



Control Number: 35077



Item Number: 872

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Sharyland Utilities, L.P.
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Austin, Texas 78701
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PUBLIC UTILITY COMMISSION
FILING CLERK

September 28, 2018

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

Re: Project No. 35077 – Amendment No. 2 to the Generation Interconnection Agreement
between Sharyland Utilities, L.P. and with TX Nazareth Solar, LLC

Dear Ms. Reeves,

Please find attached the Generation Interconnection Agreement (“Agreement”) between Sharyland Utilities, L.P. (“Sharyland”) and TX Nazareth Solar, LLC (“Generator”), for filing with the Public Utility Commission of Texas pursuant to P.U.C. SUBRST. R. 25.195 (e). The Agreement, dated May 15, 2015, was previously filed in this project. Amendment No. 1 was filed in this project on May 23, 2018. Because the Agreement contains deviations from the Standard Generation Interconnection Agreement, Sharyland has prepared this letter explaining the changes and requests that it be filed with the Agreement.

Exhibit “B”

- Exhibit B has been replaced in its entirety.

Sincerely,

Kelly Frazier

Kelly Frazier
Associate General Counsel for
Sharyland Utilities, L.P.

(By Permission SKM)

Project No. 35077
Amendment No. 2
to the
ERCOT STANDARD GENERATION INTERCONNECTION AGREEMENT
Between
Sharyland Utilities, L.P.
and
TX Nazareth Solar, LLC

September __, 2018

AMENDMENT NO. 2 TO THE
ERCOT STANDARD GENERATION INTERCONNECTION AGREEMENT
BETWEEN
SHARYLAND UTILITIES, L.P.
AND
TX NAZARETH SOLAR, LLC

This Amendment No. 2 to the ERCOT Standard Generation Interconnection Agreement between Sharyland Utilities, L.P. and TX Nazareth Solar, LLC ("Amendment") is made and entered into on this ___ day of September, 2018 by and between Sharyland Utilities, L.P. ("Transmission Service Provider"), and TX Nazareth Solar, LLC ("Generator"), hereinafter sometimes referred to individually as "Party" and collectively as "Parties."

WITNESSETH

WHEREAS, Transmission Service Provider and Generator are parties to that certain ERCOT Standard Generation Interconnection Agreement, dated as of May 15, 2015, (the "Original Interconnection Agreement") as amended by that certain Amendment No. 1 to the ERCOT Standard Generation Interconnection Agreement between Generator and Transmission Service Provider dated May 10, 2018 (the "First Amendment") the Original Interconnection Agreement as amended by the First Amendment shall collectively be referred to herein as the "Interconnection Agreement";

WHEREAS, the Interconnection Agreement provides terms and conditions that allow for amendment of the Interconnection Agreement as mutually agreed by the Parties;

WHEREAS, the Generator has requested and the Transmission Service Provider has agreed to further amend the current version of Exhibit B to the Interconnection Agreement in order to change certain terms of the Exhibit B including without limitation the Scheduled Commercial Operation Date and other dates in Exhibit "B" Time Schedule;

WHEREAS, the Parties have agreed to amend Exhibit "B" to the Interconnection Agreement in accordance with the terms and conditions provided herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth herein, the Parties agree as follows:

I. CAPITALIZED TERMS

Unless expressly referenced and modified herein, capitalized terms used but not otherwise defined herein shall have the meanings specified in the Interconnection Agreement.

II. AMENDMENT TO THE AGREEMENT

1. The terms of this Amendment shall become effective on the date first written above (and thereafter all references to the "Interconnection Agreement" shall be deemed to mean the Interconnection Agreement as amended by this Amendment), subject to Governmental Authority approval, if required.
2. The current version of Exhibit "B" (Time Schedule) to the Interconnection Agreement (which was attached to the First Amendment) is hereby replaced in its entirety with Exhibit "B" attached hereto.

III. RATIFICATION OF OTHER TERMS

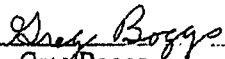
All other terms and conditions of the Interconnection Agreement that are not specifically amended by this Amendment, including the remaining Exhibits, shall remain unchanged and are hereby ratified by the Parties and shall continue to be in full force and effect.

IV. MULTIPLE COUNTERPARTS

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

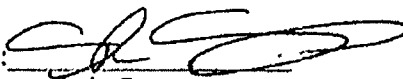
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Amendment.

Sharyland Utilities, L.P.

By: 
KRF Greg Boggs
Sr. Vice President

Date: 09/25/2018

TX Nazareth Solar, LLC

By: 
Craig Carson
Authorized Representative

Date: _____

Exhibit "B"
Time Schedule

The Parties agree that Exhibit "B" to the Interconnection Agreement is hereby replaced with this updated version of Exhibit "B"

Notwithstanding anything to the contrary in the Interconnection Agreement, as may be amended from time to time, the Parties agree as follows:

1. Interconnection Option. The interconnection option chosen by Generator is Section 4.1.A of the Interconnection Agreement. None of the provisions of Section 4.1.B of the Interconnection Agreement shall have any force or effect and the Parties' respective rights and obligations shall be governed solely by Section 4.1.A thereof.
2. Acceptable Credit Support. Security provided by Generator shall be in the form of one of the following (each "Acceptable Credit Support").
 - a. "Cash" means cash denominated in United States dollars delivered by wire transfer to an account designated by Transmission Service Provider.
 - b. "Acceptable Guaranty" means a guaranty issued by an Acceptable Guarantor in a form reasonably acceptable to Transmission Service Provider. "Acceptable Guarantor" means a Person (other than an individual or a financial institution) with a corporate family rating at all times of at least A1 by Moody's Investors Service, Inc., or any successor to its ratings business ("Moody's") with a stable outlook and with a corporate credit rating of at least A+ by Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., or any successor to its ratings business ("S&P") with a stable outlook.
 - c. "Letter of Credit" means a letter of credit as set forth in Exhibit E (together with any replacement letter of credit) issued or confirmed by an Acceptable Bank. Acceptable Bank means a commercial bank that (x) has a long-term credit rating of at least A2 by Moody's and A by S&P, (y) has a combined capital and surplus of at least \$1,000,000,000, and (z) is able to honor demands for payment at its offices in New York, NY or such other location as may be acceptable to TSP in its sole discretion.
 - i. The Letter of Credit shall initially be issued in the amount of USD \$1,100,000.00, which amount shall be increased in the amounts and according to the schedule set forth below under "TIF Milestones."
 - ii. The full amount of the Letter of Credit shall be drawable (1) upon any failure to renew (so long as the issuing bank continues to qualify as an Acceptable Bank) such Letter of Credit or replace such Letter of Credit with another letter of credit in the amount required hereby and issued by Acceptable Bank at least twenty (20) days prior to its renewal or expiration date, as the case may be, or (2) if the issuing bank no longer constitutes an Acceptable Bank and Generator has failed to replace such Letter of Credit with a letter of credit in the amount required hereby and issued by an Acceptable Bank within twenty (20) days after Generator becomes aware of such issuer ceasing to be an Acceptable Bank. Any funds drawn pursuant to the preceding sentence shall be held by TSP as security and applied in accordance with this Exhibit B and the Interconnection Agreement.

- d. At any time when Generator has provided security in one form of Acceptable Credit Support, Generator may replace that form of security with another form of Acceptable Credit Support. If, at any time, there is no Acceptable Credit Support, such failure shall constitute a Default under the Interconnection Agreement, and without limitation, TSP shall be relieved of its obligations hereunder and may exercise any and all remedies available hereunder and under applicable law.
3. TIF Milestones. On the following dates, Generator must deliver the respective notice and provide security by the amount specified; for the avoidance of doubt, each amount set forth in subsections (a.) through (b.) is an additional amount of security that must be provided. Generator acknowledges such amounts are good faith estimates based upon TSP's prior experience and general industry knowledge, and Generator further acknowledges such amounts may need to increase as TSP performs the services below. Upon notice from TSP that the security provided will not be sufficient for the completion of any of the TIF milestones set forth in subsections (a.) through (b.) below, TSP will cease all work related to such milestone until Generator has provided additional security that, in TSP's reasonable opinion, is sufficient to allow for the completion of such milestone.
- a. Date by which Generator must provide notice to proceed ("Notice to Proceed") and security for the design, engineering, and procurement and provide security equivalent to \$1,100,000 (40% of the total security amount), as specified in Section 4.2 so that TSP may maintain schedule to meet the In-Service Date:
March 1, 2019 (12 months prior to the requested In-Service Date)
- b. Date by which Generator must provide notice to commence construction and provide security equivalent to \$1,650,000 (60% of the total security amount), as specified in Section 4.3, so that TSP may maintain schedule to meet the In-Service Date:
May 1, 2019 (10 months prior to the requested In-Service Date)
4. Scheduled Date(s):
- a. In - Service Date(s): March 1, 2020
- b. Scheduled Trial Operation Date: March 15, 2020
- c. Scheduled Commercial Operation Date: May 1, 2020
5. Covered Costs
- a. Generator agrees to reimburse TSP for all Covered Costs (defined below) upon any of the following events: (i) the Generator elects to terminate the Interconnection Agreement pursuant to Section 2.1, or (ii) the Interconnection Agreement is otherwise terminated. "Covered Costs" include all costs and expenses incurred, or committed to be incurred by or on behalf of TSP in connection with its efforts to complete the TIF by the In-Service Date (defined below), including (but not limited to) costs associated related to planning, engineering, designing, acquiring rights-of-way, licensing, procuring equipment and materials (including any cancellation or termination fees), legal fees, financing fees, and other ancillary fees, whether such costs and expenses are

internal costs of allocated personnel and resources, or external costs (contractors, third-party consultants, outside counsel, etc.), or both.

- b. TSP has the right to demand payment under the Letter of Credit, or other security provided hereunder, for any amount payable under the Interconnection Agreement (including this Exhibit B). TSP shall have no obligation to seek payment from Generator for the Covered Costs prior to demanding payment under the Letter of Credit, or any other security provided to TSP by or on behalf of Generator.
- c. For the avoidance of doubt, (i) Section 10.5 (Force Majeure) of the Interconnection Agreement shall not apply to Generator's payment obligations with respect to the Covered Costs, or other payment obligations under the Interconnection Agreement; and (ii) Section 10.16 (Consequential Damages) of the Interconnection Agreement, shall not apply to TSP's right to collect, or Generator's obligation to reimburse Covered Costs.

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, including when actions and/or security is required.