

numbers will be consistent with the names and numbers mutually agreed upon pursuant to this paragraph. Generator will not change any of the names or device numbers, established pursuant to this paragraph, without written approval of TSP.

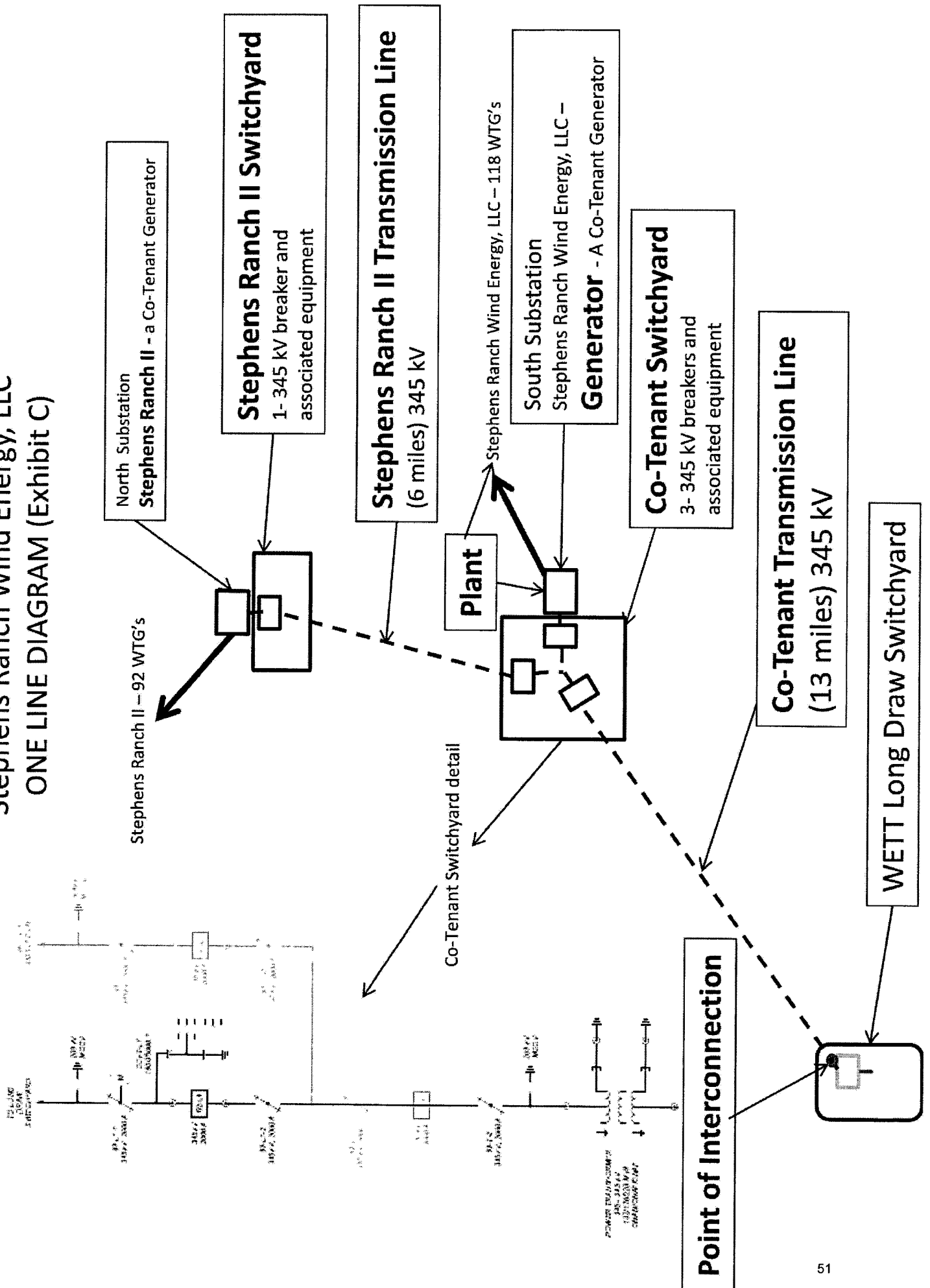
- s. For additional supplemental terms and conditions, set Attachments 1, 2, and 3 to this Exhibit "C."

**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%.

A special ERCOT-approved operating arrangement such as a Remedial Action Plan or Special Protection System might be implemented to allow the Plant to generate power at levels higher than would otherwise be permitted by ERCOT. The terms "Remedial Action Plan" and "Special Protection System" shall have the meanings as set forth in the ERCOT Requirements. TSP and ERCOT will examine the need and feasibility of these arrangements in cooperation with the Generator. In the event that ERCOT determines that such an arrangement is permitted, then TSP, ERCOT, and Generator will cooperate to design and install the necessary facilities, to be operational for the duration of the period where such Remedial Action Plan or Special Protection System may be permitted.

# Stephens Ranch Wind Energy, LLC ONE LINE DIAGRAM (Exhibit C)



**Attachment 2 Exhibit "C"**

**SCADA TABLE  
INFORMATION REQUIRED BY TSP FROM GENERATOR**

| <b><u>GIF DEVICE/BUS</u></b> | <b>DATA REQUIRED</b>  |
|------------------------------|---|
| Each 345 kV Breaker          | Status indication, three phase megawatts, and three phase megavars (Dry type breaker "A" contacts required for indication and 0 - 1 milliamp analog signal required for megawatt and megavar information) |
| Each 345 kV Bus              | A, B and C Phase voltages (0 — 1 milliamp analog signal required for voltage information)   |

Note: The SCADA Table above does not include real-time operational metering data or other data required by ERCOT from the Generator or its Qualified Scheduling Entity.

### Attachment 3 to Exhibit "C"

#### SYSTEM PROTECTION REQUIREMENTS

The Plant and GIF shall be designed to isolate any fault, or to correct or isolate any abnormality that would negatively affect the ERCOT and/or TSP system. Generator shall be responsible for protection of its facilities.

The Plant and GIF shall have protective relaying that is consistent with the protective relaying criteria as described in the ERCOT Requirements and NERC standards. If requested by TSP, Generator shall, at its expense, provide corrections or additions to existing control and protective equipment required to protect the ERCOT and/or TSP system or to comply with government, industry regulations, or standard changes.

120 days prior to the In-Service Date specified on Exhibit "B", Generator will provide to the TSP its proposed protection system design, device settings, and other information for review by TSP, by the date specified on Exhibit "B". To enable TSP to review Generator's proposed protection system, the information submitted by Generator shall include, but shall not necessarily be limited to:

- 1) Design information: scheme types, one line diagram, relay functional, type of relays and communication equipment applied for protection purposes, and trip circuit diagrams for the interconnection breakers.
- 2) Device settings and other information; device settings, CT and VT/CCVT information, transformer connection configuration, transformer tap position(s) and associated positive and zero sequence impedances, transmission line positive and zero sequence impedances, and generator impedances to include the saturated sub-transient impedance, when appropriate.

Notwithstanding anything to the contrary in this Agreement, prior to modifying any relay protection system design or relay setting involving the connecting facilities between the Parties, Generator shall submit the proposed changes to TSP for review and approval in accordance with ERCOT Requirements. TSP's review and approval shall be for the limited purpose of determining whether such proposed changes are compatible with the ERCOT and/or TSP system.

TSP shall determine requirements for protection of the Point of Interconnection and the zone of protection around the Point of Interconnection and shall specify and implement protection and control schemes as necessary to meet such requirements. Generator shall have the right to review and comment on the necessary protection requirements and TSP shall consider Generator's comments when determining such requirements. TSP shall coordinate the relay system protection between Generator and the ERCOT system.

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

|  |   |
|--|---|
| <b>(a) Dispatch Center Communications:</b>   |   |
| <b>If to Transmission Service Provider:</b><br><br>Operational/Confirmation Fax: _____<br><br>24 Hour Telephone: _____   | <b>If to Generator:</b><br><br>Operation/Confirmation Fax at Generator Dispatch Center: (281) 653-5828<br><br>Off Premise Exchange Number for Generator Dispatch Center: (281) 653-1606 (primary)<br>(832) 527-2825 (secondary)                   |
| <b>(b) Routine Communications other than dispatch center communications:</b><br><br>Wind Energy Transmission Texas, LLC<br>Attn: Planning Manager<br>210 Barton Springs Road, Suite 400<br>Austin, Texas, 78704<br>24 Hour Telephone ( ) ____ - ____<br>Operational/Confirmation Fax ( ) ____ - ____<br>E-mail: to be provided at a later date | <b>(b) Routine Communications other than dispatch center communications:</b><br><br>STEPHENS RANCH WIND ENERGY, LLC<br>Attn:  |
| <b>(c) All notices of a formal nature:</b>   |   |
| <b>If to TSP:</b><br><br>Wind Energy Transmission Texas, LLC<br>Attn: General Manager<br>210 Barton Springs Road, Suite 400<br>Austin, Texas, 78704<br>E-mail: <u>to be provided at a later date</u>   | <b>If to Generator:</b><br><br>STEPHENS RANCH WIND ENERGY, LLC<br>Attn: Himanshu Saxena<br>591 West Putnam Ave.<br>Greenwich, CT 06830<br>Phone: (203) 422-7878<br>Fax:<br>E-mail: <a href="mailto:hsaxena@starwood.com">hsaxena@starwood.com</a> |
| <b>(d) Notice for statement and billing purposes:</b>  |   |
| <b>If to TSP:</b><br><br>Wind Energy Transmission Texas, LLC<br>Attn: Controller<br>210 Barton Springs Road, Suite 400<br>Austin, Texas, 78704<br>Phone: (512) 279-7369<br>E-mail: <a href="mailto:accounting@windenergyoftexas.com">accounting@windenergyoftexas.com</a>  | <b>If to Generator:</b><br><br>STEPHENS RANCH WIND ENERGY, LLC<br>Attn: Himanshu Saxena<br>591 West Putnam Ave.<br>Greenwich, CT 06830<br>Phone: (203) 422-7878<br>Fax:<br>E-mail: <a href="mailto:hsaxena@starwood.com">hsaxena@starwood.com</a> |
| <b>(e) Information concerning electronic funds transfers:</b>  |   |
| <b>If to TSP:</b><br>Please Contact:   | <b>If to Generator:</b><br>Attn: Himanshu Saxena  |

|   |  |
|---|--|
| Wind Energy Transmission Texas, LLC<br>Attn: Controller<br>210 Barton Springs Road, Suite 400<br>Austin, Texas, 78704<br>Phone: (512) 279-7369<br>E-mail: <u>accounting@windenergyoftexas.com</u> | 591 West Putnam Ave.<br>Greenwich, CT 06830<br>Phone: (203) 422-7878<br>Fax:<br>Email: <u>hsaxena@starwood.com</u><br>ABA No. _____<br>for credit to: _____<br>Account No. _____ |
|---|--|

**Exhibit "E"**  
**Security Arrangement Details**

1. As a condition to TSP's obligation to plan, license, engineer, design, procure equipment and materials, and construct the TIF, Generator will provide financial security ("Security") in an amount totaling \$844,040 as required pursuant to Section 8.3 of this Agreement, 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 has been posted to the TSP in cash and is being held by the TSP.
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

Agreement. Any purported assignment in violation of this Section 7 shall be void and without effect.

8. Amendments and Waivers. No provision of this Guaranty may be amended, supplemented, or modified, nor any of the terms and conditions hereof waived, except by a written instrument executed by the Guarantor and the Counterparty.

9. Remedies Cumulative. The rights, powers, remedies, and privileges provided in this Guaranty are cumulative and not exclusive of any rights, powers, remedies, and privileges provided by law and any other agreement.

10. Limitation. Notwithstanding anything in this Guaranty to the contrary, Guarantor's liability under this Guaranty and the Counterparty's right of recovery under the same shall be limited to an aggregate amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_). Guarantor's liability hereunder shall be and is specifically limited to payments expressly required to be made under the Agreement (even if such payments are deemed to be damages); and in no event shall Guarantor be subject hereunder to consequential, exemplary, equitable, loss of profits, punitive, or any other damages, except to the extent specifically provided in the Agreement to be due from Company. In the event Counterparty engages in litigation to enforce this Guaranty, Guarantor agrees to pay, in addition to any amounts of Company which Guarantor has otherwise guaranteed to pay hereunder, any and all costs and expenses incurred by Counterparty (including reasonable attorneys' fees) in enforcing this Guaranty.

11. Waiver of Jury Trial. The Guarantor and the Counterparty, through acceptance of this Guaranty, waive all rights to trial by jury in any action, proceeding, or counterclaim arising or relating to this Guaranty.

12. Representations and Warranties.

(A) The Guarantor is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver, and perform this Guaranty.

(B) The execution, delivery, and performance of the Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene any provision of law or of the Guarantor's constituent documents or any contractual restriction binding on the Guarantor or its assets.

(C) All consents, authorizations, and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery, and performance of this Guaranty have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority is required in connection with the execution, delivery, or performance of this Guaranty.

(D) This Guaranty constitutes the legal, valid, and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

13. Notices. All notices or communications to the other party may be faxed and shall be followed in writing by registered or certified mail, or overnight delivery service to:

**To Guarantor:**

STEPHENS RANCH WIND ENERGY, LLC  
Attn: Himanshu Saxena  
591 West Putnam Ave.  
Greenwich, CT 06830  
Phone: (203) 422-7878  
Email: hsaxena@starwood.com

**To Counterparty:**

Wind Energy Transmission Texas, LLC  
Attn: Contracts Manager  
210 Barton Springs Road, Suite 400  
Austin, Texas, 78704  
Fax: (512) 279-7398

or such other address as each party shall from time to time specify. Notice shall be deemed given (i) when received, as evidenced by signed receipt, if sent by hand delivery, overnight courier, or registered mail, or (ii) when received, as evidenced by transmission confirmation report, if sent by facsimile and received on or before 4:00 p.m. local time of recipient, or (iii) the next business day, as evidenced by transmission confirmation report, if sent by facsimile and received after 4:00 p.m. local time of recipient.

14 GOVERNING LAW AND JURISDICTION. THIS GUARANTY WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE.

15 Third Party Beneficiaries. This Guaranty shall not be construed to create any third party beneficiary relationship as to or with any person or entity other than the Counterparty.

16 Entire Agreement; Amendments. This Guaranty integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all oral negotiations and prior writings in respect to the subject matter hereof.

17 Headings. The headings of the various Sections of this Guaranty are for convenience of reference only and shall not modify, define or limit any of the terms or provisions hereof.

[Signature On Next Page]

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed as of the date first above written.

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT "E-2"**  
**FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT**

DATE OF ISSUANCE: \_\_\_\_\_

[Address]

RE: Credit No. \_\_\_\_\_

We hereby establish our Irrevocable Standby Letter of Credit in your favor for the account of \_\_\_\_\_ (the "Account Party"), for the aggregate amount not exceeding \_\_\_\_\_ United States Dollars (\$ \_\_\_\_\_), available to you for payment at sight upon demand at our counters at [Location] on or before the expiration hereof against presentation to us of the following document, dated and signed by a representative of the beneficiary:

"The Account Party has not performed in accordance with an agreement and is in default. Wherefore, the undersigned does hereby demand payment of (\$ \_\_\_\_\_) USD. [Beneficiary fills in the amount not to exceed the full value of the letter of credit.]"

Partial and multiple drawings are permitted hereunder. We hereby agree with you that documents drawn under and in compliance with the terms of this Letter of Credit shall be duly honored upon presentation as specified. This Letter of Credit shall be governed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. With respect to Article 14(b) of the UCP, the Issuing Bank shall have a reasonable amount of time, not to exceed three (3) banking days following the date of its receipt of documents from the Beneficiary, to examine the documents and determine whether to take up or refuse the documents and to inform the Beneficiary thereof accordingly.

In the event of an Act of God, riot, civil commotion, insurrection, war, or any other cause beyond our control that interrupts our business (collectively, an "Interruption Event") and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiration date of this Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

It is a condition of this Letter of Credit that it will be automatically extended without amendment for one (1) year from the expiration date hereof, or any future expiration date, unless at least ninety (90) days prior to any expiration date we notify you at the above address by registered mail or hand delivered courier that we elect not to consider this Letter of Credit renewed for any such period.

All commissions, expenses and charges incurred with this Letter of Credit are for the account of the Account Party.

{Note: Must note the Expiration Date in the format}

[BANK SIGNATURE]