Transformer primary lockout relay operated
 - P) Transformer primary lockout relay failure
 - Q) Transformer backup lockout relay operated
 - R) Transformer backup lockout relay failure
 - S) Generation unit automatic voltage regulator (“AVR”) status
 - iii) Analog Points – The following RTU inputs shall be supplied from an IED, from a TSP-approved interface device, or hardwired. RTU inputs from an IED or a TSP-approved interface device shall be RS-232 (with optical isolation) or RS-485 using DNP 3.0 protocol.
 - A) Generation gross MW (required for each thermal powered generation unit)
 - B) Generation gross MVAR (bi-directional values required for each thermal powered generation unit)
 - C) Generation station use MW auxiliary (required for each auxiliary transformer)

- D) Generation station use MVAR auxiliary (bi-directional values required for each auxiliary transformer)
- E) Station frequency HZ (for those stations where a common bus does not exist between multiple generation units, individual unit frequency points will be required)
- F) Voltage per phase for each winding of each transformer
- G) Current per phase for each winding of each transformer
- H) MW for each winding of each transformer
- I) MVAR for each winding of each transformer (bi-directional values required)
- J) MW for each circuit breaker/switcher in the station
- K) MVAR for each circuit breaker/switcher in the station (bidirectional values required)
- L) MW for each collection feeder
- M) MVAR for each collection feeder (bi-directional values required)
- N) Voltage per phase of each collection feeder
- O) Voltage per phase of each shunt device (capacitor and reactor)
- P) MVAR for each shunt device (capacitor and reactor)
- Q) Tap position for each power transformer
- R) Dynamic MVAR capability at the current MW generation amount
- S) Voltage set point for each dynamic reactive controller
- T) Power factor set point for each dynamic reactive controller

12. Supplemental Terms and Conditions, if any, attached:

The following supplemental terms and conditions shall be met unless there is a conflict between these terms and conditions and the ERCOT Requirements, in which case the ERCOT Requirements shall govern. Such ERCOT Requirements include, but are not limited to ERCOT Protocols sections 1.3.1, 6.57, 6.7.6, 6.10.3, 12.2, and 12.3; ERCOT Operating Guides sections 2.2.4, 2.10, 3.1.4, and 7.2.2; ERCOT Operations Procedure Steady-State Voltage Control Procedures; and ERCOT Nodal Operating Guide 2.2.6 Power System Stabilizers.

- a) Each Party shall be consulted during the planning and design process of the Plants, GIF, and TIF. The engineering and design work (including drawings, plans, materials lists, specifications and other documentation and supporting data) will be prepared in accordance with recognized industry standards and all applicable laws, rules and regulations, and is intended to be used solely in connection with the construction of the Plants, GIF and TIF. Neither Party shall make use of any aspect of the engineering and design work of the other Party for any other projects without the prior written consent of the other Party. Each Party may provide its contractors with copies of the engineering and design work of the other Party in connection with the construction of the Plants, GIF and TIF, provided that i) the Party's contractor agrees in writing that the engineering and design work is intended to be used solely in connection with the construction of the Plants, GIF and TIF, and ii) the Party's contractor shall not make use of any aspect of the engineering and design work on any other projects without the prior written consent of the other Party. Each Party agrees to obtain the written agreement of such contractors prior to providing them with the engineering and design work and to promptly provide the other Party with a copy of that agreement.

- b) If wye delta connected transmission voltage step up transformers are utilized they shall be wye connected to the TIF and delta connected to the GIF.
- c) Generator shall submit drawings of the GIF to TSP for review. TSP will review only those portions of the drawings that affect the TSP System. Any changes required by TSP shall be made prior to final issue of drawings and TSP shall be provided with final copies of the revised drawings. TSP will review only those portions of the drawings, which apply to protection, metering and monitoring which affect the TSP System. To aid the Generator, TSP may make suggestions on other areas. TSP's review of Generator's drawings shall not be construed as confirming or endorsing the design or as any warranty of safety, durability or reliability of the facility or equipment. Generator shall provide copies of the following:
 - i) one-line and three-line diagrams indicating the following:
 - A) equipment names and/or numerical designations for all circuit breakers, contactors, air switches, transformers, generators, etc., associated with the generation as required by TSP to facilitate switching
 - B) power transformers – name or designation, nominal kVA, nominal primary, secondary, tertiary voltages, vector diagram showing winding connections, tap setting and transformer impedance impedances (transformer test report showing the positive sequence, zero sequence, test voltages and MVA base for each winding).
 - C) station service transformers – phase(s) connected to and estimated kVA load
 - D) instrument transformers – voltage and current, phase connections.
 - E) surge arresters/gas tubes/metal oxide varistors/avalanche diode/spill gaps/surge capacitors, etc. – type and ratings
 - F) capacitor banks – kVAR rating and reactive (static and dynamic) device operation capability
 - G) reactive device capability (required for wind generation only) – kVAR rating and reactive device operation capability for static and dynamic devices for each generation collection feeder
 - H) disconnect switches – status if normally open (N.O.), manual or motor operated including switch voltage, continuous and interrupting ratings
 - I) circuit breakers and/or contactors – interrupting rating, continuous rating, operating times
 - J) generators(s) – nameplate, test report, type, connection, kVA, voltage, current, rpm, power factor, impedances, time constants, etc.
 - K) Point of Interconnection and phase identification
 - L) fuses – manufacturer, type, size, speed, and location
 - M) transmission structure geometry (phase to phase, phase to ground, and shield to phase), phase conductor data, shield wire data, transmission line ratings, positive and zero sequence impedances and mileage.
 - ii) potential and current elementary drawings associated with the protection and control schemes for the Plants and GIF and control elementary drawings of the Plants and interconnection circuit breaker indicating the following:
 - A) terminal designation of all devices – relay coils and contacts, switches, transducers, etc.

- B) relay functional designation – per latest ANSI Standard where the same functional designation shall be used on all drawings showing the relay
 - C) complete relay type (such as CV-2, SEL321-1, REL-301, IJS51A, etc.)
 - D) switch contact shall be referenced to the switch development if development is shown on a separate drawing.
 - E) switch developments and escutcheons where the majority of contacts are used. Where contacts of a switch are used on a separate drawing, that drawing should be referenced adjacent to the contacts in the switch development. Any contacts not used should be referenced as spare.
 - F) all switch contacts are to be shown open with each labeled to indicate the positions in which the contact will be closed with explanatory notes defining switch coordination and adjustment where misadjustment could result in equipment failure or safety hazard
 - G) auxiliary relay contacts shall be referenced to the coil location drawing if coil is shown on a separate drawing where all contacts of auxiliary relays should be shown and the appropriate drawing referenced adjacent to the respective contacts
 - H) device auxiliary switches (circuit breakers, contactor) should be referenced to the drawing where they are used.
 - I) any interlocks - electromechanical, key, etc., associated with the generation or interconnection substation.
 - J) ranges of all timers and setting if dictated by control logic
 - K) all target ratings; on dual ratings note the appropriate target tap setting
 - L) complete internal for electromechanical protective relays where microprocessor type relays may be shown as a “black box”, but manufacturer’s instruction book number shall be referenced and terminal connections shown
 - M) isolation points (states links, PK-2 and FT-1 blocks), etc., including terminal identification
 - N) all circuit elements and components, with device designation, rating and setting where applicable and where coil voltage is shown only if different from nominal control voltage
 - O) size, type, rating, and designation of all fuses
 - P) phase sequence designation as ABC or CBA
 - Q) potential transformers – nameplate ratio, polarity marks, rating, primary and secondary connections
 - R) current transformers (including aux. CT's) – polarity marks, rating, tap ratio and connection
- iii) transformer nameplate and test report
- d) Generator may not commence parallel operation of the Plants until consent has been given by TSP. TSP reserves the right to inspect the GIF and witness testing of any equipment or devices associated with the Point of Interconnection.
 - e) The Plants and GIF shall not cause objectionable interference with the electric service provided to other customers by TSP nor jeopardize the security of the ERCOT power system. In order to minimize objectionable interference of the Plants and GIF, the Plants and GIF shall meet the following criteria:
 - i) Voltage - The Plants and GIF shall not cause excessive voltage excursions. Generator shall operate its Plants and GIF in such manner that the voltage levels on the TSP

- System are in the same range as if the Plants and GIF were not connected to the TSP System. Generator shall provide an automatic method of disconnecting its Plants and GIF from the TIF to protect against excessive voltage excursions.
- ii) Flicker - The Plants and GIF shall not cause excessive voltage flicker on the TSP System. Flicker is to be measured at the Point of Interconnection and shall not exceed 1.5% or the Borderline of Visibility Curve Voltage Flicker Chart of ANSI/IEEE Standard 141-1993, whichever is less.
 - iii) Frequency – The operating frequency of the Plants shall not deviate from the frequency of the TSP System. Plants under frequency relays shall be set the same as TSP's under frequency relays, so that the Plants will not separate from the TSP System during under frequency conditions until all of TSP's under frequency load shedding equipment has operated. Generator will provide settings prior to commercial operation.
 - iv) Harmonics, Telephone Interference, and Carrier Interference - The Plants and GIF shall not introduce excessive distortion of the TSP System waveforms; voltage and current; telephone interference; or carrier interference at the Point of Interconnection. IEEE Standard 519 shall be used as a guide.
 - v) Fault and Line Clearing - The Plants and GIF shall be disconnected from the TSP System on occurrence of an outage or fault on the TIF serving the Plant radially. Generator is responsible for the electrical stability of its Plants and providing adequate facilities so that critical fault clearing times are met.
 - vi) All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).
 - vii) Reactive Power Requirements – Generation Resources must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT as described in Protocols 6.5.7 and 6.5.7.1 The generator voltage-var schedule, voltage regulator, and transformer ratio settings will be jointly determined by TSP and Generator to ensure proper coordination of voltages and regulator action. The Plant must generate reactive requirements for the Plant and GIF. TSP may, in order to maintain security of the ERCOT power system, request Generator to adjust voltage schedule to accept or supply reactive power. The TSP will not energize the TIF until the Generator has provided the TSP with documentation that the ERCOT Requirement has been met.
 - A) Synchronous Generators - Shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the Point of Interconnection. The Reactive Power requirements shall be available at all MW output levels.
 - B) Induction Generators - Shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five

hundredths (0.95) or less and an underexcited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the Point of Interconnection. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind Generation Resources ("WGR"), the Reactive Power requirements shall be available at all MW output levels at or above ten percent (10%) of the WGR's nameplate capacity. When a WGR is operating below ten percent (10%) of its nameplate capacity and is unable to support voltage at the Point of Interconnection, ERCOT may require a WGR to disconnect from the ERCOT System.

- C) Other Generators - Shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an underexcited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the Point of Interconnection. The Reactive Power requirements shall be available at all MW output levels.
- viii) The dynamic MVAR capability at the current MW generation amount shall be provided in real time. If this dynamic MVAR capability is not available in real time, a dynamic capability curve plotted as a function of MW output shall be provided. The shunt static reactive available, but not in service, shall be provided in sufficient detail to determine the amount of dynamic and static reactive reserve available.
- ix) Excitation System and Automatic Voltage Regulation – A Plant excitation system response ratio shall not be less than 0.5 (five-tenths). It shall conform, as near as achievable, to the field voltage vs. time criteria specified in American National Standards Institute Standard C50.13-1989 in order to permit adequate field forcing during transient conditions. A power system stabilizer ("PSS") shall be installed on each new generating unit to be interconnected unless specifically exempted from this requirement by ERCOT. The Generator shall determine the PSS settings to dampen local area modes with oscillations within the range of 0.2 Hz to 2 Hz. The PSS settings shall be tested and tuned for adequate damping during PSS commissioning. Final PSS settings shall be provided to ERCOT and TSP within thirty (30) days of commissioning. The PSS shall be kept in service and maintained in working order throughout the service life of the Plants. Wind farms are induction in nature and are exempt from the PSS requirement. Each generator's exciter and exciter controls shall have a ride-through capability for significant system voltage disturbances (i.e., utilize UPS or DC design). Generator shall maintain the AVR of each generating unit in service and operable at all times. If the AVR is removed from service for maintenance or repair, TSP shall be notified.

- x) Governor System – Plant governors shall be able to respond to interconnection frequency deviations and help return interconnection frequency to normal following an upset on the ERCOT system to assist in maintaining interconnection stability.
- xi) Sub-Synchronous Resonance (“SSR”) and Sub-Synchronous Interaction (“SSI”) – Induction generation placed near series capacitor banks on the TSP system may be susceptible to SSR. Wind turbine control systems may be a source of synchronous oscillations near series capacitor banks resulting in SSI. Generator will provide studies that document that SSR or SSI issues have been addressed prior to commercial operation. TSP will work with Generator and their selected turbine manufacturer on any system data required for such studies.
- f) Generator shall not energize a de-energized TIF circuit, unless under direction of TSP. The line switch should have dual locks to allow Generator and TSP to lock it for clearances.
- g) Generator shall maintain an operating log at each generating unit at the Plants that at a minimum will indicate changes in operating status (available or unavailable), maintenance outages, trip indications or other unusual conditions found upon inspection. For generators that are “block-loaded” to a specific MW level, changes in this setting shall also be logged. TSP may waive this requirement at its discretion. Reliability information, as required by ERCOT Requirements, will be maintained by Generator.
- h) TSP considers the energy and power that the Plants and GIF may from time to time consume from the transmission grid through the Point of Interconnection to be a retail transaction and as such, TSP does not intend to be the provider of this retail service. Generator shall make necessary arrangements with the appropriate retail supplier for the energy and power that the Plants and GIF may consume from the transmission grid through the Point of Interconnection.
- i) Generator shall notify TSP in writing as to which initial ERCOT Qualified Scheduling Entity the Plants will be scheduling through and any changes made thereafter.
- j) Upon written request from TSP, Generator shall supply notification to TSP identifying their retail service provider.
- k) Upon written request from either Party, the other Party shall provide the requesting Party any necessary land easements required for the construction, operation, and maintenance of the Plants, TIF, or GIF at no cost to the requesting Party.
- l) Generator shall use Reasonable Efforts to change the GIF as may be reasonably required by TSP to meet future changes in the TSP System. Generator shall be given reasonable notice by TSP prior to the date that any such required change in the GIF must be made.
- m) If this Agreement is executed prior to any required ERCOT approval of the TIF and ERCOT does not approve the TIF, Generator and TSP will work together to mitigate as much as possible the impact of such ERCOT decision.
- n) TSP will submit to ERCOT a request for Regional Planning Group (RPG) processing and an ERCOT independent economic analysis for transmission projects greater than Twenty-five Million Dollars (\$25,000,000).

13. Special Operating Conditions, if any, attached:

- a) For wind powered generation greater than 50 MW, the Generator shall notify TSP with at least thirty (30) minutes in advance anytime the reactive capability is expected to deviate

by more than 10% from the reactive capability curves provided in accordance with Section 12 (e) (vii) above or any time the Generator expects generation rate changes greater than 25 MW per minute.

- b) Generator shall use commercially reasonable efforts to notify TSP thirty (30) minutes or more in advance anytime a static or dynamic reactive device will be taken out of service and unavailable for system use.
- c) Generator shall limit the park ramp rate to no more than 10% per minute of installed nameplate capacity. It is understood the sudden loss of wind may result in a downward ramp rate greater than 10%.

Exhibit C1
One-Line Diagram

[ATTACHED]

Exhibit "D"**Notice and EFT Information of the Generation Interconnection Agreement**

(a) All notices of an operational nature shall be in writing and/or may be sent between the Parties via electronic means including facsimile as follows:	
If to TSP: Wind Energy Transmission Texas, LLC Attn: Planning Manager 210 Barton Springs Road, Suite 400 Austin, Texas, 78704 24 Hour Telephone (512) 436-9404 Operational/Confirmation Fax (512) 279-7398 E-mail julius.horvath@windenergyoftexas.com	If to Generator: Company Name: Wake Wind Energy LLC ICC Manager or Control Room Operator 1920 Springer Drive Lombard, IL, 60148 24 Hour Telephone (312) 582-1588 (Control Room Operator) Operational/Confirmation Fax (630) 424-0763 E-mail icc@invenergyllc.com
(b) Notices of an administrative nature:	
If to TSP: Wind Energy Transmission Texas, LLC Attn: Contract Manager 210 Barton Springs Road, Suite 400 Austin, Texas, 78704 Phone: (512) 279-7389 Fax: (512) 279-7398 E-mail: pat.burnett@windenergyoftexas.com	If to Generator: Company Name: Wake Wind Energy LLC Attn: Asset Manager One South Wacker Drive, Suite 1900 Chicago, IL, 60606 Phone: (312) 582-1533 Fax: (312) 506-1455 E-mail: dazari@invenergyllc.com
(c) Notice for statement and billing purposes:	
If to TSP: Wind Energy Transmission Texas, LLC Attn: Controller 210 Barton Springs Road, Suite 400 Austin, Texas, 78704 Phone: (512) 279-7369 E-mail: accounting@windenergyoftexas.com	If to Generator: Company Name: Wake Wind Energy LLC Attn: Asset Manager One South Wacker Drive, Suite 1900 Chicago, IL, 60606 Phone: (312) 582-1533 E-mail: dazari@invenergyllc.com
(d) Information concerning electronic funds transfers:	
If to TSP: Wind Energy Transmission Texas, LLC Attn: Controller 210 Barton Springs Road, Suite 400 Austin, Texas, 78704 Phone: (512) 279-7369 E-mail: accounting@windenergyoftexas.com	If to Generator: Bank Name _____ City, State _____ ABA No. _____ for credit to: _____ Account No. _____

Exhibit "E"
Security Arrangement Details

1. As a condition to TSP's obligation to plan, license, engineer, design, and procure equipment and materials in relation to the TIF, Generator will provide a financial security in an amount totaling One Million, Six Hundred, Fifty Thousand Dollars (\$1,650,000) as required pursuant to Section 8.3 of this Agreement. As a condition to TSP's obligation to construct the TIF, Generator will provide an additional financial security (both financial securities in this Section 1 are collectively referred to as the "Security") in an amount totaling One Million, Two Hundred Eighty Four Thousand and Three Hundred Forty One Dollars (\$1,284,341) as required pursuant to Section 8.3 of this Agreement. The Financial Security may be provided either as (a) a corporate guaranty substantially in the form of Exhibit "E-1" hereto or otherwise acceptable to TSP, (b) a letter of credit substantially in the form of Exhibit "E-2" hereto or otherwise acceptable to TSP (an "LC"), or (c) another form of collateral security reasonably acceptable to TSP. Such Security shall be provided by the dates set forth in Exhibit "B".
2. The Parties acknowledge and agree that the amount of the Security listed above was calculated based on the applicable information available as of the Effective Date. If TSP reasonably determines after the Effective Date that the actual costs to be incurred (or committed to be incurred) by TSP in planning, licensing, engineering, designing, procuring equipment and materials, and constructing the TIF will exceed the amount of the Security listed above, TSP may notify Generator that additional Security is required. Together with such notice, TSP will provide Generator with relevant documentation supporting TSP's determinations regarding the need for additional Security. Generator shall provide such additional Security within thirty (30) days of Generator's receipt of such notice as a condition of TSP's further performance under this Agreement.
3. Depending upon the creditworthiness of Generator, a corporate guaranty may or may not be acceptable Security as determined in the sole discretion of TSP. If Generator wishes to provide a corporate guaranty, it shall provide all financial reports and other information requested by TSP.
4. LC means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch that has a credit rating of at least A- from Standard and Poor's or an A3 credit rating from Moody's Investors Services, and Generator will maintain an LC with a bank having such credit rating for the entire period that the LC is in effect. TSP reserves the right to request multiple LC providers, depending on the amount of security required. Such LC shall state that it is issued in favor of TSP. Costs of the LC shall be borne by the applicant for such LC.

EXHIBIT "E-1"
FORM OF CORPORATE GUARANTY

GUARANTY

THIS GUARANTY is executed as of the ___ day of _____, _____ between _____, a _____ (the "Guarantor"), and Wind Energy Transmission Texas, LLC, a Texas limited liability company (the "Counterparty").

RECITAL

_____, a _____ corporation (the "Company"), and the Counterparty have entered into a Generation Interconnection Agreement, dated as of _____ (the "Agreement"). As an inducement to the Counterparty to enter into the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor covenants and agrees as follows:

1. Guaranty of Payment. The Guarantor hereby irrevocably and unconditionally guarantees the punctual and full payment of any and all obligations of the Company to the Counterparty now or hereafter due pursuant to the Agreement (the "Guaranteed Obligation"), subject to the limits set forth herein. Upon any failure by the Company to pay any of the Guaranteed Obligation, the Guarantor agrees that it will forthwith on demand pay any amounts which the Company has failed to pay the Counterparty, at the place and in the manner specified in the Agreement. This guaranty is a guaranty of payment and not merely a guaranty of collection. The Guarantor agrees that the Counterparty may resort to the Guarantor for payment of any of the Guaranteed Obligation, whether or not the Counterparty shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Guaranteed Obligation. Guarantor reserves the right to assert defenses which the Company may have to payment of any Guaranteed Obligation, other than defenses arising from the bankruptcy, insolvency, or similar proceeding of the Company and other defenses expressly waived hereby.

2. Guaranty Unconditional and Absolute. The obligations of the Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, or otherwise affected by:

(i) any extension, renewal, settlement, compromise, waiver, discharge, or release in respect of any Guaranteed Obligation of the Company;

(ii) the existence, or extent of, any release, exchange, surrender, non-perfection, or invalidity of any direct or indirect security for any of the Guaranteed Obligation;

(iii) any modification, amendment, waiver, extension of, or supplement to the Agreement or any of the Guaranteed Obligation agreed to from time to time by the Company and the Counterparty;

(iv) any change in the corporate existence (including its constitution, laws, rules, regulations, or powers), structure, or ownership of the Company or the Guarantor, or any insolvency, bankruptcy, reorganization, or other similar proceeding affecting the Company or its assets, the Guarantor, or any other guarantor of any of the Guaranteed Obligation; or

(v) the existence of any claim, set-off, or other rights which the Guarantor may have at any time against the Company, the Counterparty, or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim if such claim, set off, or other right arose in connection with the Guaranteed Obligation.

3. Term: Reinstatement in Certain Circumstances. This Guaranty shall remain in full force and effect until the earlier of (i) expiration or termination of the Agreement, or (ii) _____. Such termination shall not release Guarantor from liability for any Guaranteed Obligation arising prior to the effective date of such termination. If at any time any payment of any of the Guaranteed Obligation is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of the Company, the Guarantor's obligations hereunder with respect to such payment shall be reinstated at such time as though such payment had not been made.

4. Waiver by the Guarantor. The Guarantor irrevocably waives acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of any sale of collateral, and any notice not provided for herein, and any requirement that at any time any person exhaust any right to take any action against the Company or its assets or any other guarantor or person.

5. Subrogation. Upon making any payment hereunder, the Guarantor shall be subrogated to the rights of the Counterparty against the Company with respect to such payment; provided that the Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the Guaranteed Obligation then due shall have been paid in full, and Counterparty agrees to take at Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation.

6. Stay of Acceleration Ineffective with Respect to Guarantor. In the event that acceleration of the time for payment of any amount payable by the Company under the Agreement is stayed upon the insolvency, bankruptcy, or reorganization of the Company, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the Agreement shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the Counterparty.

7. Assignment; Successors and Assigns. Neither the Guarantor nor the Counterparty may assign its rights or obligations under this Guaranty without the prior written consent of the other, which consent may not be unreasonably withheld or delayed, except that the Counterparty may, upon thirty (30) days prior written notice, make such an assignment without such consent if in conjunction with any assignment of the Agreement by the Counterparty permitted under the