



Control Number: 35077



Item Number: 926

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March 6, 2019

VIA HAND DELIVERY

Public Utility Commission of Texas
ATTN: CENTRAL RECORDS FILING CLERK
1701 N. Congress Avenue, Room 8-100
Austin, Texas 78701

Re: Docket No. 35077 – Interconnection Agreement between City of Garland and
Concho Bluff, LLC; Filing Pursuant to 16 TAC § 25.195(e).

To Whom It May Concern:

Enclosed please find the Generation Interconnection Agreement (the "Agreement") between the City of Garland and Concho Bluff, LLC dated January 25, 2018, for filing at the Public Utility Commission of Texas pursuant to 16 Tex. Admin. Code § 25.195(e). The Agreement contains slight deviations from the Commission-approved ERCOT Standard Generation Interconnection Agreement, and are set out on the attachment to this correspondence. Garland has prepared this letter explaining the changes and requests that it be filed with the Agreement.

Yours truly,

William A. Faulk, III
Attorney for the City of Garland

443/137/7808098

Attachment

cc: Concho Bluff, LLC

ATTACHMENT A — Changes from SGIA

- The following exhibits have been added to the list of exhibits in the Table of Contents:

Exhibit "C1" —Interconnection Details

Exhibit "C2" —Interconnection Details

- The first sentence of the second paragraph of the recital has been revised as follows:

Transmission Service Provider ("TSP") represents that it is a municipally-owned electric utility of the City of Garland, Texas, operating facilities for the transmission and distribution of electricity.

- The last sentence of the second paragraph of the recital has been revised as follows:

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 on October 25, 2018, and pursuant to the ERCOT generation interconnection request 19INR0034.

- The third paragraph of the recital has been revised as follows:

This Agreement applies only to the Plant and the Parties' interconnection facilities as identified in Exhibits "C", "C1", and "C2".

- Item E. of the fifth paragraph of the recital has been revised as follows:

E. The Interconnection Details attached hereto as Exhibits "C", "C1", and "C2";

- Item F. of the fifth paragraph of the recital has been revised as follows:

F. The Notice information attached hereto as Exhibit "D"; and

- The third paragraph of Exhibit "B" Time Schedule has been revised as follows:

*Date by which Generator must provide written notice to proceed with TSP's CCN application, as specified in Section 4.2.: **January 25, 2019***

- The fourth paragraph of Exhibit "B" Time Schedule has been revised as follows:

*Generator must provide written notice to proceed with TSP's transmission line and substation detailed engineering and provide security pursuant to the schedule in Exhibit "E", as specified in Section 4.2: **Any time before CCN Approval or within ten (10) days after CCN Approval***

- The fifth paragraph of Exhibit "B" Time Schedule has been revised as follows:

*Generator must provide written notice to proceed with site preparation and procurement for the transmission line and substation and provide security pursuant to the schedule in Exhibit "E", as specified in Section 4.2: **Four (4) months after notice to proceed is received for engineering or as requested by TSP***

- The sixth paragraph of Exhibit "B" Time Schedule has been revised as follows:

*Generator must provide written notice to proceed with construction for the transmission line and substation and provide security to the schedule in Exhibit "E", as specified in Section 4.3: **Six (6) months after notice to proceed is received for procurement or as requested by TSP***

- The closing paragraph of Exhibit "B" Time Schedule has been revised as follows:

Due to the nature of the subject of this Agreement, the Parties may mutually agree to change the dates specified in this Exhibit "B". If the Parties change the dates specified in Exhibit "B", the Parties will reasonably cooperate in good faith to revise the terms of this Agreement. Subject to ERCOT Requirements, such cooperation may include revising the Agreement and Time Schedule in a manner that would permit phased or staggered implementation of the 255 MW of net capacity by more than one generator behind the Point of Interconnection.

Concho Bluff, LLC – 01/25/18

**ERCOT STANDARD GENERATION
INTERCONNECTION AGREEMENT**

Between

Concho Bluff, LLC

and

City of Garland, Texas

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GENERATION INTERCONNECTION AGREEMENT

This Standard Generation Interconnection Agreement is made and entered into this 25 day of January, 2019 ("Effective Date"), between The City of Garland, Texas, a Texas home-rule municipality doing business as Garland Power & Light ("Transmission Service Provider") and Concho Bluff t, 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 ("TSP") represents that it is a municipally-owned electric utility of the City of Garland, Texas, operating 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 on October 25, 2018, and pursuant to the ERCOT generation interconnection request 19INR0034.

This Agreement applies only to the Plant and the Parties' interconnection facilities as identified in Exhibits "C", "C1", and "C2".

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 ERCOT Standard 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 Exhibits "C", "C1", and "C2";
- F. The Notice Information 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 in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

Concho Bluff, LLC

By: Jon Robertson

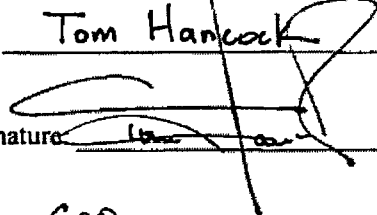
Signature: 

Title: Authorized Representative

Date: 1-25-2019

City of Garland, Texas

By: Tom Hancock

Signature: 

Title: COO

Date: 2/6/2019

Exhibit "A"
Terms and Conditions of the ERCOT Standard 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 "CCN" shall mean a Certificate of Convenience and Necessity issued by the PUCT.
- 1.2 "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.
- 1.3 "Control Area" shall have the meaning ascribed thereto in PUCT Rule 25.5(8) or its successor.
- 1.4 "ERCOT" shall mean the Electric Reliability Council of Texas, Inc.
- 1.5 "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.
- 1.6 "Facilities Study" shall have the meaning as described in PUCT Rule 25.198(g) or its successor.
- 1.7 "Facilities Study Agreement" shall mean an agreement executed by the Parties relating to the performance of the Facilities Study.

- 1.8 “GIF” shall mean Generator’s interconnection facilities as described in Exhibit “C.”
- 1.9 “Good Utility Practice” shall have the meaning described in PUCT Rule 25.5(23) or its successor.
- 1.10 “Governmental Authority(ies)” shall mean any federal, state, local or municipal body having jurisdiction over a Party.
- 1.11 “In-Service Date” shall be the date, as reflected in Exhibit “B,” that the TIF will be ready to connect to the GIF.
- 1.12 “ISO” shall mean the ERCOT Independent System Operator.
- 1.13 “Plant” shall mean the electric generation facility owned and operated by the Generator, as specified in Exhibit “C.”
- 1.14 “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.
- 1.15 “PUCT” shall mean the Public Utility Commission of Texas.
- 1.16 “PUCT Rules” shall mean the Substantive Rules of the PUCT.
- 1.17 “Reasonable Efforts” shall mean the use of Good Utility Practice and the exercise of due diligence (pursuant to PUCT Rule 25.196(e)).
- 1.18 “System Protection Equipment” shall mean those facilities located within the TIF and the GIF as described in Section 5.6 and Exhibit “C.”
- 1.19 “System Security Study” shall have the meaning as described in PUCT Rule 25.198(f) or its successor.

1.20 “TCOS” shall mean the TSP’s transmission cost of service as allowed by the applicable Governmental Authority.

1.21 “TIF” shall mean the TSP’s interconnection facilities as described in Exhibit “C” to this Agreement.

1.22 “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.

1.23 “TSP” shall mean the Transmission Service Provider.

1.24 “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.

ARTICLE 3. REGULATORY FILINGS

3.1 Filing. The TSP shall file this executed Agreement with the appropriate Governmental Authority, if required. 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, and 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.

4.2 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.

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.

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 Generator to the main power transformers and the GIF, and the impedances (determined by factory tests) for the associated main power transformers and the generators.

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.

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.

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. 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, and the Generator 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.

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 may require the Generator to pay a reasonable deposit or provide another means of security, to cover the costs of 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 with respect to the applicable Phase, the TSP shall return the deposit or security to the Generator relating to such Phase. 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 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. Employers 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 anniversary date of 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, 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 the Federal Energy Regulatory Commission 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 the Federal Energy Regulatory Commission.

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

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

Date by which Generator must provide written notice to proceed with TSP's CCN application, as specified in Section 4.2.: **January 25, 2019**

Generator must provide written notice to proceed with TSP's transmission line and substation detailed engineering and provide security pursuant to the schedule in Exhibit "E", as specified in Section 4.2.: **Any time before CCN Approval or within ten (10) days after CCN Approval**

Generator must provide written notice to proceed with site preparation and procurement for the transmission line and substation and provide security pursuant to the schedule in Exhibit "E", as specified in Section 4.2: **Four (4) months after notice to proceed is received for engineering or as requested by TSP**

Generator must provide written notice to proceed with construction for the transmission line and substation and provide security pursuant to the schedule in Exhibit "E", as specified in Section 4.3: **Six (6) months after notice to proceed is received for procurement or as requested by TSP**

In-Service Date(s): **Five (5) months after notice to proceed for construction**

Scheduled Trial Operation Date: **XXX XX, 2020**

Scheduled Commercial Operation Date: **XXX XX, 2020**

Due to the nature of the subject of this Agreement, the Parties may mutually agree to change the dates specified in this Exhibit "B". If the Parties change the dates specified in Exhibit "B", the Parties will reasonably cooperate in good faith to revise the terms of this Agreement. Subject to ERCOT Requirements, such cooperation may include revising the Agreement and Time Schedule in a manner that would permit phased or staggered implementation of the 255 MW of net capacity by more than one generator behind the Point of Interconnection.

Exhibit "C"
Interconnection Details

- 1) Name: Concho Bluff LLC (Greasewood Project)
- 2) Point of Interconnection Location: The Point of Interconnection will be located in Pecos County, TX along the existing North McCamey-Bakersfield 345 kV transmission line, at the approximate location shown in Exhibit "C2". More specifically, the Point of Interconnection shall be the 4-hole pad terminals of the dead end A-frame assembly located in the GIF Substation where the TSP's 345 kV line terminates. (Exhibit "C1")
- 3) Delivery Voltage: 345 kV
- 4) Number and Size of Generating Units ("Plant"): The plant is a solar generation facility with one Point of Interconnection to the grid. The nominal Plant rating will be approximately 255 MW of AC power at the Point of Interconnection.
- 5) Type of Generating Unit: 86 TMEIC photovoltaic (PV) inverters rated at 3.6 MVA each
- 6) Metering and Telemetry Equipment:
 - A). The TSP shall, in accordance with ERCOT Requirements and Good Utility Practices, furnish, install, own, operate, inspect, test, calibrate, and maintain ERCOT polled settlement ("EPS") primary and backup metering located at the Transmission Interconnection Facility ("TIF"). The TSP shall use metering accuracy, 345 kV extended range current transformers and 345 kV metering accuracy voltage transformers to accurately measure the generation energy and power delivered to the grid and the auxiliary energy and power consumed through the Point of Interconnection. An EPS metering panel containing the primary and backup EPS meters shall be furnished by the TSP and will be located in a suitable space in the control building at the TIF. The TSP will be responsible for design, installation, maintenance and testing pursuant to ERCOT Requirements.
 - B). Generator Remote Terminal Units ("RTUs") shall be furnished by the Generator as part of the GIF and will have dedicated communication port(s) available to provide breaker status, energy and other telemetry data to ERCOT as required by the ERCOT Nodal Operating Guides. In addition, the Generator will provide a dedicated communication port to provide breaker status and other telemetry data to TSP utilizing fiber optic cable installed between the GIF and TIF as listed in Section 11 of this Exhibit "C". The Generator is responsible for determining and providing all of its RTU communications needs.
- 7) Generator Interconnection Facilities: The Generator will provide, at a minimum, the following major equipment for the GIF:
 - A) A full tension dead-end, 345 kV line structure located at the GIF Substation (Generator shall coordinate the height of this structure, the arrangement of the phases, and the location of the structure with the TSP);

- B) 345 kV slack span from the Generator's full tension dead-end to the TSP's nearest line structure;
 - C) Generator's interconnection substation including control building, 345kV step-up transformer(s) configured wye-delta-wye, transformer protection package(s), 345 kV circuit breaker(s), 345 kV line disconnect switch, 34.5 kV circuit breakers and power factor correction capacitor banks, as required (Exhibit "C1");
 - D) RTU and communication to provide breaker/switch status, telemetry and energy data from the GIF to ERCOT;
 - E) Associated structures, bus work, conductor, connectors, grounding, conduit control cable, foundation work, perimeter fencing, grading/dirt work and any appurtenances necessary for the construction and operation of the GIF.
- 8) Transmission Service Provider Interconnection Facilities: The TSP will provide, at a minimum, the following major equipment for the TIF:
- A) One 345 kV radial circuit of a rating sufficient to supply the Generator(s) output with necessary material to dead-end and connect to GIF's interconnecting structure at the Point of Interconnection. TSP's obligation to procure and construct such 345 kV transmission line is contingent upon the CCN application for the 345 kV transmission line not having any intervention or objection filed by a party, such that the PUCT can approve the CCN administratively or without an evidentiary hearing or extended delay.
 - B) One 345 kV switching station with sufficient terminals to accommodate interconnections with the Generator and tapping of the 345 kV transmission line as shown in Exhibit "C1";
 - C) 345 kV circuit breaker(s), 345 kV disconnect switch(es), EPS Metering, RTU, associated structures, bus work, conductor, connectors, grounding, conduit control cable, foundation work, perimeter fencing, grading/dirt work and any appurtenances necessary for the construction and operation of the TIF as shown in Exhibit "C1".
 - D) Optical Ground Wire (OPGW) with 24-pair, single-mode fiber optic cable between the TSP and the GIF interconnecting A-frame structure in the GIF Substation complete with cable splice boxes for utilization by both Generator and TSP.

The above lists are not intended to be complete lists of all facilities that are part of the TIF.

- 9) Communications Facilities: The Generator shall, in accordance with ERCOT Requirements and Good Utility Practice, provide communications facilities that are, or may in the future be, necessary for effective interconnected operation of the Plant and Generator Interconnection Facilities with the transmission system. The Generator shall own, and be responsible for the installation, operation, and maintenance of:

- A) One dedicated telephone circuit whereby the TSP's Garland, Texas dispatch center can communicate with the Generator's on-site control room or the Generator's off-site dispatch center twenty-four (24) hours per day and seven (7) days per week.
- B) Any other facilities, equipment or communications necessary to information/data from the TIF which may be required or requested by the GIF.

10) System Protection Equipment:

- A) TSP shall coordinate modifications to the existing protective relay package and relay settings at LCRA's North McCamey substation and Bakersfield substation;
- B) Generator shall provide a line differential panel to include an SEL 411L primary line differential relay and an SEL 311L backup line differential relay for protection of the Generator's 345 kV line at the GIF/TIF Point of Interconnection (see Item 10-I);
 - 1. Generator shall provide a Direct Transfer Trip (DTT) signal to the TIF in the event of a 345 kV breaker failure at the GIF.
 - 2. TSP shall provide DTT signal to the GIF in the event of a 345 kV breaker failure at the TIF.
 - 3. Fiber Optic cables in the OPGW will be used for communication between the GIF and TIF line differential relays.
- C) Generator shall be responsible for the proper synchronization of its facilities with the TSP transmission system, in accordance with ERCOT guidelines;
- D) The Plant and the GIF shall be designed to isolate any fault, or to disconnect from or isolate any abnormality that would negatively affect the ERCOT system. The Generator shall be responsible for protection of its facilities. In particular, Generator shall provide relays, circuit breakers, and all other devices necessary to promptly remove and fault contribution of the generation equipment to any short circuit occurring on the TSP system. Such protective equipment shall include, without limitation, a disconnect device or switch with the appropriate interrupting capability to be located within the GIF, Generator shall be responsible for protection of such facilities from such conditions as negative sequence currents, over or under frequency, sudden load rejection, over or under voltage, generator loss of field, inadvertent energization (reverse power) and uncleared transmission system faults;
- E) The Plant and the GIF shall have protective relaying that is consistent with the protective relaying criteria described in the ERCOT Requirements and NERC standards. If reasonably requested by the TSP, Generator shall at Generator's expense, provide corrections or additions to existing control and protective equipment required to protect the ERCOT system or to comply with government, industry regulations, or standard changes;
- F) The Generator's protective relay design shall incorporate the necessary test switches to enable complete functional testing. 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 generator

units. Generator shall also incorporate isolation to prevent inadvertent operation of the DTT scheme to TIF in the form of test switches or relay logic;

- G) Generator shall install sufficient disturbance and fault monitoring equipment to thoroughly analyze all system disturbances of the generation system. This equipment shall monitor the voltages at major nodes of the system, current at major branches, breaker and switch positions, and enough of the Direct Current (DC) logic in the relay control scheme to analyze a system disturbance. The disturbance and fault monitoring for both Generator and TSP shall be consistent with the disturbance monitoring requirements described in the ERCOT Nodal Operating Guides and NERC standards;
- H) Prior to modifying any relay protection system design or relay setting involving the connecting facilities between the two Parties, Generator shall submit the proposed changes to the TSP and ERCOT for review and approval. Review and approval shall be for the limited purpose of determining whether such proposed changes are compatible with the ERCOT transmission system;
- I) In accordance with Good Utility Practice and ERCOT and NERC standards, the TSP shall determine requirements for protection of the Point of Interconnection and the zone of protection around the Point of Interconnection and shall specify and implement protection and control schemes as necessary to meet such requirements. Generator shall have the right to review and comment on the necessary protection requirements, and such comments shall not be unreasonably refused by the TSP when determining such requirements. The TSP shall coordinate the relay system protection between Generator and the ERCOT system;
- J) The Generator shall provide in PSSE (version 33) and Aspen One-Liner format the load flow, stability, and short circuit model for the Generator Interconnection Facilities, the generators, and collector facilities prior to the protective relays settings being calculated and in no case later than 60 days prior to the initial actual in-service date. Generator data submitted in accordance with Section 7.3 of Exhibit "A" shall include, but not limited to:
 - 1. A detailed one-line diagram of the proposed Plant and Generator Interconnection Facilities showing the collector buses and their voltages.
 - 2. Conductor types and lengths of all lines connecting the collector buses to the TSP Substation,
 - 3. The total number of generators to be served by each collector bus,
 - 4. The size, make and model of each generator,
 - 5. Capacitor bank sizes, electrical locations and control settings,
 - 6. Impedance and rating data of each transmission voltage line, Generator Step Up and/or autotransformer that will be installed to get power from the Plant and onto the transmission grid.

11) Inputs from GIF to TIF Telemetry Equipment:

- A) GIF 345 kV line disconnect position status,
- B) GIF 345 kV line protection/relay status
- C) GIF 345 kV line MW, MVAR

- D) GIF 345 kV line three-phase kV
- E) GIF 345 kV line three-phase amperes
- F) GIF 345 kV GIF circuit breaker(s) position(s)
- G) GIF 34.5 kV GIF capacitor breaker(s) position(s), if installed

12) Supplemental Terms and Conditions, if any, attached: The following terms and conditions shall be met unless there is a conflict between these terms and conditions and ERCOT Requirements, in which case the ERCOT Requirements shall prevail. Such ERCOT Requirements include, but are not limited to, ERCOT Nodal Protocols sections 1.3.1, 3.15, 8.1.1, and 12.2; ERCOT Nodal Operating Guides sections 2.2.5, 2.2.6, 2.7, 2.9.1 and 6.2.6; and the ERCOT Operating Procedures.

A) Device Numbers, Switching and Clearance:

1. Generator shall obtain prior approval of the TSP before operating any transmission voltage circuit switching apparatus (e.g. switches, circuit breakers, etc.) at the GIF, whether for testing or for operation of the Plant, which approval shall not be unreasonable withheld, conditioned or delayed.
2. The TSP shall coordinate switching at the Point of Interconnection. Each Party shall be responsible for operations of their facilities,
3. Generator and TSP will collaborate and reach mutual agreement on the establishment of: i) unique name(s) for the Generator's substations, unit main transformers and switching station(s) connected at transmission voltage; ii) device numbers for all transmission voltage switches and breakers which will be owned by the Generator; and iii) unique names for the Generator's generating units, in accordance with ERCOT requirements. Generator will submit to TSP, within 30 days after execution of this Agreement, its proposed names(s), as referenced in this paragraph. The Generator will register the name(s) of the facilities specified in this paragraph and Generator-owned device numbers at ERCOT, in accordance with ERCOT requirements, and such names and device numbers will be consistent with the names and numbers mutually agreed upon pursuant to this paragraph. The Generator will not change any of the names or device numbers, established pursuant to this paragraph, without written approval of the TSP. Generator will label the devices, referenced in item (ii) above, with the numbers assigned to such devices.
4. Each Party will keep records of maintenance and switching operations of control and protective equipment associated with this interconnection and will allow the other Party reasonable access to inspect such records.

B) No Retail Sale of Electricity to Generator by TSP: The energy and power that the Plant and GIF may from time to time consume from the 345 kV ERCOT grid through the Point of Interconnection may constitute a retail transaction and as such, the TSP does not intend to be the provider of this retail service unless otherwise authorized by law. The Generator shall make whatever arrangements may be necessary with the appropriate retail supplier for the energy and power that the Plant and GIF may consume from the 345 kV ERCOT grid through the Point of Interconnection.

C) Notification:

1. Upon written request from TSP, the Generator shall notify the TSP in writing as to which ERCOT Qualified Scheduling Entity the Plant will be utilize.
2. Upon written request from the TSP, the Generator shall supply notification to the TSP identifying their retail service provider 120 days prior to the In-Service Date and the Generator shall supply notification to the TSP 60 days prior to any changes in retail service provider, thereafter.
3. In the event of any interruption of service, the TSP shall provide prompt notice to the Generator of cause of such interruption and an estimation of when the Plant may be re-connected to the TSP.
4. Generator will notify TSP at least five (5) working days in advance of any planned maintenance, inspection, testing, or calibration of equipment located inside the GIF.

D) Substation Land, Easements and Access Road Provisions:

1. The Substation Site is an area of approximately 13 acres of land in Pecos County, approximately 9.6 miles south southwest of the city of McCamey, Texas and along the TSP's existing 345 kV North McCamey-Bakersfield transmission line as shown in Exhibit "C2". The Substation Site is approximately located at _____ in Section xx Block x in Pecos County, TX. The Parties acknowledge that (a) Generator shall, within fifteen (15) days of providing notice to proceed with engineering, either (i) enter into an option to purchase agreement for the acquisition of fee title to the Substation Site on TSP's behalf, or (ii) enter into a perpetual easement agreement with the current fee title owner of the Substation Site on TSP's behalf, in a form satisfactory to TSP, subject only to delivery of an executed copy of this Agreement to the title company and the Generator's payment of applicable policy premiums, recording fees and other closing costs, and (b) within forty-five (45) days of the Effective Date, Generator shall provide to the TSP for review and approval (i) the then current vesting deed for the Substation Site, (ii) the title proforma and/or title commitment generated in connection with the acquisition of the Substation Site pursuant to the purchase option, (iii) a current ALTA survey of the Substation Site (including topographical design survey with minimum of two-foot contours) (iv) a current Phase I environmental site assessment of the Substation Site, (v) any other archaeological research and environmental analysis of the Substation Site that is deemed necessary or advisable, and (vi) the form of the special warranty deed for the acquisition of the Substation Site by the TSP, which shall be subject to the title encumbrances and other exceptions reflected in the current vesting deed. If the TSP gives written notice that it has reviewed, but does not approve the foregoing, within ten (10) days of receipt from the Generator, the Generator shall cure any defects identified by the TSP within fifteen (15) days and resubmit them to the TSP. TSP shall have additional periods to review and approve until satisfied. Generator shall exercise and close on the purchase option upon completion of the activities set forth in this Section and cause fee title of the Substation Site to be conveyed to the TSP within fifteen (15) days of exercising the purchase option. Generator shall provide to TSP, for TSP's approval, the form and real property description of any deed Generator intends to enter into in furtherance of this Interconnection Agreement. Said deed form and real property description must be provided to TSP not later than fifteen (15) days prior to closing on the real

property. TSP shall have not less than ten (10) days to approve the deed form and real property description. TSP's approval will not be unreasonably withheld. In connection with such conveyance of the Substation Site, the TSP shall pay the Generator an amount for the Substation Site not to exceed its market value as reasonably determined by the TSP and the Generator shall pay the cost of an Owner's Extended (ALTA) Title Insurance Policy and applicable recording fees and other costs.

2. Generator will be responsible for relocation of existing utilities not owned by TSP, both overhead and underground, that inhibit full use of the TIF substation site. The relocation of said utilities must be completed in time to insure there are no impacts to TIF substation site access or construction schedules. TSP will cooperate with and work in good-faith to aid Generator in the aforementioned relocation of existing utilities when reasonably possible. However, the ultimate responsibility for said relocation is the responsibility of Generator.
3. If necessary to provide access to the Substation Site and no public road for vehicular ingress to and egress from the site exists, within fifteen (15) days of providing notice to proceed with engineering, the Generator shall acquire (in escrow) a non-exclusive, perpetual easement for the benefit and use of the TSP that provides good and adequate rights of vehicular ingress and egress to and from a public road to the TSP's TIF and to the GIF, subject only to delivery of an executed copy of this Agreement to the title company and the payment of applicable policy premiums, recording fees, and other closing costs. The Parties acknowledge that the Access Easement acquired by the Generator on TSP's behalf must be reviewed and accepted by the TSP and that the Access Easement will provide the TSP non-exclusive rights to use the same in common with the Generator, to the extent such serve or provide access to the Generator's facilities. The TSP shall pay the Generator an amount for the TSP's Access Easement not to exceed its market value as reasonably determined by the TSP. The Access Easement is a stand-alone easement agreement and shall survive termination of this Agreement and shall be properly recorded in a manner reasonably acceptable to the TSP.
4. The Generator, at no cost to the TSP, agrees to pay the costs of a Phase I ESA Environmental Report and of the ALTA survey (including topographical design survey with minimum of two-foot contours) of the Substation Site for the tracts necessary in (1) and (2) above.

13) Special Operating Conditions:

- A) **Quality of Power.** Generator shall provide a quality of power into the ERCOT system consistent with the applicable ERCOT Requirements and NERC guidelines;
- B) **Harmonics and Telephone Interference.** The Generator's alternating current generating system must have a frequency of 60 Hz, be designed for balanced three-phase operation, not cause unreasonable imbalance on the ERCOT system or the TSP TIF and adhere to the recommendations in Institute of Electrical and Electronic Engineers Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems (IEEE 519), or its successor;

C) Voltage, Frequency and Reactive Support. The Generator shall have and maintain:

1. Reactive capability as required in the ERCOT Requirements.
2. The ability to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the ERCOT requirements for Voltage Ride Through (VRT) capability.
3. Both frequency and voltage controls operating in synchronism with the TSP's system. The Generator shall notify the TSP at any such time that such controls are out of service.

D) Generator shall install sufficient phasor measurement recording equipment that meet the requirements in ERCOT Nodal Operating Guide Sections 6.1.3.1, Recording Requirements and 6.1.3.3, Data Recording and Redundancy Requirements. Phasor measurement recording equipment shall be time synchronized with a Global Positioning System-based clock, or ERCOT-approved alternative, with sub-cycle (<1 microsecond) timing accuracy and performance. Generator agrees to provide data sets to TSP upon request;

E) ERCOT Operating Arrangements. A special ERCOT-approved operating arrangement such as a Remedial Action Scheme or Special Protection System may be required either prior to, or after, Commercial Operation. The terms "Remedial Action Scheme" and "Special Protection System" shall have the meanings as set forth in the ERCOT Requirements. TSP and ERCOT will examine the need and feasibility of these arrangements in cooperation with the Generator. In the event that ERCOT determines that such an arrangement is required, then TSP, ERCOT and Generator will cooperate to design and install the necessary facilities, to be operational for the duration of the period where such Remedial Action Scheme or Special Protection System may be necessary. This agreement will be amended to document such arrangements;

F) Backup Power during Point of Interconnection Outage. The Generator acknowledges that this Point of Interconnection may not always be available due to maintenance or other outage activities and at these times of unavailability the loss of both generator output and power delivery to the Generator will not be the responsibility of the TSP. The Generator is responsible for providing any backup power sources that it may require due to the unavailability of this Point of Interconnection for any period of time;

G) Sub-synchronous Resonance (SSR) Study. Pursuant to Section 5.4.5.1 of the current ERCOT Planning Guide, the TSP shall complete the SSR study prior to initial synchronization of the plant. The findings of the SSR study may dictate that the Generator and/or TSP install additional facilities to mitigate this vulnerability in conjunction with this interconnection request. In accordance with Section 5.4.5.1 of the current ERCOT Planning Guide, ERCOT shall approve all mitigation plans. If the mitigation plan requires the TSP to mitigate a vulnerability, the TSP may increase the dollar amount of the Security Instrument required of the Generator associated with the mitigation plan. If mitigation is required, this Agreement shall be amended to include any additional facilities and additional amount of Security deposit.

Exhibit "C1" **Point of Interconnection Details**

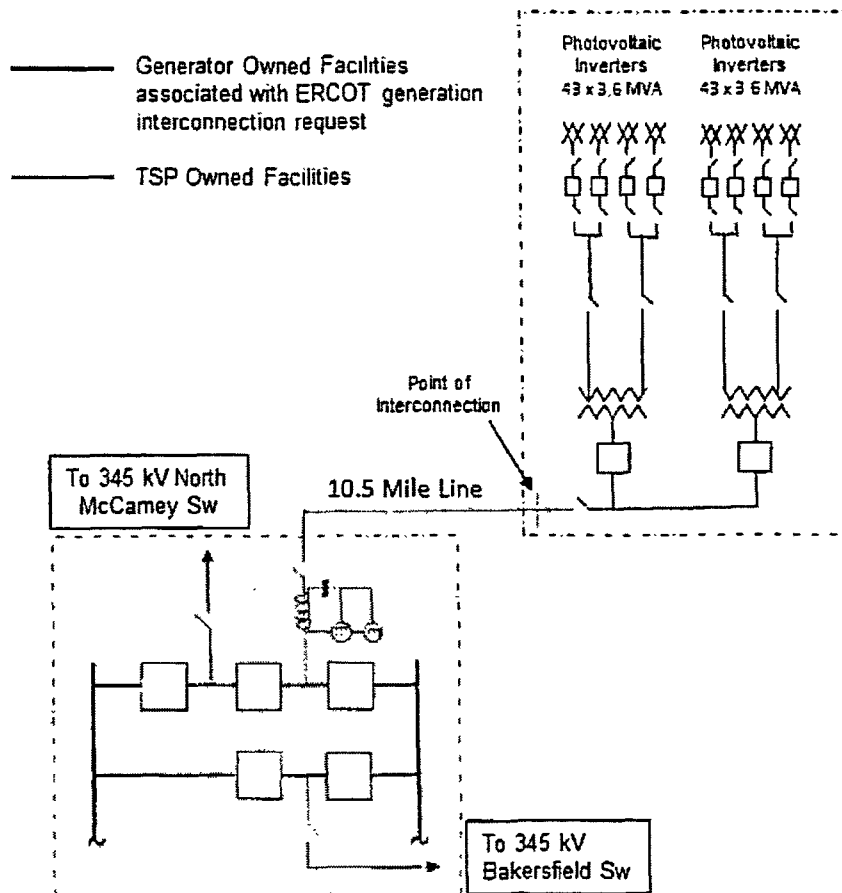


Exhibit "C2"
Proposed Transmission Line Route



Exhibit "D"
Notice Information of the Standard Generation Interconnection Agreement

(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:	
<p>If to</p> <p>Garland Power & Light Attn: Electric Grid Controller 525 E. Avenue B Garland, TX 75040 24 Hour Telephone: (972) 205-3063 / 3068 Fax: (972) 205-3106</p>	<p>If to</p> <p>Concho Bluff, LLC Attn: Jon Robertson 2028 E Ben White Blvd STE 240-8833 Austin, TX 78741 24 Hour Telephone (512) 568-3228 E-mail jrobertson@onpeakpower.com</p>
(b) Notices of an administrative nature:	
<p>If to</p> <p>Garland Power & Light Attn: Sr. Managing Director 217 N. Fifth St. Garland, TX 75040 Phone: (972) 205-2000</p>	<p>If to</p>
(c) Notice for statement and billing purposes:	
<p>If to</p> <p>Garland Power & Light Attn: Sr. Managing Director 217 N. Fifth St. Garland, TX 75040 Phone: (972) 205-2000</p>	<p>If to</p>

Exhibit "E"
Security Arrangement Details

"Bank" means a major U.S. commercial bank, or a U.S. branch office of a major foreign commercial bank, with a credit rating of at least "A-" by Standard & Poor's or "A3" by Moody's Investor Service.

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

"Final Expiration Date" means the earlier of (i) five (5) Business Days after the date upon which TSP receives written notification from Generator that Commercial Operation has been achieved or (ii) ninety (90) days after the termination of this Agreement in accordance with its terms.

"Letter of Credit" means an irrevocable, transferable standby letter of credit issued by a Bank in a form that is acceptable to TSP.

"Security" means one (1) or more Letters of Credit or a cash deposit, or a combination thereof, for the benefit of TSP.

"Security Effective Date" means the date Generator provides TSP the required Security, which shall be within fifteen (15) Business Days after the execution of this Agreement.

As a condition to TSP's obligation to plan, license, engineer, design, procure equipment and material, and construct the TIF described in Exhibit "C", Generator shall provide Security in an amount totaling \$ 30,700,000, as required pursuant to Section 8.3 of Exhibit "A", according to the following schedule:

	Security Requirement	Cumulative Security
Security Effective Date – Amount includes CCN	\$ 200,000	\$ 200,000
Any time before CCN Approval or within ten (10) days after CCN Approval for transmission line and substation detailed engineering	\$ 1,600,000	\$ 1,800,000
Four (4) months after notice to proceed is received for engineering or as request by TSP	\$ 14,600,000	\$ 16,400,000
Six (6) months after notice to proceed is received for procurement are as requested by TSP	\$ 14,300,000	\$ 30,700,000

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

From the Security Effective Date, Generator shall cause to be established and at all times through the Final Expiration Date cause to be maintained in full force and effect Security consistent with this Exhibit "E" and acceptable to TSP. Failure to deliver or maintain the Security in the amount and period set forth within this Agreement and Exhibit "E" shall be deemed a Default under Section 10.6 of this Agreement notwithstanding any cure period otherwise provided for in Section 10.6, but subject to the cure periods otherwise provided in the immediately following paragraph.

If at any time the credit rating of the Bank is reduced for any reason to less than "A-" by Standard & Poor's or "A3" by Moody's Investor Service, Generator shall replace the affected Letter of Credit with another Letter of Credit in a form acceptable to TSP of the same amount and with the same beneficiary from another Bank within fifteen (15) Business Days of the date of such event. Failure to provide an acceptable substitute Letter of Credit within the time period specified above shall be deemed a Default under Section 10.6 of this Agreement, notwithstanding any cure period otherwise provide for in Section 10.6, and TSP may draw upon the Letter of Credit and retain the proceeds as Security.

In the event a Letter of Credit is set to expire on a date prior to the Final Expiration Date and Generator has not provided to TSP a substitute Letter of Credit at least forty-five (45) days in advance of such expiration, TSP shall have the right to draw upon the expiring Letter of Credit and retain as security the full amount of the expiring Letter of Credit. The substitute Letter of Credit shall be in a form acceptable to TSP of the same amount and with the same beneficiary. Failure to provide a substitute Letter of Credit within the time period specified above shall be deemed a Default under Section 10.6 of this Agreement, notwithstanding any cure period otherwise provide for in Section 10.6, and TSP may draw upon the Letter of Credit and retain the proceeds as Security.

TSP may by written notice to Generator require Generator to increase the Security from time to time if TSP determines in its reasonable discretion that the remaining Security is not adequate to cover the costs that TSP then reasonably estimates could become payable pursuant to this Agreement. Generator shall tender any such increase to TSP within thirty (30) days of such notice. Failure to deliver the increase in Security in the amount and within the period set forth within this Agreement and this Exhibit "E" shall be deemed a Default under Section 10.6 of this Agreement, notwithstanding any cure period otherwise provided for in Section 10.6, subject to the cure periods otherwise provided in this Exhibit "E".

Exhibit "E1"
Form Letter of Credit

IRREVOCABLE LETTER OF CREDIT

Irrevocable Standby Letter of Credit No. _____

Issued: _____

Issuing Bank:
(Insert full name and address)

Beneficiary:
City of Garland, Texas, referred to below as "you" or "Beneficiary"
217 N. Fifth Street
Garland, Texas 75040
Authorized Representative. Chief Financial Officer Garland Power & Light or designee in writing

Applicant:
(Insert full name and address)

Initial expiration date at our counter (unless evergreen): _____

Final expiration date at our counter: _____

Ladies and Gentlemen:

We, _____ ("Issuer") do hereby establish this Irrevocable Transferable Standby Letter of Credit No. _____ ("Letter of Credit") by order of, for the account of and on behalf of Applicant and in favor of the Beneficiary. The term "Beneficiary" includes any successor by operation of law of the named beneficiary including without limitation any liquidator, receiver or conservator.

This Letter of Credit is issued, presentable and payable and we guaranty to you that drafts under and in compliance with the terms of this Letter of Credit will be honored on presentation and surrender of certain documents pursuant to the terms of this Letter of Credit.

This Letter of Credit is available in one or more drafts and may be drawn hereunder an amount of up to an aggregate amount not exceeding \$_____. Funds under this Letter of Credit are available for payment to you upon presentation to us of a written demand: (i) signed by an Authorized Representative of the Beneficiary; (ii) dated the date of presentation; and (iii) the following statement:

|

"The undersigned hereby certifies to _____ ("Issuer"), with reference to its Irrevocable Transferable Standby Letter of Credit No. _____, dated _____, issued on behalf of Applicant and in favor of Beneficiary that an event prompting a draw on this Letter of Credit in accordance with the terms and provisions of the Generation Interconnection Agreement dated _____, 2018 between Concho Bluff, LLC and the City of Garland, Texas (as the same may be amended and supplemented from time to time, whether now or hereafter executed and any replacements or substitutions therefore) has occurred. The Beneficiary hereby draws upon the Letter of Credit in an amount equal to \$(United States Dollars_____)."

Such presentation may be made to the Issuing Bank (i) at sight at _____, (ii) by first class certified and registered U.S. Mail, or (iii) by overnight mail.

We hereby agree that upon your presentation to us in compliance with the terms of this Letter of Credit on or before the date of expiration we will honor the presentation. If documents are presented prior to 12:00 PM Eastern Standard Time on any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of Texas are permitted or required to be closed ("Business Day"), we will honor the same in full in immediately available funds on the next Business Day and, if so presented after 12:00 PM Eastern Standard Time on any Business Day, we will honor the same in full in immediately available funds on the fourth Business Day following presentation. We agree that if this Letter of Credit expires on a day other than a Business Day this Letter of Credit will be duly honored if the demand is presented by you within one (1) full Business Day after such expiration.

It is a condition of this Letter of Credit that it will be automatically extended without amendment for one (1) year from the initial expiration date hereof, or any future expiration date subject to the final expiration date hereof, unless at least one hundred twenty (120) days prior to any expiration date we send you written notice at the above address by registered mail or overnight courier service that we elect not to consider this Letter of Credit extended for any such period.

The stated amount of this Letter of Credit may be increased or decreased, and the expiration date of this Letter of Credit may be extended (if the expiration date has not been automatically extended as provide above), by an amendment to the Letter of Credit.

This Letter of Credit may be transferred in its entirety (but not in part) upon presentation to us of a transfer certificate signed by the Beneficiary in the form of Attachment A accompanied by this Letter of Credit and any amendment(s), in which the Beneficiary irrevocably transfers to such transferee all of its rights hereunder, whereupon we agree to either issue a substitute letter of credit to such successor or endorse such transfer on the reverse of this Letter of Credit. Any transfer fees assessed by the Issuer will be payable solely by the Applicant, and the payment of any transfer fees will not be a condition to the validity or effectiveness of the transfer or this Letter of Credit.

This Letter of Credit is not transferable to any person or any entity with which U.S. persons are prohibited from doing business under applicable U.S. law or regulation.

Disbursements under the Letter of Credit shall be in accordance with the following terms and conditions:

1. The amount, which may be drawn by the Beneficiary under this Letter of Credit, may be reinstated by the amount of any drawings hereunder via amendment.
2. All commissions, charges, fees, and other costs associated with the issuance of and drawing against this Letter of Credit will be borne by the Applicant and will not reduce the amount payable to Beneficiary under this Letter of Credit.
3. This Letter of Credit shall be governed by the International Standby Practices Publication No. 590 of the International Chamber of Commerce, (the "ISP"), except to the extent that terms hereof are inconsistent with the provisions of the ISP, in which case the terms of the Letter of Credit shall govern. This Letter of Credit shall be governed by the internal laws of the State of New York to the extent that the terms of the ISP are not applicable; provided that, in the event of any conflict between the ISP and such New York laws, the ISP shall control.
4. This Letter of Credit may not be amended, changed, or modified without the express written consent of the Beneficiary, the Applicant and the Issuer.
5. The Beneficiary shall not be deemed to have waived any rights under this Letter of Credit, unless an Authorized Representative of the Beneficiary shall have signed a written waiver. No such waiver, unless expressly so stated therein, shall be effective as to any transaction that occurs subsequent to the date of the waiver, nor as to any continuance of a breach after the waiver.
6. A failure to make any partial drawing at any time shall not impair or reduce the availability of this Letter of Credit in any subsequent period or our obligation to honor your subsequent demands for payment made in accordance with the terms of this Letter of Credit.

Yours truly,

(Name of issuing bank) _____

By _____

Title _____

Direct Telephone Number _____

Attachment A

(FORM TO BE ADDRESSED TO THE NOMINATED BANK BY THE BENEFICIARY OF A TRANSFERABLE CREDIT WHEN TRANSFERRING THE CREDIT IN ITS ENTIRETY INCLUDING ALL EXISTING AND FUTURE AMENDMENTS, IF ANY)

20

To:

Gentlemen:

Re: Letter of Credit No.

Issued by:

For value received, the undersigned beneficiary hereby Irrevocably transfers to:

(Name of Transferee)

(Address)

all rights of the undersigned beneficiary to Draw under the above Letter of Credit in its entirety.

By this transfer, all rights of the undersigned beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised direct to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

The advice of such Letter of Credit is returned herewith, and we ask you to endorse the transfer on the reverse thereof, and forward it direct to the transferee with your customary notice of transfer.

Very truly yours,

Signature of
Beneficiary

SIGNATURE AUTHENTICATED &
SIGNOR IS AUTHORIZED TO REQUEST SAID TRANSFER

(Bank)

(Authorized Signature)