



Control Number: 35077



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Sharyland Utilities, L.P.
600 Congress Ave., Suite 2000
Austin, Texas 78701
Phone: (512) 721-2661
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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. 3 to the Generation Interconnection Agreement
between Sharyland Utilities, L.P. and with Canadian Breaks LLC

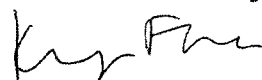
Dear Ms. Reeves,

Please find attached the Generation Interconnection Agreement (“Agreement”) between Sharyland Utilities, L.P. (“Sharyland”) and Canadian Breaks LLC (“Generator”), for filing with the Public Utility Commission of Texas pursuant to P.U.C. SUBST. R. 25.195 (e). The Agreement, dated May 20, 2016, was previously filed in this project. Amendments No. 1 and No. 2 were filed in this project on December 22, 2017 and September 28, 2018, respectively. 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”

- Paragraph 3 of Exhibit B “Time Schedule” has been replaced in its entirety.
- Exhibit E has been amended.

Sincerely,

 - (By Permission SRM)

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

Project No. 35077

Amendment No. 3

to the

ERCOT STANDARD GENERATION INTERCONNECTION AGREEMENT

Between

Sharyland Utilities, L.P.

and

Canadian Breaks LLC

May 25, 2018

AMENDMENT NO. 3 TO THE
ERCOT STANDARD GENERATION INTERCONNECTION AGREEMENT
BETWEEN
SHARYLAND UTILITIES, L.P.
AND
CANADIAN BREAKS LLC

This Amendment No. 3 to the ERCOT Standard Generation Interconnection Agreement (this "Amendment") is made and entered into on this 25th day of May, 2018 (the "Effective Date") by and between Sharyland Utilities, L.P. ("Transmission Service Provider"), and Canadian Breaks 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 20, 2016, as amended, (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 to make certain amendments to the Interconnection Agreement and Transmission Service Provider has agreed to the changes reflected in this Amendment; and

WHEREAS, the Parties intend to amend 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, as hereby amended.

II. AMENDMENT TO THE AGREEMENT

1. The terms of this Amendment shall become effective on the Effective Date, subject to Governmental Authority approval, if required.
2. Paragraph 3 of Exhibit B "Time Schedule" is hereby replaced in its entirety as follows:

3) Milestones.

- A) Date on which Transmission Service Provider shall proceed with the siting of the Point of Interconnection Location, including but not limited to, the performance of chain of title research, environmental testing and analysis, and if applicable, entry into an option to

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purchase real property ("Option Agreement") so that Transmission Service Provider may maintain schedule to meet the In-Service Date: March 13, 2018. The amount of security to be provided by Generator on or before this milestone is approximately equivalent to 0.8% (\$100,000.00) of the TIF estimated cost (\$13,180,000.00), as specified in Section 4.2 of the Interconnection Agreement. It is acknowledged by the Parties that this milestone was achieved and Generator posted the security required prior to the date of this Amendment.

- B) Date on which Transmission Service Provider shall proceed with engineering, design and procurement of long-lead time equipment so that Transmission Service Provider may maintain schedule to meet the In-Service Date: May 25, 2018. The amount of security to be provided by Generator for this milestone is approximately equivalent to 6.2% (\$822,600.00) of the TIF estimated cost (\$13,180,000.00), as specified in Section 4.2 of the Interconnection Agreement. It is acknowledged by the Parties that Generator posted \$350,000 of this security prior to the date of this Amendment. The balance of this security, \$472,600 shall be provided by Generator on or before June 8, 2018.
- C) Date on which Transmission Service Provider shall proceed with full procurement so that Transmission Service Provider may maintain schedule to meet the In-Service Date: June 29, 2018 (i.e., 11.5 months before ISD). The amount of security to be provided by Generator on or before this milestone is equivalent to 53% (\$6,985,400.00), without duplication of any other security provided, of the TIF estimated cost (\$13,180,000.00), as specified in Section 4.2 of the Interconnection Agreement.
- D) Date on which Transmission Service Provider shall commence construction so that Transmission Service Provider may maintain schedule to meet the In-Service Date: August 31, 2018 (i.e., 9.5 months before ISD). The amount of security to be provided by Generator on or before this milestone is equivalent to 40% (\$5,272,000.00), without duplication of any other security provided, of the TIF estimated cost (\$13,180,000.00) for a total amount of security of \$13,180,000.00, as specified in Section 4.2 of the Interconnection Agreement.
- E) In-Service Date (ISD): June 14, 2019
- F) Scheduled Trial Operation Date: June 21, 2019
- G) Scheduled Commercial Operation Date: September 13, 2019
- H) Due to the nature of the subject of the Interconnection Agreement, the Parties may mutually agree to change the dates by which action and/or security is required as set forth in this Section 3 of this Exhibit B.
- I) [Reserved].

- J) Notwithstanding anything to the contrary in the Interconnection Agreement, Transmission Service Provider shall have the absolute right to suspend performance of all activities in furtherance of the development and construction of the TIF, including incurring any expenditures, at any time the applicable security, as defined herein, has not been provided to Transmission Service Provider. Generator acknowledges that any delays in the posing of security may result in a delay of the development and construction of the TIF.

3. The first sentence of Paragraph 2(c) of Exhibit "E" (Security Arrangement Details) to the Interconnection Agreement is hereby deleted and replaced in its entirety with the following sentence and Attachment No. 1:

"Letter of Credit" means a letter of credit in the form attached hereto as Attachment No. 1 to Exhibit E that is issued or confirmed by an Acceptable Bank and has a term that extends at least until the Scheduled Commercial Operation Date (as such date may be extended pursuant to paragraph 3(H) of Exhibit B)."

III. RATIFICATION OF OTHER TERMS; ENTIRE AGREEMENT

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. The Interconnection Agreement, as modified by this Amendment, constitutes the entire agreement between the Parties with respect 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 the Interconnection Agreement and this Amendment. 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 the Interconnection Agreement or this Amendment.

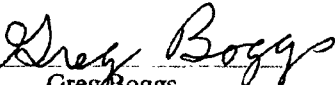
IV. MULTIPLE COUNTERPARTS

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.

[Signature Page Follows]


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

Sharyland Utilities, L.P.


By: 
KRF Greg Boggs
Senior Vice President

Date: 05/30/2018

Canadian Breaks LLC

By: 
Thomas Houle
President

Date: 05/30/2018

By: 
Jeff Muir
Authorized Signatory

Date: 05/30/2018

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Attachment No. 1 to Exhibit E

FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

DATE OF ISSUANCE: [●]

Re: IRREVOCABLE STANDBY LETTER OF Credit No. [●]

Expiration Date: [●]

Amount: \$[●] USD

WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [●] IN FAVOR OF SHARYLAND UTILITIES, L.P. ("SHARYLAND") BY ORDER OF CANADIAN BREAKS LLC (THE "ACCOUNT PARTY") FOR AN AGGREGATE SUM NOT TO EXCEED \$[●] USD ("STATED AMOUNT") EFFECTIVE IMMEDIATELY AND EXPIRING AT COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH ("ISSUING BANK") COUNTERS LOCATED AT 245 PARK AVENUE, 38TH FLOOR, NEW YORK, NEW YORK 10167-0062, ATTN: INTERNATIONAL TRADE SERVICES DEPT. WITH OUR CLOSE OF BUSINESS ON *[INSERT INITIAL EXPIRATION DATE]*.

THIS LETTER OF CREDIT IS AVAILABLE FOR PAYMENT WITH OURSELVES UPON PRESENTATION OF YOUR DRAFT(S) AT SIGHT DRAWN AND MARKED "DRAWN UNDER COOPERATIEVE RABOBANK U.A., NEW YORK BRANCH LETTER OF CREDIT NUMBER [●] DATED [●]"

ACCOMPANIED BY:

(1) An original or photocopy of this Letter of Credit and any effective amendments to this Letter of Credit;

(2) Sharyland's demand draft for payment, marked "Drawn under Coöperatieve Rabobank U.A., New York Branch Irrevocable Standby Letter of Credit No. \$[●] USD," indicating the amount of such demand (which amount, together with the amounts of all previous draws presented hereunder, however, shall not exceed the Stated Amount); and

(3) A statement signed by an officer or other authorized representative of Sharyland with the following statement:

"Pursuant to that certain ERCOT Standard Generation Interconnection Agreement dated effective as of May 20, 2016, by and between the Canadian Breaks LLC and the Sharyland Utilities, L.P. ("Sharyland"), as amended by [●], Sharyland is entitled to demand payment under this Letter of Credit. The undersigned does hereby demand payment under this Letter of Credit No. [●] of \$ [●] USD."

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Subject to the last paragraph below, this Letter of Credit may be transferred in its entirety (but not in part) to an affiliate of Sharyland or any other entity controlled by one or more members of the Ray L. Hunt family who has succeeded to the Beneficiary's rights and obligations under the Agreement. The transfer shall be effective on the date which is three (3) Business Days after deliver of a notice is received by us requesting the transfer and acknowledging that such transferee has assumed all of the Beneficiary's rights and benefits under this Letter of Credit. Upon such transfer, all references herein to Beneficiary shall mean such transferee.

Documents drawn under and in compliance with the terms of this Letter of Credit shall be duly honored upon presentation as specified.

Partial and multiple drawings are permitted hereunder, however the cumulative aggregate amount that may be demanded under shall not exceed the Stated Amount. The amounts that may be drawn under this Letter of Credit shall be automatically reduced by the amount of any payments made through the Issuing Bank referencing this Letter of Credit No. [●].

This Letter of Credit shall be governed by the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590, as amended from time to time (the "ISP"), except to the extent that the terms hereof are inconsistent with the provisions of the ISP in which case the terms of this Letter of Credit shall govern. As to matters not governed by the ISP and to the extent not inconsistent with the ISP and the terms hereof, this Letter of Credit shall be governed by the laws of the State of New York, including the Uniform Commercial Code, without regard to principles of conflicts of laws that would render such choice of law ineffective.

Any legal action or proceeding with respect to this Letter of Credit shall be brought in the courts of the State of New York in the County of New York or the United States of America in the Southern District of New York. Sharyland (by its acceptance hereof) and the Issuing Bank irrevocably submit to the nonexclusive jurisdiction of such courts solely for the purposes of this Letter of Credit. Sharyland (by its acceptance hereof) and the Issuing Bank hereby waive to the fullest extent permitted by law any objection either such party may now or hereafter have to the laying of venue in any such action or proceeding in any such court.

This Letter of Credit sets forth in full the terms of the Issuing Bank's undertaking, and this undertaking shall not in any way be amplified or extended by reference to any other document, instrument or agreement.

Communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Issuing Bank at [●], Attention: [●] (or otherwise as designated by the Issuing Bank to Sharyland by written communication), specifically referring thereon to "Coöperatieve Rabobank U.A., New York Branch Irrevocable Letter of Credit No. [●]."

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED, WITHOUT AMENDMENT, FOR ONE (1) YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS WE SEND NOTICE TO YOU IN WRITING VIA COURIER SERVICE NO LATER THAN THIRTY (30) CALENDAR DAYS PRIOR TO THE THEN EXPIRATION DATE THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT EXTENDED FOR ANY SUCH

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ADDITIONAL PERIOD; PROVIDED THAT IN NO EVENT MAY THIS LETTER OF CREDIT BE EXTENDED BEYOND [*INSERT OUTSIDE EXPIRATION DATE*].

THE ISSUING BANK WILL NOT BE REQUIRED TO MAKE ANY PAYMENT UNDER, ISSUE OR TRANSFER THIS STANDBY LETTER OF CREDIT TO ANY PERSON OR ENTITY WHO IS LISTED ON A UNITED NATIONS, EUROPEAN UNION, NETHERLANDS OR UNITED STATES OF AMERICA SANCTIONS LIST, NOR TO ANY PERSON WITH WHOM THE ISSUING BANK IS PROHIBITED FROM ENGAGING IN TRANSACTIONS UNDER ANY ANTI-BOYCOTT, ANTI-TERRORISM OR ANTI-MONEY LAUNDERING LAWS OR ANY SANCTIONS, INCLUDING THOSE OF THE EUROPEAN UNION, THE NETHERLANDS, THE UNITED STATES OF AMERICA.

COÖPERATIEVE RABOBANK U.A., NEW
YORK BRANCH

By _____
Authorized Officer

By _____
Authorized Officer