

CLEAN VERSION

Standard Oregon Qualifying Facility Large Generator

Interconnection Procedures (QF-LGIP)

(Applicable to Qualifying Facilities in Oregon that exceed 20 MW)

TABLE OF CONTENTS

[To be inserted]

Appendix 1 - Interconnection Request for a Large Generating Facility

Appendix 2 - Informational Interconnection Study Request

Appendix 2A - Informational Interconnection Study Agreement

Appendix 3 - Cluster Study Agreement

Appendix 4 - Interconnection Facilities Study Agreement

Appendix 5 - Standard Large Generator Interconnection Agreement

Appendix 6 - Interconnection Procedures for a Wind Generating Plant

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the QF-LGIA.

Breaching Party shall mean a Party that is in Breach of the QF-LGIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Cluster shall mean a group of Interconnection Requests (one or more) that are studied together for the purpose of conducting the Cluster Study.

Cluster Area shall mean the areas of the Transmission Provider's Transmission System that are included together in a Cluster, as described further in Article 7.4 of this QF-LGIP.

Cluster Request Window shall have the meaning set forth in Article 4.2.1 of this QF-LGIP.

Cluster Re-Study shall mean a re-study of a Cluster Study conducted pursuant to Article 7.5 of

this QF-LGIP.

Cluster Re-Study Report shall mean the report issued following completion of a Cluster Re-Study pursuant to Article 7.5 of this QF-LGIP.

Cluster Re-Study Meeting shall mean the meeting held to discuss the results of a Cluster Re-Study pursuant to Article 7.5 of this QF-LGIP.

Cluster Study shall mean an Interconnection Study evaluating one or more Interconnection Requests within a Cluster as described in more detail in Article 7.4 of this QF-LGIP.

Cluster Study Agreement shall mean the form of agreement contained in Appendix 3 to the Standard Large Generator Interconnection Procedures for conducting the Cluster Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Article 7.4 of this QF-LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Article 7.4 of this QF-LGIP.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study as described in more detail in Article 7 of this QF-LGIP.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the QF-LGIA.

Commission shall mean the Public Utility Commission of Oregon.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

Customer Engagement Window shall have the meaning set forth in Article 7.2 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the QF-LGIA.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the QF-LGIA becomes effective upon execution by the Parties.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider; is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the QF-LGIA to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission Provider's Transmission System on an "as available" basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (FERC) or its successor.

Financial Security shall mean any of the forms of collateral or security listed in Article 11.5 of the QF-LGIA.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war,

insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device or devices for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. The Generating Facility is and shall remain a Qualifying Facility.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Informational Interconnection Study shall mean an analysis based on assumptions specified by Interconnection Customer in the Informational Interconnection Study Agreement and conducted pursuant to Article 6 of this LGIP.

Informational Interconnection Study Agreement shall mean the form of agreement contained in Appendix 2A to this QF-LGIP for conducting the Informational Interconnection Study.

Informational Interconnection Study Request shall mean an Interconnection Customer's request in the form of Appendix 2 to this QF-LGIP.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean the entity identified in the first paragraph of the QF-LGIA that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Article 7 of this LGIP, "Interconnection Customer" shall also mean any Small Generating Facility that is participating in a Cluster.

Interconnection Customer's Interconnection Facilities or ICIF shall mean all facilities and equipment, as identified in of the QF-LGIA, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Interconnection Facilities may be shared by more than one Generating Facility in a Cluster.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities, Distribution Upgrades and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Article 8 of the QF-LGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the QF-LGIP for conducting the Interconnection Facilities Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the QF-LGIP, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. For purposes of the Transmission Provider's Cluster Study process conducted pursuant to Article 7 of this QF-LGIP, "Interconnection Request" shall also mean any interconnection request from a Small Generating Facility that is participating in a Cluster.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the QF-LGIA and, if applicable, the Transmission Provider's OATT.

Interconnection Study shall mean any of the following studies: the Informational Interconnection Study, the Cluster Study, and the Interconnection Facilities Study described in the QF LGIP.

IRS shall mean the Internal Revenue Service.

Large Generator Interconnection Agreement or LGIA shall mean the form of interconnection agreement applicable to an Interconnection Request under the Transmission Provider's OATT pertaining to a Large Generating Facility that is not a Qualifying Facility.

Large Generator Interconnection Procedures or LGIP shall mean the interconnection procedures contained in the Transmission Provider's OATT that are applicable to an Interconnection Request pertaining to a Large Generating Facility.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the QF-LGIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the QF-LGIA at the one or more metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, other communications conductors, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Net Output shall mean all energy and capacity produced by the Generating Facility and delivered to the Point of Delivery, net of transformation, transmission, or other losses, if any, and less Station Power.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff, Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as all other Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in

connection with the QF-LGIA or its performance.

Obligated Entity shall mean the entity with a contractual obligation to construct Network Upgrades.

OATT shall mean the Transmission Provider's Open Access Transmission Tariff on file with the Federal Energy Regulatory Commission ("FERC").

OPUC shall mean the Public Utility Commission of Oregon.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the QF-LGIA, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Delivery shall mean the point on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider.

Point of Interconnection shall mean the point, as set forth in Appendix A to the QF-LGIA, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Power System Stabilizers shall have the meaning designated in the guidelines and procedures established by the applicable Reliability Council.

Power Purchase Agreement ("PPA") shall mean a separate agreement between the Transmission Provider and Interconnection Customer, the terms of which govern the sale by the Interconnection Customer and the purchase by the Transmission Provider of the Net Output of the Interconnection Customer's Qualifying Facility, pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

QF-LGIA shall mean the Qualifying Facility Large Generator Interconnection Agreement.

QF-LGIP shall mean the Qualifying Facility Large Generator Interconnection Procedures applicable to any large Generating Facility that is also a Qualifying Facility and which seeks to interconnect to the Transmission Provider's Transmission System or Distribution system in Oregon.

Qualifying Facility or QF shall mean a qualifying cogeneration facility or qualifying small power production facility within the meaning of Articles 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time that Interconnection. Customer satisfies all of the requirements of Articles 3, 4, and 7 to enter the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the QF-LGIA, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing the proposed interconnection request, alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to affect such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold interest in a site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of the Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Site Control for any co-located project is demonstrated by a contract or other agreement demonstrating shared land use for all co-located projects that meet the aforementioned provisions of this Site Control definition.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in to the QF-LGIA.

Station Power shall mean electric power used in the process of producing power at Interconnection Customer's Generating Facility, including but not limited to the electric power necessary for auxiliary equipment such as pumps, blowers, fans, fuel transportation systems, similar auxiliary systems that are a necessary and integral part of the power production process, and other parasitic loads involved in the generating process.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the QF-LGIA to the extent necessary.

Transmission Provider shall mean the applicable Utility.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the QF-LGIA, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades. Transmission Provider's Interconnection Facilities may be shared by more than one Generating Facility in a given Cluster Study.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the OATT.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Withdrawal Penalty shall have the meaning set forth in Article 3.6.1 of this QF-LGIP.

Article 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures.

This QF-LGIP applies to processing an Interconnection Request pertaining to a Qualifying Facility Large Generating Facility for a point of Interconnection in Oregon. Small Generating Facilities that are subject to Tier 4 interconnection review in accordance with OAR Chapter 860, Division 82 will be processed in a single study process with Large Generating Facilities. Interconnection requests for Small Generating Facilities may be studied together in Clusters with Interconnection Requests for Large Generating Facilities.

2.2 Comparability.

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this QF-LGIP. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3 Base Case Data.

In accordance with the Applicable Reliability Council policies, Transmission Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in QF-LGIP Article 13.1. Transmission Provider is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (i) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.

Nothing in this QF-LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

Article 3. Interconnection Requests and Informational Interconnection Study Requests

3.1 Interconnection Requests.

An Interconnection Customer shall submit to Transmission Provider, at any time, including

during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this QF-LGIP and a refundable deposit of:

- a. \$75,000 for requests of less than 50 MW;
- b. \$150,000 for requests of 50 MW and greater, but less than 200 MW; or
- c. \$250,000 for requests of 200 MW and greater.

And evidence that Interconnection customer has initiated the certification process for the Large Generating Facility as a Qualifying Facility established by 18 C.F.R. § 292.207. Pursuant to Article 4.2.2, Transmission Provider shall apply the deposit toward the cost of a Cluster Study into which Interconnection Customer is admitted including such Interconnection Customer's individual Facilities Study, and shall be used to process Interconnection Customer's request. For Small Generating Facilities, the appropriate application fee or deposit shall be determined pursuant to OAR Chapter 860, Division 82. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of clustering Interconnection Service requests, Transmission Provider may make reasonable changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common points of interconnection. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection and the Point of Interconnection shall only change upon mutual agreement.

Interconnection Customers can submit an Interconnection Request at any time but doing so before a Cluster Request Window does not confer any priority to the Interconnection Request. Transmission Provider will post a list showing the Interconnection Requests received, including location, point of interconnection, size, generator type, interconnection service, and applicable interconnection procedures.

Interconnection Customers are not required to submit an Interconnection Request for an existing Generating Facility unless the Interconnection Customers proposes to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System. If an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System request a new interconnection agreement and does not propose to increase the capacity of, or make a Material Modification to the operating characteristics of, the existing Generating Facility, then Transmission Provider will study the existing Generating Facility outside of the Cluster Study framework set forth in Article 7. The existing Generating Facility will be studied to determine if additional Interconnection Facilities and Network Upgrades are required to bring the existing Generating Facility into compliance with current requirements.

3.2 Type of Interconnection Services.

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service

3.2.1.1 The Product.

Energy Resource Interconnection Service allows the Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study.

The Study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service.

3.2.2.1 The Product.

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers in the same manner as all other Network Resources. Network Resource Interconnection Service Allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

3.2.2.2 The Study.

The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with

Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Valid Interconnection Request.

3.3.1 Initiating an Interconnection Request.

An Interconnection Customer wishing to join a Cluster shall submit its Interconnection Request to Transmission Provider no later than the close of the Cluster Request Window. To initiate an Interconnection Request, Interconnection Customer must submit all of the following:

- (i) applicable deposit amount, pursuant to Article 3.1,
- (ii) a completed application in the form of Appendix 1 (including applicable technical information),
- (iii) Site Control demonstration pursuant to Article 3.3.1(iii)(a) or (b) below:
 - a. Demonstration of actual Site Control. For demonstration of Site Control of Large Generating Facilities: Specifications for acceptable site size for the purposes of demonstrating Site Control are posted on Transmission Provider's OASIS website. Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size, Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement. Demonstration of Site Control for Small Generating Facilities shall be pursuant to OAR Chapter 860, Division 82.
 - b. Posting of an additional deposit of \$10,000 in lieu-of Site Control. Deposits paid pursuant to this Article 3.3.1(iii) shall be refunded to the Interconnection Customer upon Commercial Operation or upon withdrawal pursuant to Article 3.6, subject to applicable Withdrawal Penalties.

- (iv) Generating Facility size (MW) (and requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity);
- (v) A Point of Interconnection.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Article 3.3.1(iii). Upon Transmission Provider determining separately that Interconnection Customer no longer satisfies Site Control, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement to Transmission Provider's satisfaction. Absent such demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven (7) years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten (10) years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

3.3.2 Acknowledgment of Interconnection Request.

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request if submitted during the Cluster Request Window or fifteen (15) Business Days if submitted outside the Cluster Request Window and attach a copy of the received Interconnection Request to the acknowledgement.

3.3.3 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Article 3.3.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Article 3.3.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. At any time, if Transmission Provider identifies issues with technical data provided by Interconnection Customer, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy any data issues. Failure by Interconnection Customer to comply with this Article 3.3.3 shall be treated in accordance with Article 3.6.

Transmission Provider shall determine if the information contained in the Interconnection Request is sufficient to start the Cluster Study by the close of the Customer Engagement Window.

3.3.4 Scoping Meeting.

During the Customer Engagement Window, Transmission Provider shall hold a Scoping Meeting with all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window. If requested by an Interconnection Customer, Transmission Provider shall also hold individual customer-specific Scoping Meetings, which must be requested no later than fifteen (15) Business Days after the close of the Cluster Request Window.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to discuss the Cluster Area materials posted to OASIS pursuant to Article 7.4, and to analyze such information. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. The duration of the meeting shall be sufficient to accomplish its purpose.

3.4 OASIS Posting.

In addition to the Interconnection Requests that Transmission Provider is required to maintain on its OASIS under the requirements of the Transmission Provider's OATT, Transmission Provider will maintain on its same OASIS a list of all Interconnection Requests under this QF-LGIP. Interconnection Requests received under the QF-LGIP and the LGIP under the Transmission Provider's OATT shall be assigned Queue Positions in the same queue. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of interconnection Service being requested; (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes a QF-LGIA. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.5 Coordination with Affected Systems.

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this QF- LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this QF-LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems. It is the responsibility of the Affected System Owner to provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to (i) complete any interconnection studies and (ii) construct any necessary Interconnection Facilities and Network Upgrades needed to reliably interconnect at the requested service level.

3.6 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this QF-LGIP, except as provided in Article 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of interconnection Customer's Queue Position, including any placement in a particular Cluster. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

In the case of a withdrawal, Transmission Provider shall:

- (i) update OASIS as appropriate, including any Queue Position changes;
- (ii) impose the applicable Withdrawal Penalty described in Article 3.6.1, if any; and
- (iii) issue any refund to Interconnection Customer pursuant to Article 13.3.2.

In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions

of Article 13.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.6.1 Withdrawal Penalty.

Except as provided in Appendix 8 of Transmission Provider's QF-LGIP, an Interconnection Customer shall be subject to a penalty ("Withdrawal Penalty") if it withdraws its Interconnection Request or the Generating Facility does not otherwise reach Commercial Operation unless (1) the withdrawal does not negatively affect the timing or cost of other projects within the same Cluster as determined by Transmission Provider; (2) the Interconnection Customer withdraws after receiving the most recent Cluster Study Report and the costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in the previous Cluster Study Report; (3) the Interconnection Customer withdraws after receiving the individual Facilities Study report and the costs assigned to the Interconnection Request identified in that report have increased by more than 100 percent compared to costs identified in the most recent Cluster Study Report. For the avoidance of doubt, Small Generating Facilities participating in the Cluster Study process pursuant to Article 7 shall not be subject to Withdrawal Penalties.

3.6.1.1 Calculation of the Withdrawal Penalty.

If the withdrawing Interconnection Customer is withdrawing prior to executing a QF-LGIA, that Interconnection Customer's Withdrawal Penalty shall be as follows:

- a. If Interconnection Customer withdraws after receipt of a Cluster Study Report, the Interconnection Customer shall be charged two (2) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one (1) million dollars.
- b. If Interconnection Customer withdraws after receipt of any applicable restudy reports issued pursuant to Article 7.5, the Interconnection Customer shall be charged three (3) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at one and one half (1.5) million dollars.
- c. If Interconnection Customer withdraws after receipt of the individual Facilities study report issued pursuant to Article 8, the Interconnection Customer shall be charged five (5) times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. This amount shall be capped at two (2) million dollars.

The Withdrawal Penalty for any Interconnection Customer that, before achieving Commercial Operation, withdraws after executing a QF-LGIA shall be nine (9)

times of its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point, regardless of any previous Withdrawal Penalty revenues received. In the event that the Interconnection Customer suspends its interconnection agreement, the Interconnection Customer shall be obligated to pay for costs associated with any studies or restudies required as a result of the suspension of the interconnection agreement, including any restudies associated with any affected lower-queued customers.

3.6.1.2 Distribution of the Withdrawal Penalty.

Any Withdrawal Penalty revenues shall be used to fund generation interconnection studies, including individual Interconnection Facility Studies. Withdrawal Penalty revenues shall first be applied, in the form of a bill credit, to not-yet-invoiced study costs for other Interconnection Customers in the same Cluster, and to the extent that such studies are fully credited, shall be applied to study costs of future Clusters in queue order. Withdrawn Interconnection Customers shall not receive a bill credit associated with Withdrawal Penalty revenues. Distribution of Withdrawal Penalty revenues to a specific study shall not exceed the total actual study costs. Allocation of Withdrawal Penalty revenues within a Cluster to a specific Interconnection Customer shall be (1) fifty percent (50%) on a per capita basis based on number of Interconnection Requests in the applicable Cluster; and (2) fifty percent (50%) to Interconnection Customers on a pro-rata basis based on requested megawatts included in the applicable Cluster. Distribution of Withdrawal Penalty revenue associated with Article 3.6.1.1(c) shall not be distributed to the remaining Interconnection Customers in that Cluster until all Interconnection Customers in that Cluster have reached Commercial Operation and thereafter shall be distributed as described above. Transmission Provider shall not change the distribution of Withdrawal Penalty revenue without authorization by the Commission. Transmission Provider shall post the Withdrawal Penalty balance on its OASIS site.

3.7. Informational Interconnection Study Requests.

Interconnection Customers evaluating different options (such as different sizes, sites, or voltages) are encouraged but not required to use the Informational Interconnection Study Process in Article 6 before entering the Cluster Study process.

Article 4. Queue Position

Once an Interconnection Customer has submitted a valid Interconnection Request pursuant to Article 3.3, such Interconnection Request shall be admitted into Transmission Provider's queue for further processing pursuant to the following procedures.

4.1 General.

4.1.1 Assignment of Queue Position.

Transmission Provider shall assign a Queue Position as follows: the Queue Position within the queue shall be assigned based upon the date and time of receipt of all items required pursuant to the provisions of Article 3.3. There is no queue for Informational Interconnection Studies.

4.1.2 Higher Queue Position.

A higher Queue Position assigned to an Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued but Clusters initiated earlier in time shall be considered to have a higher Queue Position than Clusters initiated later. The Queue Position of an Interconnection Request shall have no bearing on the allocation of the cost of the common upgrades identified in the applicable Cluster Study (such costs will be allocated among Interconnection Requests in accordance with Article 4.2.3). Moving a Point of Interconnection shall result in a loss of Queue Position if it is deemed a Material Modification under Article 4.4.

4.2 General Study Process.

Cluster Studies performed within the Interconnection Study process shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System’s capabilities at the time of each study.

4.2.1 Cluster Request Windows.

Transmission Provider shall accept Interconnection Requests at any time including during a forty-five (45) Calendar Day period, hereinafter referred to as the “Cluster Request Window.” The initial Cluster Request Window shall open for Interconnection Requests beginning April 1 following commencement of the transition process set out in Appendix 8 to this QF-LGIP and successive Cluster Request Windows shall open annually every April 1 thereafter.

4.2.2 Study Cost Allocation.

Transmission Provider shall determine each Interconnection Customer’s share of the costs of a Cluster Study by allocating: (1) fifty percent (50%) of the applicable study costs to Interconnection Customers on a per capita basis based on number of Interconnection Requests included in the applicable Cluster; and (2) fifty percent (50%) of the applicable study costs to Interconnection Customers on a pro-rata basis based on requested megawatts included in the applicable Cluster. For example, the cost of a Cluster Study consisting of a 100 MW request and a 900 MW request would be allocated 30% to the 100 MW request and 70% to the 900 MW request.

Any refunds of deposits paid in excess of Interconnection Customer costs allocated pursuant to this Article 4.2.2 shall be issued in accordance with Article 13.3.

4.2.3 Transmission Provider’s Interconnection Facilities and Network Upgrade Cost Allocation.

For Transmission Provider’s Interconnection Facilities and Network Upgrades identified in Cluster Studies, Transmission Provider shall calculate each Interconnection Customer’s share of costs in the manner set forth below. If a Cluster Study includes one or more Cluster Areas, such costs shall be calculated and allocated among Interconnection Customers within the same Cluster Area. Interconnection Customer shall be responsible for funding the costs of any facilities identified by Transmission Provider in such Interconnection Customer’s individual Facilities Study report.

- a. Station equipment Network Upgrades, including all switching stations, shall be allocated based on the number of Generating Facilities interconnecting at an individual station on a per capita basis (i.e. on a per Interconnection Request basis). If multiple Interconnection Customers are connecting to the Transmission Provider's System through a single Interconnection Customer's Interconnection Facility (i.e. sharing the Interconnection Customer's Interconnection Facility connecting to the Transmission Provider's Interconnection Facility(ies)), those Interconnection Customers shall be considered one Interconnection Customer for the per capita calculation described in the preceding sentence. Shared Transmission Provider's Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing that Transmission Provider's Interconnection Facility on a per capita basis.
- b. The funding responsibility for Network Upgrades other than those identified in Article 4.2.3(a) shall be as follows: Interconnection Customers within a Cluster Study that have requested Energy Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Interconnection Customers within a Cluster Study that have requested Network Resource Interconnection Service shall bear their allocable share of the cost of Network Upgrades necessary to provide such service. Such allocation shall be based on the proportional capacity of each individual Generating Facility in the Cluster Studies requiring such Network Upgrades in accordance with the iterative process provided in Article 7.3.
- c. Costs of Transmission Provider's Interconnection Facilities are directly assigned to the Interconnection Customer(s) using such facilities.
- d. Notwithstanding any other provision of this Article 4.2.3, no Interconnection Customer shall be responsible for any Network Upgrade costs identified pursuant to this Article if such Interconnection Customer's Interconnection Request individually represents one (1) percent or less of the total requested megawatts included in the applicable Cluster.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

4.4 Modifications.

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Articles 4.4.1, 4.4.2, or 4.4.5, or are determined not to be Material Modifications pursuant to Article 4.4.3.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection

Request. Subject to the forgoing sentence, and provided, however, they do not result in a Material Modification, to the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer and potentially impacted Interconnection Customers in the same Cluster, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Article 7.5(f) and Article 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

4.4.1

Prior to the return of the executed Cluster Study Agreement to Transmission Provider, modifications permitted under this Article shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go in the next Cluster Study Window for the purposes of cost allocation and study analysis.

4.4.2

Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Article shall include specifically: (a) additional 15 percent decrease of electrical output (MW), and (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer.

4.4.3

Prior to making any modification other than those specifically permitted by Articles 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Articles 3.1, 4.4.1, or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.4

Upon receipt of interconnection Customer's request for modification permitted under this Article 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.

4.4.5

Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing; provided, however, that extensions may necessitate a determination of whether additional studies are required pursuant to Applicable Laws and Regulations and Applicable Reliability Standards. For purposes of this Article, the Commercial Operation Date reflected in the initial Interconnection Request shall be used. Such cumulative extensions are inclusive of extensions requested after execution of the QF-LGIA by Interconnection Customer.

Article 5. New Transmission Provider

5.1 [Reserved]

5.2 New Transmission Provider.

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this QF-LGIP shall be paid by or refunded to the Interconnection Provider, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft QF-LGIA to Interconnection Customer but Interconnection Customer has not executed the QF-LGIA, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

Article 6. Informational Interconnection Study.

6.1 Informational Interconnection Studies.

6.1.1 Informational Interconnection Study Request.

Interconnection Customers may not submit requests for Informational Interconnection Studies until after the Transition Readiness Deadline, as defined in Appendix 8. Thereafter, at any time prior to submission of an Interconnection Request, an Interconnection Customer may request, and Transmission Provider (either itself or through a consultant) shall perform a reasonable number of Informational Interconnection Studies pursuant to the terms of Article 6.

Interconnection Customer shall submit to Transmission Provider an Informational Interconnection Study Request in the form of Appendix 2 to this QF-LGIP and shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Article 6.1.3, including a proposed Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection.

Interconnection Customer must submit a deposit with each Informational Interconnection

Request even when more than one request is submitted for a single site. An Informational Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Informational Interconnection Requests.

At the request of either the Interconnection Customer or Transmission Provider, Transmission Provider and Interconnection Customer will schedule a scoping meeting at a mutually agreed-upon time.

6.1.2 Informational Interconnection Study Agreement

Within five (5) Business Days after receipt of a request for an Informational Interconnection Study, Transmission Provider, shall provide to Interconnection Customer an Informational Interconnection Study Agreement in the form of Appendix 2A.

The Informational Interconnection Study Agreement shall: (i) include the scope of work for the Informational Interconnection Study, subject to other requirements in Article 6.1.3, (ii) specify the technical data that Interconnection Customer must provide, (iii) specify the Informational Interconnection Study case and assumptions, and (iv) identify the Transmission Provider's estimate of the cost of the Informational Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Informational Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Informational Interconnection Study Agreement within ten (10) Business Days of receipt of an agreed upon scope of work and deliver the Informational Interconnection Study Agreement, the technical data, and a \$10,000 study deposit to Transmission Provider. Interconnection Customer shall be responsible for actual study costs.

6.1.3 Scope of Informational Interconnection Study.

The intent of the Informational Interconnection Study is to aid Interconnection Customer in its business decisions related to interconnection of generation facilities prior to submitting an Interconnection Request. The Informational Interconnection Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Informational Interconnection Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed a QF-LGIA or, pursuant to the Transmission Provider's OATT, have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Informational Interconnection-Study will consist of a power flow and short circuit analysis.

To the extent possible, the Informational Interconnection Study shall identify the potential Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide Interconnection Service based upon the results and assumptions of the Informational Interconnection Study.

The Informational Interconnection Study shall be performed solely for informational

purposes and does not bind the Transmission Provider in any way or entitle the requesting Interconnection Customer to a Queue Position. Interconnection Customer requesting an Informational Interconnection Study shall not be assigned any cost responsibility for Network Upgrades. For the avoidance of doubt, neither the request for nor the performance of an Informational Interconnection Study shall be considered an Interconnection Request.

6.1.4 Informational Interconnection Study Procedures

The executed Informational Interconnection Study Agreement, the deposit, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Informational Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Informational Interconnection Study within 45 days or a mutually agreed upon time period specified within the Informational Interconnection Study Agreement. This time period shall take into account all previous requests for Informational Studies that have been submitted but not yet completed. If Transmission Provider is unable to complete the Informational Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation-and work papers and databases or data developed in the preparation of the Informational Interconnection Study, subject to confidentiality arrangements consistent with Article 13.1.

Upon completion of any Informational Interconnection Study, the Transmission Provider will post the study results to its OASIS site.

Article 7. Cluster Study

7.1 Cluster Study Agreement.

No later than five (5) Business Days after the close of a Cluster Request Window, Transmission Provider shall tender to each Interconnection Customer that submitted a valid Interconnection Request a Cluster Study Agreement in the form of Appendix 3 to this QF-LGIP. The Cluster Study Agreement shall require the Interconnection Customer to compensate Transmission Provider for the actual cost of the Cluster Study. The specifications, assumptions, or other provisions in the appendices of the Cluster System Impact Study Agreement provided pursuant to this Article 7.1 shall be subject to change by Transmission Provider following conclusion of the Scoping Meeting.

7.2 Customer Engagement Window.

Upon the close of each Cluster Request Window, Transmission Provider will open a thirty (30) Calendar Day period (“Customer Engagement Window”). During the Customer Engagement Window, Transmission Provider shall hold a Scoping Meeting with all interested Interconnection Customers. Notwithstanding the preceding sentence and upon written consent of all

Interconnection Customers within a specific Cluster, Transmission Provider may shorten the Customer Engagement Window in order to start the Cluster Study earlier. Within the first ten (10) Business Days following the close of the Cluster Request Window, Transmission Provider shall post on its OASIS site a list of Interconnection Requests for that Cluster. The list shall identify, for each Interconnection Request: (i) the requested amount of Interconnection Service; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the type of Interconnection Service requested; (vi) the type of Generating Facility to be constructed including fuel type such as wind, natural gas, coal, or solar; and (vii) the Cluster Area assigned to each Interconnection Request. During the Customer Engagement Window, Transmission Provider will provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 3 shall be included in that Cluster Study. Any Interconnection Requests not deemed valid or undergoing Dispute Resolution at the close of the Customer Engagement Window shall not be included in that Cluster. Immediately following the Customer Engagement Window, Transmission Provider shall initiate the Cluster Study described in more detail in Article 7.

7.3 Execution of Cluster Study Agreement and Scope of Cluster Study.

Interconnection Customer shall execute the Cluster Study Agreement and deliver the executed Cluster Study Agreement to Transmission Provider no later than the close of the Customer Engagement Window.

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Cluster Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Cluster Request Window closes: (i) are existing and directly interconnected to the Transmission System; (ii) are existing and interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued or higher clustered Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed a QF- LGIA, or pursuant to the transmission provider's OATT, have executed a LGIA or have requested that an unexecuted LGIA be filed with FERC.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall consider the level of Interconnection Service of the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

The Cluster Study shall consist of power flow, stability, and short circuit analyses, the results of which are documented in a single Cluster Study Report, or Cluster Re-Study Report, as applicable.

For purposes of identifying Network Upgrades and other facilities caused by requests for Network Resource Interconnection Service, Transmission Provider will run two iterations of the Cluster Study. The first iteration of the Cluster Study shall assume all requests in the applicable Cluster Study have requested Energy Resource Interconnection Service, to establish a baseline of

shared Network Upgrades. In the second iteration, the Transmission Provider shall update the study with any requests for Network Resource Interconnection Service, as applicable, to identify the incremental Network Upgrades caused by the requests for Network Resource Interconnection Service.

At the conclusion of the Cluster Study, Transmission Provider will issue a Cluster Study Report. The Cluster Study report will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Cluster Study Report shall identify Transmission Provider's Interconnection Facilities and Network Upgrades expected to be required to reliably interconnect the Generating Facilities in that Cluster Study at the appropriate Interconnection Service level and shall provide non-binding estimates for required upgrades. The Cluster Study Report shall identify each Interconnection Customer's estimated allocated costs for Transmission Provider's Interconnection Facilities and Transmission Provider's Network Upgrades pursuant to the methodology in Article 4.2.3. Transmission Provider shall hold an open stakeholder meeting pursuant to Article 7.4 below.

The Cluster Study Report will provide a list of facilities that are required as a result of the Interconnection Requests and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

Upon issuance of a Cluster Study Report, or Cluster Re-Study Report, if any, Transmission Provider shall simultaneously tender a draft Facilities study Agreement, subject to the conditions in Article 8.1.

7.4 Cluster Study Procedures.

Transmission Provider shall coordinate Cluster Study with any Affected System that is affected by the Interconnection Request pursuant to Article 3.5 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted at any time but must be received before the close of the Cluster Request Window and Transmission Provider shall initiate the Cluster Study process pursuant to Article 4.2.1.

- a. Transmission Provider may segment and perform Cluster Studies according to geographically and/or electrically relevant areas on the Transmission Provider's Transmission System ("Cluster Area"). Cluster Areas shall be determined by the Transmission Provider at the end of each Customer Engagement Window and shall be based on the valid Interconnection Requests that are submitted before the close of the Cluster Request Window. Before the Scoping Meeting, the Transmission Provider shall initially determine each Cluster Area and shall post on its OASIS website, for discussion during the Scoping Meeting, a draft plan for the Cluster Study, including a map and table defining the Cluster Areas assigned to each valid Interconnection Request received before the close of the Cluster Request Window. Transmission Provider shall post an updated Cluster Area map, table, and final Cluster Study plan on OASIS by no later than the end of the Customer Engagement Window. The Cluster Study shall consist of all valid Interconnection Requests in each respective Cluster Area that have executed a Cluster Study Agreement and have provided all required information before the close of

the Customer Engagement Window.

- b. Unless restudies are required pursuant to Article 7.5, Transmission Provider shall use Reasonable Efforts to complete the Cluster Study within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window.
- c. Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report (or, as applicable, Cluster Re-Study Report) and a draft Interconnection Facilities Study Agreement to Interconnection Customers and posting such report on OASIS, Transmission Provider shall convene an open meeting to discuss the study results (“Cluster Study Report Meeting” or “Cluster Re-Study Report Meeting”). Transmission Provider shall, upon request, also make itself available to meet with individual Interconnection Customers after the report is provided.

7.5 Cluster Study Withdrawals and Re-Studies.

- a. If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Re-Study or is deemed withdrawn pursuant to Article 3.6, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.
- b. If one or more Interconnection Customer withdraw(s) from the Cluster, Transmission Provider shall determine if a Cluster Re-Study of the Cluster is necessary. If Transmission Provider determines a Cluster Re-Study is not necessary, Transmission Provider shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination. When the updated Cluster Study Report is issued, Transmission Provider shall electronically notify Interconnection Customers in the Cluster that a Cluster Re-Study is not required.
- c. If one or more Interconnection Customers withdraws from the Cluster and Transmission Provider determines a restudy of the Cluster is necessary as a result, Transmission Provider will continue with such re-studies as described in Article 7.5(d) below, until Transmission Provider determines that no further re-studies are required. If an Interconnection Customer withdraws after Article 7.5(a), Article 7.5(c), during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, and Transmission Provider determines a restudy of the Cluster is necessary, the Cluster (including any Cluster Area) shall be restudied as described in Article 7.5(d) below. Transmission Provider shall electronically notify Interconnection Customers in the Cluster and post on OASIS that a re-study is required.
- d. The scope of any Cluster Re-study shall be consistent with the scope of an initial Cluster Study pursuant to Article 7.3. Transmission Provider shall use Reasonable Efforts to complete the Cluster Re-Study for all Cluster Areas within one hundred fifty (150) Calendar Days of the commencement of the first Cluster Area Re-Study. The results of the Cluster Re-Study shall be combined into a single report (“Cluster Re-Study Report”), and Transmission Provider shall hold an open stakeholder meeting (“Cluster Re-Study Report Meeting”) within ten (10) Business Days of publishing Cluster Re-Study Report on OASIS.

If additional re-studies are required, Interconnection Customer and Transmission Provider shall follow the procedures of this Article 7.5 until such time that Transmission Provider determines that no further re-studies are required. Transmission Provider shall electronically notify Interconnection Customers in the Cluster when no further re-studies are required.

- e. At the request of interconnection Customer or at any time Transmission Provider determines that it will not meet the required timeframe for completing the Cluster Study, Transmission Provider shall notify Interconnection Customers as to the schedule status of the Cluster Study. If Transmission Provider is unable to complete the Cluster Study within the time period, it shall notify Interconnection Customers and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide to Interconnection Customer all supporting documentation, workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Cluster Study, subject to confidentiality arrangements consistent with Article 13.1.
- f. If Re-Study of the Cluster Study other than the Re-Study described in Article 7.5(a)-(d) is required due to a higher or equal priority queued project dropping out of the queue, or a modification of a higher queued project subject to Article 4.4, Transmission Provider shall notify Interconnection Customer(s) in writing. The Transmission Provider shall make Reasonable Efforts to ensure such Re-Study takes no longer than one hundred fifty (150) Calendar Days from the date of notice. Except as provided in Article 3.6 in the case of withdrawing Interconnection Customers, any cost of Re-Study shall be borne by Interconnection Customer(s) being re-studied.

Article 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement.

Simultaneously with the delivery of the final Cluster Study Report, or Cluster Re-Study Report if applicable, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this QF-LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with:

- a. any required technical data;
- b. a demonstration of Site Control pursuant to Article 3.3.1(iii)(a);
- c. Financial Security payment equal to the lesser of (i) fifteen percent (15%) of the Network Upgrade costs allocated to Interconnection Customer in the most recent Cluster Study Report; (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating

Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000, but in no event less than \$500,000. Such additional Financial Security shall be refunded in accordance with Article 13.3.3.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall be specific to each Interconnection Request and performed on an individual, i.e. non-clustered, basis. The Interconnection Facilities Study shall specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study Report (and any associated restudies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities, Network Upgrades, and Distribution Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

8.3 Interconnection Facilities Study Procedures.

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Article 3.5 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if interconnection Customer requests a +/- 10 percent cost estimate.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft Interconnection Facilities Study report, provide written comments to Transmission Provider, which Transmission Provider shall include in completing the Interconnection Facilities Study final report. Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen (15) Business Day period upon notice to Interconnection Customer if interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Study Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and

databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Article 13.1.

8.4 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-Study.

If Re-Study of the Interconnection Facilities Study, or Facilities Study for a Small Generating Facility, is required due to a higher or equal priority queued project dropping out of the queue or a modification of a higher queued project pursuant to Article 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Transmission Provider shall make Reasonable Efforts to ensure such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Re-Studies that require rerunning the Cluster Study analysis may take longer than sixty days. Except as provided in Article 3.6 in the case of withdrawing Interconnection Customers, any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Article 9. Engineering & Procurement ('E&P') Agreement.

Prior to executing a QF-LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer the Interconnection Customer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the QF-LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws from the Cluster or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Article 10. [Reserved]

Article 11. Standard Oregon Qualifying Facility Large Generator Interconnection Agreement (QF-LGIA)

11.1 Tender.

As provided in Article 8.3, Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the Interconnection Customer's comments are submitted or after the Interconnection Customer notifies Transmission Provider that it will not provide comments, Transmission Provider shall tender a draft QF-LGIA, together with draft appendices completed to the extent practicable. The draft QF-LGIA shall be in the form of Transmission Provider's OPUC approved standard form QF-LGIA, which is in Appendix 5. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days, unless the (60) Calendar Day negotiation period under Article 11.2 has commenced, or upon a later date agreed upon between the Parties.

11.2 Negotiation.

Notwithstanding Article 11.1, at the request of Interconnection Customer Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the QF-LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft QF-LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft QF-LGIA pursuant to Article 11.1 and initiate Dispute Resolution procedures pursuant to Article 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the QF-LGIA, or initiated Dispute Resolution procedures pursuant to Article 13.5 within sixty (60) Calendar Days of tender of draft QF-LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customer a final QF-LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final QF-LGIA, and prior to execution of the final QF-LGIA, Interconnection Customer shall provide Transmission Provider with (i) demonstration of continued Site Control pursuant to Article 3.3.1(iii)(a). At the same time, if the Interconnection Customer has selected Network Resource Interconnection Service, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

If the Interconnection Customer has selected Energy Resource Interconnection Service, Interconnection Customer shall provide reasonable evidence in the form of an attestation that it has executed a non-standard Qualifying Facility contract for the sale of electric energy or capacity from the Large Generating Facility. The attestation must be signed by the Interconnection Customer and the counterparty to the non-standard Qualifying Facility contract. If Interconnection Customer has not executed the QF-LGIA, or initiated Dispute Resolution procedures pursuant to Article 13.4 within one hundred twenty (120) Calendar Days of tender of the final QF-LGIA, it shall be deemed to have withdrawn its Interconnection Request, provided however, the Interconnection Customer and Transmission Provider may agree to additional thirty (30) Calendar Day extensions to provide a final QF-LGIA.

At the same time, Interconnection Customer also shall provide reasonable evidence that it has obtained certification as a Qualifying Facility pursuant to 18 C.F.R. § 292.207. Interconnection Customer shall execute two originals of the tendered QF-LGIA and return them to Transmission Provider. Interconnection Customer shall also file an executed original of the tendered QF-LGIA with the OPUC.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final QF-LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the QF-LGIA, subject to modification by OPUC.

Article 12. Construction of Transmission Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades

12.1 Schedule.

Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General.

In general, the In-Service Date of an Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Distribution Upgrades and Network Upgrades. Construction sequencing may also apply to shared Transmission Provider's Interconnection Facilities in a similar manner as described below for Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer.

An Interconnection Customer with a QF-LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission

Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades. The entity with a contractual obligation to construct such Network Upgrades ("Obligated Entity") shall be obligated to pay Transmission Provider for such Network Upgrades. Payment by the Obligated Entity shall be due on the date that it's payment would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the Obligated Entity. If Transmission Provider's interconnection agreement, if any, with the Obligated Entity requires Transmission Provider to refund the Obligated Entity for amounts paid for Network Upgrades, Transmission Provider then shall refund to the Obligated Entity the amount that it paid for the Network Upgrades, in accordance with said interconnection agreement.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider.

An Interconnection Customer with an QF-LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In- Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs.

12.2.4 Amended Interconnection System Impact Study.

If applicable, an interconnection system impact study will be amended to determine the facilities necessary to support the requested In- Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

Article 13. Miscellaneous

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an QF-LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information. The release of Confidential Information shall be subject to Applicable Laws and Regulations and

Applicable Reliability Standards.

13.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the QF-LGIA; or (6) is required, in accordance with Article 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the QF-LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Article 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 13.1.

13.1.3 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties.

By providing Confidential information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the QF-LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 13.1.

13.1.8 Disclosure to OPUC or its Staff.

Notwithstanding anything in this Article 13.1 to the contrary, if the OPUC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the QF-LGIP, the Party shall provide the requested information to the OPUC or its staff, within the time provided for in the request for information. In providing the information to the OPUC or its staff, the Party must, consistent with OAR 860-011-0080, request that the information be treated as confidential and non-public by the OPUC and its staff and that the information be withheld from public disclosure. Parties must notify the other Party prior to the release of the Confidential Information to the OPUC or its staff. The Party shall notify the other Party to the QF-LGIA when it is notified by the OPUC or its staff that a request to release Confidential Information has been received by the OPUC, at which time either of the Parties may respond before such information would be made public, pursuant to OAR 860-011-0080. Requests from FERC, in the course of conducting an investigation, shall be treated in a similar manner, consistent with

applicable federal rules and regulations.

13.1.9

Subject to the exception in Article 13.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("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 QF-LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. 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 subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, 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.

13.1.10

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).

13.1.11

Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this QF-LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this QF-LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs and Withdrawal Penalties; Refunds.

13.3.1

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies (or actual allocated costs, in the case of Cluster Studies pursuant to Article 4.2.2) and any Withdrawal Penalty, as applicable. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. If an Interconnection Customer's study deposit paid pursuant to Article 3.1 is greater than the Interconnection Customer's share of actual Cluster Study costs (including applicable restudies), any excess amounts shall be applied to the Interconnection Customer's individual Interconnection Facilities study costs, or refunded to the Interconnection Customer following Transmission Provider's issuance of the Interconnection Customer's final Interconnection Facilities Study report. Interconnection Customer shall be responsible for any Withdrawal Penalties pursuant to Article 3.6 in the event of withdrawal.

13.3.2

In the event of Interconnection Customer's Withdrawal pursuant to Article 3.6, Transmission provider shall refund to Interconnection Customer any of the refundable portion of the following charges: (a) any study deposit paid pursuant to Article 3.1; (b) any Site Control-related deposit paid pursuant to Article 3.3.1(iii); and (d) additional Financial Security payment for Network Upgrade costs paid pursuant to Article 8.1(c). Such refundable portion shall be any amount that exceeds Interconnection Customer's share of the costs that Transmission Provider has incurred (such as study costs) including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed, if applicable.

13.3.3

Additional Financial Security paid by Interconnection Customer pursuant to Article 8.1(c) shall be refunded in whole or in part on the earlier of: (i) the Interconnection Request is withdrawn from the queue and pays any required Withdrawal Penalties; (ii) before achieving Commercial Operation the Interconnection Customer terminates its executed QF-LGIA pursuant to QF-LGIA Article 2.3 or applicable termination procedures and pays any required Withdrawal Penalties; or (iii) Interconnection Customer achieves Commercial Operation. Any partial or full refund pursuant to this Article shall include interest (if applicable) calculated in accordance with Section 35.19a(a)(2) of FERC's regulations, and that exceed any Withdrawal Penalty imposed.

13.3.4

Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study as well as the Withdrawal Penalty, if applicable. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all

undisputed amounts in compliance herewith. If invoices are not paid within thirty (30) Calendar Days of receipt of an invoice, Transmission Provider shall draw upon any security and deposits provided under this QF-LGIP to settle all accounts, which shall include any offsets of amounts due and owing by Transmission Provider. After the final invoice is paid and all accounts are settled, Transmission Provider shall refund all remaining security and deposits.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Articles 6.1.4, 7.5(e) or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Articles 6.1.4, 7.5(e) or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third Party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the QF-LGIA (Subcontractors) and limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Article 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this QF-LGIP, Article 26 of the QF-LGIA (Subcontractors), and the relevant procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the QF-LGIA, the QF-LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim

("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this QF-LGIA.

13.5.2 Arbitration of Disputes.

(1) An interconnecting public utility or an interconnection applicant may petition the Commission for arbitration of disputes arising during review of an application to interconnect a large generator facility or during negotiation of an interconnection agreement. If the public utility or the applicant petitions the Commission to arbitrate their dispute, then the Commission will use an administrative law judge (ALJ) as arbitrator unless workload constraints necessitate the use of an outside arbitrator.

(2) A petition for arbitration of an interconnection agreement must contain: (a) A statement of all unresolved issues; (b) A description of each party's position on the unresolved issues; and (c) A proposed agreement addressing all issues, including those on which the parties have reached agreement and those that are in dispute.

(3) A petition for arbitration of a dispute arising during review of an application to interconnect a large generator facility must contain: (a) A statement of all unresolved issues; (b) A description of each party's position on the unresolved issues; and (c) A proposed resolution for each unresolved issue.

(4) Respondent may file a response within 25 calendar days of the petition for arbitration. In the response, the respondent must address each issue listed in the petition, describe the respondent's position on those issues, and present any additional issues for which the respondent seeks resolution.

(5) The filing of a petition for arbitration of a dispute arising during review of an application to interconnect a large generator facility does not affect the application's queue position.

(6) The arbitration is conducted in a manner similar to a contested case proceeding, and the arbitrator has the same authority to conduct the arbitration process as an ALJ has in conducting hearings under the Commission's rules, but the arbitration process is streamlined. The arbitrator holds an early conference to discuss processing of the case. The arbitrator establishes the schedule and decides whether an oral hearing is necessary. After the oral hearing or other procedures (for example, rounds of comments), each party submits its final proposed interconnection agreement or resolution of disputed issues. The arbitrator chooses between the two final offers. If neither offer is consistent with applicable statutes, Commission rules, and Commission policies, then the arbitrator will make a decision that meets those requirements.

(7) The arbitrator may allow formal discovery only to the extent deemed necessary. Parties are required to make good faith attempts to exchange information relevant to any disputed issue in an informal, voluntary, and prompt manner. Unresolved discovery disputes are resolved by the arbitrator upon request of a party. The arbitrator will order a party to provide information if the arbitrator determines the requesting party has a reasonable need for the requested information and that the request is not overly burdensome.

(8) Only the two negotiating parties have full party status. The arbitrator may confer with Commission staff for assistance throughout the arbitration process.

(9) To keep the process moving forward, appeals to the Commission are not allowed during the arbitration process. An arbitrator may certify a question to the Commission if the arbitrator believes it is necessary.

(10) To accommodate the need for flexibility, the arbitrator may use different procedures so long as the procedures are fair, treat the parties equitably, and substantially comply with the procedures listed here.

(11) The arbitrator must serve the arbitration decision on the interconnecting public utility and the interconnection applicant. The parties may file comments on the arbitration decision with the Commission within 10 calendar days after service.

(12) The Commission must accept, reject, or modify an arbitration decision within 30 calendar days after service of the decision.

(13) Within 14 calendar days after the Commission issues an order on a petition for arbitration of an interconnection agreement, the petitioner must prepare an interconnection agreement complying with the terms of the decision and serve it on respondent. Respondent must either sign and file the interconnection agreement or file objections to it within 10 calendar days of service of the agreement. If objections are filed, respondent must state how the interconnection agreement fails to comply with the Commission order and offer substitute language complying with the decision. The Commission must approve or reject a filed interconnection agreement within 20 calendar days of its filing or the agreement is deemed approved.

(14) If petitioner, without respondent's consent, fails to timely prepare and serve an interconnection agreement on respondent, respondent may file a motion requesting the Commission dismiss the petition for arbitration with prejudice. The Commission may grant such motion if the petitioner's failure to timely prepare and serve the interconnection agreement was the result of inexcusable neglect on the part of petitioner.

(15) The public utility and the applicant may agree to hire an outside arbitrator rather than file a petition with the Commission pursuant to article 13.5.3.

13.5.3 External Arbitration Procedures.

An external arbitration initiated under these procedures shall be conducted before a single

neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules"); provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 13, the terms of this Article 13 shall prevail.

13.5.4 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the QF-LGIA and QF-LGIP and shall have no power to modify or change any provision of the QF-LGIA and QF-LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the ORS 36.600 to ORS 36.740.

13.5.5 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

13.6 Local Furnishing Bonds.

13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.

This provision is applicable only to a Transmission Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Article 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this QF-LGIA and QF-LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this QF-LGIA and QF-LGIP if the provision of such Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service.

If Transmission Provider determines that the provision of Interconnection Service

requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Transmission Provider's OATT.