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**Project No. 35077**

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**Second Amendment**

**ERCOT STANDARD GENERATION  
INTERCONNECTION AGREEMENT**

**Between**

**LCRA Transmission Services Corporation**

**and**

**Guadalupe Peaking Energy Center, LLC**

**January 27, 2017**

**SECOND AMENDMENT TO  
ERCOT STANDARD GENERATION INTERCONNECTION AGREEMENT**

This Second Amendment ("Amendment") is made and entered into this 27<sup>th</sup> day of JANUARY 2017, by and among the LCRA Transmission Services Corporation ("Transmission Service Provider" or "TSP") and Guadalupe Peaking Energy Center, LLC ("Generator"), collectively referred to hereinafter as the Parties.

**WHEREAS**, the Transmission Service Provider and the Generator entered into that certain ERCOT Standard Generation Interconnection Agreement executed April 30, 2015, as amended by that certain Amendment No. 1, executed as of November 3, 2015 (the "Agreement"); and

**WHEREAS**, the Generator has notified TSP of an additional delay in the Generator's scheduled Commercial Operation date as previously contemplated in the Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises and undertakings herein set forth, the Parties agree to amend the Agreement as follows:

1. Exhibit "B" is deleted in its entirety and the Exhibit "B" attached to this Second Amendment is hereby added to the Agreement in lieu thereof.
2. Exhibit "B" attached to this Second Amendment will become effective upon execution of this Second Amendment by the Parties.
3. Exhibit "E" is deleted in its entirety and the Exhibit "E" attached to this Second Amendment is hereby added to the Agreement in lieu thereof.
4. Exhibit "E" attached to this Second Amendment will become effective upon execution of this Second Amendment by the Parties.

Except as otherwise expressly provided for herein, the Agreement will continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed in several counterparts, each of which shall be deemed an original but all shall constitute one and the same instrument.

Guadalupe Peaking Energy Center, LLC

Signature: \_\_\_\_\_

By: Todd Thornton

Title: Senior Vice President

LCRA Transmission Services Corporation

Signature: \_\_\_\_\_

By: Sergio Garza, P.E.

Title: Vice President, LCRA Transmission Design and Protection

Date: January 23, 2017

Date: 01/27/2017



**Exhibit "B"**  
**Time Schedule**

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

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

Date by which Generator must provide to TSP written 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: **May 1, 2015. – Completed Prior to First Amendment**

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: **June 1, 2017**

In - Service Date(s): **November 1, 2018**

(Notes: (1) In the event that it is not necessary for all facilities associated with the TIF to be completed on the same date, this entry may consist of multiple dates to reflect the staged completion of the TIF to meet those needs. (2) In-Service Date(s) can be expressed as either a specific date or expressed as a defined number of months after all conditions under Sections 4.2 and 4.3 have been satisfied.)

Scheduled Trial Operation Date: **January 1, 2019**

Scheduled Commercial Operation Date: **June 1, 2019**

Due to the nature of the subject of this Agreement, the Parties may mutually agree to change the dates and times of this Exhibit B.

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

In accordance with the dates in Exhibit "B" Generator shall cause to be established pursuant to Section 8.3 of Exhibit "A", and shall at all times through the earlier of (i) five (5) Business Days after the date upon which TSP receives written notification from Generator that Commercial Operation has been achieved or (ii) ninety (90) days after the termination of the Agreement in accordance with its terms (the earlier of which shall be the "Final Expiration Date"), cause to be maintained in full force and effect a Letter of Credit (as defined below), cash deposit or other security reasonably acceptable to TSP ("Security Instrument") for the benefit of TSP in the amounts and for the periods set forth below.

In accordance with Section 8.3 of Exhibit "A", any repayment or return of such cash deposit shall include interest at a rate applicable to customer deposits as established from time to time by the PUCT.

Business Day means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of Texas are permitted or required to be closed.

Generator may replace a cash deposit with a Letter of Credit after review and acceptance of a Letter of Credit from a bank acceptable to TSP. TSP shall return the cash deposit to Generator in exchange for the Letter of Credit once the Letter of Credit is fully acceptable to TSP. Generator may also replace a Letter of Credit as needed provided such replacement complies with this Exhibit "E".

Notwithstanding the Expiration Dates there shall be no obligation by Generator to establish or maintain the Security Instrument after the Final Expiration Date and any Security Instrument outstanding as of the Final Expiration Date shall be immediately surrendered by TSP.

The maximum stated amounts, Effective Dates, and Expiration Dates of the Security Instrument(s) shall be as follows:

<b>Maximum Stated Amount</b>	<b>Effective Date</b>	<b>Expiration Date</b>
Security Instrument in the amount of \$3,600,000 for Design and Procurement	Due at time of execution of this Agreement	September 1, 2020
Additional Security Instrument in the amount of \$1,510,000 for Construction to bring total to \$5,110,000	June 1, 2017	September 1, 2020

Failure to deliver or maintain the Security Instruments in the amounts and for the periods set forth above shall be deemed a Default under Section 10.6 of the Agreement, notwithstanding any cure period otherwise provided for in Section 10.6.

Generator may establish a Letter of Credit that expires prior to the Expiration Date in the table above (September 1, 2020) provided that the Letter of Credit has a provision that TSP may draw on the Letter of Credit if the Letter of Credit will expire in sixty (60) calendar days or less and the Generator has not provided an alternate Security Instrument ("Short Security Provision"). If the TSP does draw due to this Short Security Provision and the Agreement has not been terminated then the amount drawn will be considered a cash deposit Security Instrument for the purposes of this Exhibit "E".

"Letter of Credit" shall mean an irrevocable, transferable letter of credit, issued by a Generator-selected and TSP-approved (which approval shall not be unreasonably withheld), major U.S. commercial bank or a major foreign commercial bank with a U.S. branch office with a credit rating of at least "A-" by Standard & Poor's or "A3" by Moody's Investor Service ("Bank"). A Bank approved by TSP for the initial Letter of Credit shall be deemed approved for a subsequent Letter of Credit absent any adverse change in credit rating between the initial Effective Date and the Effective Date for such subsequent Letter of Credit. An adverse change in credit rating shall be deemed to have occurred if the issuer of the then current Letter of Credit has a credit rating of less than "A-" by Standard & Poor's or "A3" by Moody's Investor Service. If the issuer of the current Letter of Credit suffers such adverse change in credit rating, it shall no longer be a TSP-approved Bank for purposes of issuing a Letter of Credit for this Agreement until its rating has been increased to at least "A-" by Standard & Poor's or "A3" by Moody's Investor Service.

If at any time during the term of this Agreement, the TSP-approved bank which has issued the then current Letter(s) of Credit suffers a credit rating reduction to less than "A-" by Standard & Poor's or "A3" by Moody's Investor Service, Generator shall replace that Letter(s) of Credit with another Letter(s) of Credit of the same amount and with the same beneficiary from another TSP-approved bank of Generator's choice, or a cash deposit of the same amount, within fifteen Business Days of the date of such reduction in rating. Failure to deliver a replacement Letter(s) of Credit or cash deposit within fifteen Business Days of the date of a reduction in rating shall be deemed a Default under Section 10.6 of the Agreement, notwithstanding any cure period otherwise provided for in Section 10.6.