

Control Number: 35077



Item Number: 760

Addendum StartPage: 0

WIND ENERGY TRANSMISSION TEXAS, LLC  
**WETT**

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October 18, 2017

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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 Edmondson Ranch Wind, LLC (“Edmondson”) dated to be effective as of September 28, 2017, 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.”

Phone: 512.279.7369

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

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 as Section 4.1.0: “Additional Notices to Proceed and Security. In addition to the conditions and the Parties’ obligations under Section 4.2 and Section 4.3, the TSP’s obligations under this Agreement are made expressly subject to the Generator providing the written authorizations and security in the manner and amounts required under Attachment 1 to Exhibit ‘B.’”
- The following has been added as the last sentence of Section 4.4: “Generator will similarly provide written notice of any anticipated delays with respect to Generator providing the required notices to proceed and corresponding security as set forth in Attachment 1 to Exhibit ‘B.’”
- 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 “Plant.”
- In Section 5.2, the following has been added to the list of information and documents that the Generator 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.”
- 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 first sentence has been changed to read as follows: “The TSP requires the Generator to pay a reasonable deposit or provide another means of security, to cover the costs of applying for and obtaining any applicable CCN, acquiring rights in applicable real property, planning, licensing, procuring equipment and materials, and constructing the TIF.”
- 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 8.3, the fifth sentence has been changed to read as follows: “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 applying for and obtaining any applicable CCN, acquiring rights in applicable real property, planning, licensing, procuring equipment and materials, and constructing the TIF.”

- In Section 9.1(E), the words “anniversary date of cancellation” have been changed to “cancellation.”
- In Section 10.4, the first sentence has been changed to read as follows: “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 and return receipt requested, overnight mail or fax to the address or number identified on Exhibit ‘D’ attached to this Agreement.”
- 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”:

- Attachment 1 to Exhibit “B” has been added to set forth deadlines related to required notices to proceed and security. The following paragraph has been added to Exhibit “B” regarding same: “Attachment 1 to Exhibit ‘B’ sets forth the notice to proceed and security requirements the Generator must comply with so that TSP may maintain schedule to meet the In-Service Date. The information in Attachment 1 to Exhibit ‘B’ is based on representations made by the Generator as well as circumstances in existence as of the Effective Date. Such information is subject to change as provided in this Agreement. The Generator acknowledges and agrees that the In-Service Date, Scheduled Trial Operation Date, and Scheduled Commercial Operation Date are contingent upon the Generator timely providing notices to proceed and security amounts as required herein. Without limiting any other rights of the TSP under this Agreement, if the Generator fails to timely provide any notice to proceed and/or security amount as set forth in Attachment 1 to Exhibit ‘B,’ the schedule, In-Service Date, Scheduled Trial Operation Date, and Scheduled Commercial Operation Date are subject to change at TSP’s discretion.”
- The following four 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 4.1.0, 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.

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

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.'


Generator acknowledges and agrees that, at Generator's request and as an accommodation to Generator, TSP is entering into this Agreement based on a large number of assumptions as of the Effective Date and also prior to the results of the studies contemplated by the Full Interconnection Study Agreement executed as of May 3, 2017 between TSP and Generator (as the same may be amended from time to time) (the 'Study Results') being available. Accordingly, Generator acknowledges and agrees that one or more dates set forth in this Exhibit 'B,' one or more interconnection details in Exhibit 'C,' and/or the financial security amounts set forth in Exhibit 'E' are all subject to change based upon any of the assumptions on which this Agreement was based being incorrect or otherwise upon the Study Results. In such event, the Parties agree to negotiate an applicable amendment to this Agreement to reflect any corrected assumptions and/or the Study Results.

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**

**EDMONDSON RANCH WIND, LLC**

**September 28, 2017**

**TABLE OF CONTENTS**

**GENERATION INTERCONNECTION AGREEMENT..... 3**

EXHIBIT "A" ..... 5

TERMS AND CONDITIONS OF THE GENERATION INTERCONNECTION AGREEMENT ..... 5

*ARTICLE 1. DEFINITIONS..... 5*

*ARTICLE 2. TERMINATION..... 7*

*ARTICLE 3. REGULATORY FILINGS..... 7*

*ARTICLE 4. INTERCONNECTION FACILITIES ENGINEERING, ..... 8*  
    *PROCUREMENT, AND CONSTRUCTION ..... 8*

*ARTICLE 5. FACILITIES AND EQUIPMENT ..... 10*

*ARTICLE 6. OPERATION AND MAINTENANCE..... 13*

*ARTICLE 7. DATA REQUIREMENTS ..... 14*

*ARTICLE 8. PERFORMANCE OBLIGATION ..... 15*

*ARTICLE 9. INSURANCE ..... 16*

*ARTICLE 10. MISCELLANEOUS..... 18*

EXHIBIT "B" ..... 23

TIME SCHEDULE..... 23

EXHIBIT "C" ..... 26

INTERCONNECTION DETAILS ..... 26

EXHIBIT "D" ..... 29

NOTICE AND EFT INFORMATION OF THE GENERATION INTERCONNECTION AGREEMENT ..... 29

EXHIBIT "E" ..... 30

SECURITY ARRANGEMENT DETAILS ..... 30



## **GENERATION INTERCONNECTION AGREEMENT**

This Generation Interconnection Agreement (“Agreement”) is made and entered into this 28 day of September, 2017 (the “Effective Date”) between Wind Energy Transmission Texas, LLC (“Transmission Service Provider”) and Edmondson Ranch Wind, 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 as of May 3, 2017.

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:**

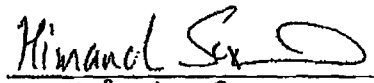
WIND ENERGY TRANSMISSION  
TEXAS, LLC

By:   
L. Wayne Morton, General Manager

Date: October 4, 2017

**GENERATOR:**

EDMONDSON RANCH WIND, LLC

By:   
Name: Himanshu Srivastava

Title: Senior Managing Director

Date: 10/3/17

**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.

**4.1.0. Additional Notices to Proceed and Security.** In addition to the conditions and the Parties' obligations under Section 4.2 and Section 4.3, the TSP's obligations under this Agreement are made expressly subject to the Generator providing the written authorizations and security in the manner and amounts required under Attachment 1 to Exhibit "B."

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. Generator will similarly provide written notice of any anticipated delays with respect to Generator providing the required notices to proceed and corresponding security as set forth in Attachment 1 to Exhibit "B."

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 Plant 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 applying for and obtaining any applicable CCN, acquiring rights in applicable real property, 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 applying for and obtaining any applicable CCN, acquiring rights in applicable real property, 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 and return receipt requested, 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):  X  Section 4.1.A. or   Section 4.1.B.

Attachment 1 to Exhibit "B" sets forth the notice to proceed and security requirements the Generator must comply with so that TSP may maintain schedule to meet the In-Service Date. The information in Attachment 1 to Exhibit "B" is based on representations made by the Generator as well as circumstances in existence as of the Effective Date. Such information is subject to change as provided in this Agreement. The Generator acknowledges and agrees that the In-Service Date, Scheduled Trial Operation Date, and Scheduled Commercial Operation Date are contingent upon the Generator timely providing notices to proceed and security amounts as required herein. Without limiting any other rights of the TSP under this Agreement, if the Generator fails to timely provide any notice to proceed and/or security amount as set forth in Attachment 1 to Exhibit "B," the schedule, In-Service Date, Scheduled Trial Operation Date, and Scheduled Commercial Operation Date are subject to change at TSP's discretion.

In - Service Date(s):  July 1, 2019

Scheduled Trial Operation Date:  August 1, 2019

Scheduled Commercial Operation Date:  September 1, 2019

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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 4.1.0, 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."

Generator acknowledges and agrees that, at Generator's request and as an accommodation to Generator, TSP is entering into this Agreement based on a large number of assumptions as of the Effective Date and also prior to the results of the studies contemplated by the Full Interconnection Study Agreement executed as of May 3, 2017 between TSP and Generator (as the same may be amended from time to time) (the "Study Results") being available. Accordingly, Generator acknowledges and agrees that one or more dates set forth in this Exhibit "B," one or more interconnection details in Exhibit "C," and/or the financial security amounts set forth in Exhibit "E" are all subject to change based upon any of the assumptions on which this Agreement was based being incorrect or otherwise upon the Study Results. In such event, the Parties agree to negotiate an applicable amendment to this Agreement to reflect any corrected assumptions and/or the Study Results.

**Attachment 1 to Exhibit "B"**

**Notices to Proceed and Amount of Security**

<b>Description of Activity</b>	<b>Date by which Notice to Proceed And Security Must be Provided to TSP</b>	<b>Amount of Security</b>
Initial deposit	Upon execution	\$50,000
Due diligence activities; CCN application preparation and related activities	Within 30 days following Generator's receipt of Study Results	Additional \$950,000
Land acquisition related activities; design; engineering; and other activities that TSP reasonably deems necessary to meet the time schedule in Exhibit "B"	February 5, 2018	Additional \$1,800,000
Additional land acquisition related activities; design; engineering; and other activities that TSP reasonably deems necessary to meet the time schedule in Exhibit "B"	April 2, 2018	Additional \$3,000,000
Commence construction	April 23, 2018	Additional \$40,000,000

**Exhibit "C"**  
**Interconnection Details**

1. **Name:** Edmondson Ranch Wind, LLC (Edmondson Ranch Wind Energy Project)
2. **Point of Interconnection Location:** A new WETT Substation as described in the Study Results
3. **Delivery Voltage:** 345kV
4. **Number and Size of Generating Units:** 117 @ 2.5 MW per unit
5. **Type of Generating Unit:**  
General Electric 2.5 MW wind turbine generator with 116 meter rotor diameter
6. **Metering and Telemetry Equipment:**  
To be determined based on the Study Results
7. **Generator Interconnection Facilities:** The GIF shall include all of the facilities not included in Section 8 of this Exhibit "C" that are necessary for interconnection in accordance with this Agreement, including, without limitation, the following facilities (see the attached one-line diagram in Attachment 1 to Exhibit "C"):
  - 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
    - iv) other facilities as needed based on the Study Results
8. **Transmission Service Provider Interconnection Facilities:**  
To be determined based on the Study Results
9. **Communications Facilities:**  
To be determined based on the Study Results
10. **System Protection Equipment:**  
To be determined based on the Study Results
11. **Inputs to Telemetry Equipment:** Telemetry is an ERCOT requirement that must be discussed and determined between ERCOT and Generator and installed by Generator as, if, and when required by ERCOT.



12. **Supplemental Terms and Conditions, if any, attached:**  
To be determined based on the Study Results
  
13. **Special Operating Conditions, if any, attached:**  
To be determined based on the Study Results

**Attachment 1 to Exhibit "C"**

**One Line Diagram**

[TO BE DEVELOPED BY GENERATOR AND INCLUDED WHEN AVAILABLE]

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

<b>(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:</b>	
<b>If to TSP:</b>  Wind Energy Transmission Texas, LLC Attn: Operations Manager 210 Barton Springs Road, Suite 400 Austin, Texas, 78704 24 Hour Telephone (512) 436-9404 Operational/Confirmation Fax (512) 436-9502 E-mail: aaron.brooks@windenergyoftexas.com	<b>If to Generator:</b>  Edmondson Ranch Wind, LLC  TBD
<b>(b) Notices of an administrative nature:</b>	
<b>If to TSP:</b>  Wind Energy Transmission Texas, LLC Attn: Contracts Manager 210 Barton Springs Road, Suite 400 Austin, Texas, 78704 Phone: (512) 279-7389 Fax: (512) 279-7398 E-mail: pat.burnett@windenergyoftexas.com	<b>If to Generator:</b>  Edmondson Ranch Wind, LLC Attn: Himanshu Saxena Address 5 Greenwich Office Park, 2 <sup>nd</sup> Floor Greenwich, CT 06831 Phone: (203) 422-7878 Fax: (203) 422-7827 E-mail: hsaxena@starwood.com
<b>(c) Notice for statement and billing purposes:</b>	
<b>If to TSP:</b>  Wind Energy Transmission Texas, LLC Attn: Finance Director 210 Barton Springs Road, Suite 400 Austin, Texas, 78704 Phone: (512) 279-7379 E-mail: accounting@windenergyoftexas.com	<b>If to Generator:</b>  Edmondson Ranch Wind, LLC Attn: Himanshu Saxena Address 5 Greenwich Office Park, 2 <sup>nd</sup> Floor Greenwich, CT 06831 Phone: (203) 422-7878 E-mail: hsaxena@starwood.com
<b>(d) Information concerning electronic funds transfers:</b>	
<b>If to TSP:</b>  Wind Energy Transmission Texas, LLC Attn: Finance Director 210 Barton Springs Road, Suite 400 Austin, Texas, 78704 Phone: (512) 279-7379 E-mail: accounting@windenergyoftexas.com	<b>If to Generator:</b>  Himanshu Saxena Address 5 Greenwich Office Park, 2 <sup>nd</sup> Floor Greenwich, CT 06831 ABA No. <u>    TBD    </u> for credit to: <u>    TBD    </u> Account No. <u>    TBD    </u>

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

1. As a condition to TSP's obligation to apply for and obtain any applicable CCN, acquire rights in applicable real property, plan, license, engineer, design, procure equipment and materials, and construct the TIF, Generator will provide a financial security ("Security") in the amounts set forth in Attachment 1 to Exhibit "B" as required pursuant to 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. Generator shall obtain, deliver to TSP, and maintain in full force and effect such Security at all times through the earlier to occur of (i) the date that is five (5) business days after the date upon which TSP receives written notice from Generator that the Plant has achieved Commercial Operation or (ii) the date that is ninety (90) days after the termination of the Agreement in accordance with its terms (the earlier to occur of which shall be the "Final Expiration Date").
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 applying for and obtaining any applicable CCN, acquiring rights in applicable real property, 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.
5. If (i) any LC is set to expire on a date prior to the Final Expiration Date or (ii) the Final Expiration Date is scheduled to occur due to the Plant achieving Commercial Operation on a date that is within the forty-five (45) day period immediately preceding the expiration date of any LC, and in either event Generator has not provided to TSP a substitute LC at least forty-five (45)

days in advance of such LC expiration date, then TSP shall have the right to retain as security the full amount of the expiring LC. The substitute LC shall meet the requirements of this Exhibit "E" and be otherwise reasonably acceptable to TSP and Generator. If the Generator fails to provide such a substitute LC within the time period specified above, TSP may draw upon the LC to secure a cash deposit as security under this Agreement.

**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 full and complete satisfaction of the Guaranteed Obligation. 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:**

Attn: \_\_\_\_\_

\_\_\_\_\_

Fax: ( ) \_\_\_\_\_

**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. FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED THEREBY, GUARANTOR HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS AUSTIN DIVISION AND OF ANY TEXAS STATE COURT SITTING IN TRAVIS COUNTY. GUARANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN IMPROPER VENUE OR INCONVENIENT FORUM.

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]