



April 23, 2010

VIA OVERNIGHT DELIVERY

Kimberly D. Bose, Secretary
Nathaniel J. Davis, Sr., Deputy Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**RE: ISO New England Inc. and The City of Holyoke Gas and Electric
Department – Original Service Agreement No. SGIA-ISO-NE/HGE-10-01
under Schedule 23 of the ISO New England Inc.’s Open Access Transmission
Tariff
Docket No. ER10- -000**

Dear Secretary Bose and Deputy Secretary Davis:

Pursuant to Section 205 of the Federal Power Act,¹ Part 35 of the Federal Energy Regulatory Commission’s (“Commission”) regulations,² and Order No. 2006,³ ISO New England Inc.⁴ (“ISO”) and The City of Holyoke Gas and Electric Department (“HGE”) (together,

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, 111 FERC ¶ 61,220 (2005) (“Order No. 2006”), *reh’g order*, Order No. 2006-A, 113 FERC ¶ 61,195 (2005) (“Order No. 2006-A”).

⁴ Capitalized terms not defined herein have the meanings ascribed thereto in the ISO New England Inc. Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3 (the “ISO Tariff”). Section II of the ISO Tariff contains the ISO’s Open Access Transmission Tariff (the “ISO OATT”).

the “Filing Parties”)⁵ hereby submit for filing an original and five copies of an executed non-conforming Standard Small Generator Interconnection Agreement (the “Interconnection Agreement”) by and between the ISO, as System Operator, and HGE, as both the Interconnection Customer and the Interconnecting Transmission Owner. The Interconnection Agreement has been designated as Original Service Agreement No. SGIA-ISONE/HGE-10-01 under the ISO Tariff.

The Interconnection Agreement proposes certain deviations from the *pro forma* Small Generator Interconnection Agreement (“*pro forma* SGIA”) included in Schedule 23 of the ISO OATT. As explained in Section III below, HGE, with the ISO’s support, requests that the Commission accept the deviations from the *pro forma* SGIA pertaining to HGE’s status as both the Interconnection Customer and the Interconnecting Transmission Owner. The Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing with an effective date of June 23, 2010 (*i.e.*, sixty-days of this filing).

I. DESCRIPTION OF THE FILING PARTIES; COMMUNICATIONS

The ISO is the private, non-profit entity that serves as the regional transmission organization (“RTO”) for New England. The ISO operates the New England bulk power system and administers New England’s organized wholesale electricity market pursuant to the ISO Tariff and operating agreements with transmission owners. In its capacity as an RTO, the ISO has the responsibility to protect the short-term reliability of the New England Control Area and to operate the system according to reliability standards established by the Northeast Power Coordinating Corporation (“NPCC”) and the North American Electric Reliability Council (“NERC”).

The City of Holyoke Gas & Electric Department is a municipally-owned gas and electric utility providing services to more than 18,000 customers in and around Holyoke, Massachusetts. HGE is a market participant of the ISO and participates in New England’s wholesale electricity markets. As a market participant, HGE is obligated to comply with the ISO Tariff and transmission operating agreements. HGE has a peak load around 80 MW. HGE currently owns and operates 54 MW of hydroelectric resources and 19 MW of peaking resources. HGE has additional partial ownership interests in other generating resources operated by other entities throughout New England. HGE owns three transmission interconnected substations and 9.2 circuit miles of 115 kV pooled transmission facility (“PTF”) lines. As a municipally-owned utility, HGE is vertically integrated hence HGE still owns and maintains various distribution, transmission and generation elements within its service territory.

⁵ Consistent with Section 2.05(a)(ii) of the Transmission Operating Agreement among the ISO and the Participating Transmission Owners, the Filing Parties jointly file herein the Interconnection Agreement pursuant to Section 205 of the FPA.

All correspondence and communications in this proceeding should be addressed to the undersigned for the ISO as follows:

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II. INTRODUCTION

A. Description of the Small Generating Facility and its Interconnection to the Administered Transmission System

The Interconnection Agreement governs the interconnection of HGE's proposed Small Generating Facility, which is located in Holyoke, MA, to the HGE 4.8 kV distribution system. The Small Generating Facility is a 500 kW (net) and 520 kW (gross) run-of-the-river hydro facility that is comprised of four (4) 130 kVA induction generators.

B. The Need to File the Interconnection Agreement

Pursuant to Order No. 2006, "an interconnection agreement that does not precisely match the Transmission Provider's Commission approved standard interconnection agreement . . . must

be filed in its entirety.”⁶ As discussed in Section III below, the Interconnection Agreement contains revisions to the *pro forma* SGIA requested by HGE, thus requiring it to be filed with the Commission.

III. DISCUSSION

In various orders, the Commission has provided guidance regarding deviations from the applicable standard form of service agreement – the ISO’s *pro forma* SGIA. Specifically, the Commission has stated that where a case-specific deviation from a *pro forma* interconnection agreement is sought, justification explaining what makes the interconnection unique and what operational concerns or other reasons necessitate the changes, including reliability concerns, novel legal issues or other unique factors, must be provided.⁷ The Interconnection Agreement is unique because it provides for the interconnection of HGE’s Small Generating Facility to the Administered Transmission System with HGE as both the Interconnection Customer and the Interconnecting Transmission Owner.

To recognize HGE’s unique status, the Interconnection Agreement has been revised to reflect the following deviations from the *pro forma* SGIA: (i) creating a two (instead of three) party Interconnection Agreement, and (ii) replacing the reference to “point of change of ownership” with “point of change of function.”

A. Proposed Revisions to Reflect a Two-Party, Instead of Three-Party, Interconnection Agreement

The Interconnection Agreement has been revised to reflect a two-party agreement as opposed to the three-party agreement provided as the ISO’s *pro forma* SGIA. Consistent with Order No. 2006, the ISO’s *pro forma* SGIA provides for a three-party agreement to distinguish the ISO, as the System Operator, from the Transmission Owner.⁸ Here, however, the Interconnection Customer is the same entity as the Transmission Owner. Thus, certain non-conforming provisions are necessary to reflect a two-party agreement.⁹ The proposed non-

⁶ Order No. 2006 at P 562.

⁷ See Order No. 2006 at P 562. See also *Midwest Independent Transmission System Operator, Inc.*, 111 FERC ¶ 61,421 at P 11 (2005) (citing Order No. 2003 at PP 913-15).

⁸ Order No. 2006 at P 349 (requiring “three-party agreements in areas where the Transmission Provider and Transmission Operator are different entities”).

⁹ The Commission has previously accepted similar non-conforming provisions to *pro forma* interconnection agreements to accommodate unique ownership structures. Most recently, the Commission accepted non-conforming provisions to the ISO’s *pro forma* LGIA to reflect a two-party agreement because the Interconnection Customer was the same entity as the Transmission Owner. See *ISO New England Inc.*, Docket No. ER09-420-000, letter order issued February 3, 2009; *ISO New England Inc.*, 125 FERC ¶ 61,224 (2008). See also *Midwest Independent Transmission System Operator, Inc.*, 120 FERC ¶ 61,238 at P 7 (2009) (accepting “non-
(continued...)”)

conforming provisions are shown in the version of the Interconnection Agreement included in Attachment 2, which has been blacklined against the current *pro forma* SGIA in Schedule 23 of the ISO OATT. The proposed deviations are primarily in Interconnection Agreement's preamble and the signature pages.

B. Proposed Revisions to Distinguish Interconnection Facilities Based on Their Function

The Interconnection Agreement also has been revised to replace a reference to the "point of change of ownership" with "point of change of function." Under the *pro forma* SGIA, the term "point of change of ownership" is not a defined term as it is in the case of the *pro forma* Large Generator Interconnection Agreement contained in Appendix 6 of Schedule 22 of the ISO OATT. However, the "point of change of ownership" is understood as the point at which the Interconnection Customer's Interconnection Facilities and the Interconnecting Transmission Owner's Interconnection Facilities connect. In this case, the Interconnection Facilities are owned by HGE. Accordingly, there is no "point of change of ownership."

There is, however, an operational need to provide a point of demarcation between the facilities that would normally be associated with the Interconnection Customer and those that would be associated with the Interconnecting Transmission Owner. Designation of this point of demarcation in the enclosed Interconnection Agreement enables HGE and the ISO to rely on the *pro forma* SGIA to the fullest extent practicable, and also will facilitate continued operation under the Interconnection Agreement in the event that HGE is no longer in the role of both Interconnection Customer and Interconnecting Transmission Owner. As shown in Attachments A2 and A3 of the Interconnection Agreement, what are generally known as the "Interconnection Customer's Interconnection Facilities" commence at the terminals of the four generators (described above) and extend to the fused disconnect on the high-voltage side of the generator step-up transformer. The remaining facilities that extend to the "point of change of function" are what are generally known as the "Interconnecting Transmission Owner's Transmission Facilities." The term "point of change of function" accurately reflects the necessary delineation of these facilities, which is consistent with standard industry criteria for direct assignment of generator leads and generator step-up transformation to the production function.

The change in terminology from "point of change of ownership" to "point of change of function" is reflected in Article 1.5.5 of the Interconnection Agreement. This minor revision, shown in blacklined text in Attachment 2, is necessary to the unique characteristics of this

(...continued)

conforming provisions to SGIA's to accommodate . . . [unique] ownership structure, including provisions that establish the relationship between the Interconnection Customer and the wind generation facilities, as well as requiring that the Interconnection Customer 'cause' the Generating Companies to take a required action."); *Midwest Independent Transmission System Operator, Inc.*, 117 FERC 61,229 at PP 10-11 (2006).

interconnection and provides clarity on the demarcation of the Interconnection Facilities, avoiding potential future confusion. Moreover, the Commission has previously accepted non-conforming agreements for interconnection of generating facilities to the Administered Transmission System in New England with changes similar to those in the Interconnection Agreement.¹⁰

IV. REQUESTED EFFECTIVE DATE AND WAIVERS

The Filing Parties respectfully request that the Commission accept this Interconnection Agreement, without modifications or conditions, with an effective date of June 23, 2010. The Filing Parties do not seek any waivers of 18 C.F.R. §§ 35.3 and 35.11 that would otherwise be necessary to permit an earlier effective date.

V. CONTENTS OF THE FILING

This filing includes an original and five (5) copies of the following:

- this transmittal letter;
- the executed Interconnection Agreement (Attachment 1); and
- sheets from the Interconnection Agreement in blacklined format with deviations from the current *pro forma* SGIA (Attachment 2).

¹⁰ *ISO New England Inc.*, Docket No. ER09-420-000, letter order issued February 3, 2009; *ISO New England Inc.*, 125 FERC ¶ 61,224 (2008).

VI. CONCLUSION

For the foregoing reasons, the Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing with an effective date of June 23, 2010.

Very truly yours,

**For The City of Holyoke Gas & Electric
Department**

By: Brian C. Beauregard (DR)

Brian C. Beauregard
Electric Superintendent
Holyoke Gas and Electric Department
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Holyoke, MA 01040
Tel. (413) 536-9352

For ISO New England Inc.

By: Monica Gonzalez (DR)

Monica Gonzalez, Esq.
Regulatory Counsel
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Tel: (413) 413-535-4000

Attachment 1

ISO New England Inc.
FERC Electric Tariff No. 3
Open Access Transmission Tariff
Schedule 23 – Small Generator Interconnection Agreement

Original Service Agreement No. SGIA-ISONE/HGE-10-01

**STANDARD SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)
(APPLICABLE TO GENERATING FACILITIES NO LARGER THAN 20 MW)**

BY AND BETWEEN

THE CITY OF HOLYOKE GAS AND ELECTRIC DEPARTMENT

AND

ISO NEW ENGLAND INC.

Issued by: Raymond W. Hepper
Vice President and General Counsel
Issued on: April 23, 2010

Effective Date: June 23, 2010

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Attachments to SGIA

Attachment 1 – Glossary of Terms

Attachment 2 – Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Attachment 3 – One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 4 – Milestones

Attachment 5 – Additional Operating Requirements for the New England Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs

Attachment 6 – Interconnecting Transmission Owner's Description of its Upgrades and Best Estimate of Upgrade Costs

THIS STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT

("Agreement") is made and entered into this 23rd day of April, 2010, by and between The City of Holyoke Gas and Electric Department, a municipal corporation organized and existing under the laws of the Commonwealth of Massachusetts (herein known as both the "Interconnection Customer" with a Small Generating Facility and "Interconnecting Transmission Owner"), and ISO New England Inc., a non-stock corporation organized and existing under the laws of the State of Delaware ("System Operator"). Under this Agreement the Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a "Party" or collectively as the "Parties."

System Operator Information

System Operator: ISO New England Inc.
Attention: Generator Interconnections
Address: One Sullivan Road
City: Holyoke State: MA Zip: 01040-2841
Phone: 413-540-4219 Fax: 413-540-4203

Interconnecting Transmission Owner Information

Interconnecting Transmission Owner: The City of Holyoke Gas and Electric
Department
Attention: Brian C. Beaugard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040
Phone: 413-536-9352 Fax: 413-536-9353

Interconnection Customer Information

Interconnection Customer: The City of Holyoke Gas and Electric Department
Attention: Brian C. Beaugard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040
Phone: 413-536-9352 Fax: 413-536-9353

Interconnection Customer Application No: 306

In consideration of the mutual covenants set forth herein, the Parties agree as follows

Article. 1. Scope and Limitations of Agreement

1.1. Applicability:

This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.

1.2. Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Interconnecting Transmission Owner's facilities that are part of the Administered Transmission System.

1.3. No Agreement to Purchase or Deliver Power

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Party.

1.4. Limitations

Nothing in this Agreement is intended to affect any other agreement between the Parties.

1.5. Responsibilities of the Parties

1.5.1. The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2. The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

- 1.5.3. The Interconnecting Transmission Owner shall construct, operate, and maintain its transmission facilities and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
 - 1.5.4. The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems.
 - 1.5.5. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of function. The Interconnecting Transmission Owner and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Interconnecting Transmission Owner's transmission facilities, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
 - 1.5.6. The System Operator, with input from the Interconnecting Transmission Owner, shall coordinate with all Affected Systems to support the interconnection.
- 1.6. Parallel Operation Obligations
- Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to the ISO New England Operating Documents, and the Operating Requirements set forth in Attachment 5 of this Agreement.
- 1.7. Metering
- The Interconnection Customer shall be responsible for the Interconnecting Transmission Owner's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachment 2 of this Agreement. The Interconnection Customer's metering

(and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8. Reactive Power

1.8.1. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the System Operator or Interconnecting Transmission Owner has established different requirements that apply to all similarly situated generators on a comparable basis and in accordance with Operating Requirements. The requirements of this paragraph shall not apply to wind generators.

1.8.2. Interconnection Customers shall be compensated for reactive power service in accordance with Schedule 2 of the Tariff.

1.9. Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement. Capitalized terms in Schedule 23 that are not defined in the Glossary of Terms shall have the meanings specified in Sections I.2.2 of the Tariff.

1.10. Scope of Service

1.10.1. Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

- NR for NR Interconnection Service (NR Capability Only)
 CNR for CNR Interconnection Service (NR Capability and CNR Capability)

1.10.1.1. Capacity Network Resource Interconnection Service (CNR Interconnection Service)

- (a) The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and the Interconnecting Transmission Owner and Affected Parties must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which all other CNRs are interconnected under the CC Interconnection Standard. CNR Interconnection Service allows the Interconnection Customer's Small Generating Facility to be designated as a CNR to participate in the New England Markets, in accordance with Market Rule 1, Section III of the Tariff, up to the net CNR Capability, or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as all other existing Capacity Network Resources, and to be studied as a Capacity Network Resource on the assumption that such a designation will occur.

1.10.1.2. Network Resource Interconnection Service (NR Interconnection Service).

- (a) The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and Interconnecting Transmission Owner and Affected Parties must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which all other Network Resources are interconnected under the NC Interconnection Standard.

NR Interconnection Service allows the Interconnection Customer's Small Generating Facility to participate in the New England Markets, in accordance with Market Rule, Section III of the Tariff, up to the gross and net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff. Notwithstanding the above, the portion of a Small Generating Facility that has been designated as a Network Resource interconnected under the NC Interconnection Standard cannot be a capacity resource under Section III.13 of the Tariff, except pursuant to a new Interconnection Request for CNR Interconnection Service. Provision of Service. System Operator and Interconnecting Transmission Owner shall provide Interconnection Service for the Small Generating Facility at the Point of Interconnection.

- 1.10.1.3. Performance Standards. Each Party shall perform all of its obligations under this SGIA in accordance with Applicable Laws and Regulations, the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such requirements and standards, such Party shall not be deemed to be in Breach of this SGIA for its compliance therewith. If such Party is the Interconnecting Transmission Owner, then that Party shall amend the SGIA and System Operator, in conjunction with the Interconnecting Transmission Owner, shall submit the amendment to the Commission for approval.

- 1.10.1.4. No Transmission Service Delivery. The execution of this SGIA does not constitute a request for, nor the provision of, any service except for Interconnection Service, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity

service, energy service, or Ancillary Services under any applicable tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

Transmission Delivery Service Implications. CNR Interconnection Service and NR Interconnection Service allow the Interconnection Customer's Small Generating Facility to be designated by any Network Customer under the Tariff on the New England Transmission System as a Capacity Network Resource or Network Resource, up to the net CNR Capability or NR Capability, respectively, on the same basis as all other existing Capacity Network Resources and Network Resources interconnected to the New England Transmission System, and to be studied as a Capacity Network Resource or a Network Resource on the assumption that such a designation will occur. Although CNR Interconnection Service and NR Interconnection Service do not convey a reservation of transmission service, any Network Customer can utilize its network service under the Tariff to obtain delivery of capability from the Interconnection Customer's Small Generating Facility in the same manner as it accesses Capacity Network Resources and Network Resources. A Small Generating Facility receiving CNR Interconnection Service or NR Interconnection Service may also be used to provide Ancillary Services, in accordance with the Tariff and Market Rule 1, after technical studies and/or periodic analyses are performed with respect to the Small Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Capacity Network Resource or Network Resource. However, if an Interconnection Customer's Small Generating Facility has not been designated as a Capacity Network Resource or as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all Generating Facilities that are similarly situated.

CNR Network Interconnection Service and NR Interconnection Service do not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Small Generating Facility to any particular load on the New England Transmission System without incurring congestion costs. In the event of transmission constraints on the New England Transmission System, the Interconnection Customer's Small Generating Facility shall be subject to the applicable congestion management procedures for the

New England Transmission System in the same manner as other Capacity Network Resources or Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that the Interconnection Customer's Small Generating Facility be designated as a Capacity Network Resource or as a Network Resource by a Network Customer under the Tariff or that the Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Small Generating Facility as either a Capacity Network Resource or a Network Resource, it must do so pursuant to the Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining CNR interconnection Service or NR Interconnection Service, as long as the Small Generating Facility has not been deemed to be retired, any future transmission service request for delivery from the Small Generating Facility on the New England Transmission System of any amount of capacity capability and/or energy capability will not require that any additional studies be performed or that any further upgrades associated with such Small Generating Facility be undertaken, regardless of whether or not such Small Generating Facility is ever designated by a Network Customer as a Capacity Network Resource or Network Resource and regardless of changes in ownership of the Small Generating Facility. To the extent the Interconnection Customer enters into an arrangement for long-term transmission service for deliveries from the Small Generating Facility outside the New England Transmission System, or if the unit has been deemed to be retired, such request may require additional studies and upgrades in order for Interconnecting Transmission Owner to grant such request.

Article. 2. Inspection, Testing, Authorization, and Right of Access

2.1. Equipment Testing and Inspection

2.1.1. The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the System Operator and the Interconnecting Transmission Owner of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Interconnecting Transmission Owner may, at its own expense, send qualified personnel to the Small Generating Facility site to

inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Interconnecting Transmission Owner a written test report when such testing and inspection is completed.

- 2.1.2. The Interconnecting Transmission Owner shall provide the Interconnection Customer and the System Operator written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Interconnecting Transmission Owner of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2. Authorization Required Prior to Parallel Operation

- 2.2.1. The Interconnecting Transmission Owner shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Interconnecting Transmission Owner shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Interconnecting Transmission Owner shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2. The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Interconnecting Transmission Owner's transmission facilities without prior written authorization of the Interconnecting Transmission Owner. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3. Right of Access

- 2.3.1. Upon reasonable notice, the Interconnecting Transmission Owner may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Interconnecting Transmission

Owner at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2. Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Interconnecting Transmission Owner shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3. Each Party shall be responsible for its own costs associated with following this article.

Article. 3. Effective Date, Term, Termination, and Disconnection

3.1. Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by the Commission (if applicable), or if filed unexecuted, upon the date specified by the FERC. System Operator and Interconnecting Transmission Owner shall promptly file this Agreement with the Commission upon execution, if required.

3.2. Term of Agreement

This Agreement shall become effective on the Effective Date and by mutual agreement of the Parties shall remain in effect for a period of 20 years, and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3. Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with the Commission of a notice of termination of this Agreement (if required), which notice has been accepted for filing by the Commission.

3.3.1. The Interconnection Customer may terminate this Agreement at any time by giving the System Operator and Interconnecting Transmission Owner 20 Business Days written notice.

3.3.2. Each Party may terminate this Agreement after Default pursuant to article 7.6.

- 3.3.3. Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Interconnecting Transmission Owner's Interconnection Facilities. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.
- 3.3.4. The termination of this Agreement shall not relieve any Party of its liabilities and obligations, owed or continuing at the time of the termination.
- 3.3.5. The provisions of this article shall survive termination or expiration of this Agreement.

3.4. Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

- 3.4.1. Emergency Conditions --“Emergency Condition” shall mean a condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that, in the case of the Interconnecting Transmission Owner, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New England Transmission System, the Interconnecting Transmission Owner's Interconnection Facilities or any Affected System to which the New England Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. The System Operator and the Interconnecting Transmission Owner may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility in accordance with applicable provisions of the Operating Requirements. The System Operator and Interconnecting Transmission Owner shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the System Operator and Interconnecting Transmission Owner promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the New England Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the

expected effect on the operation of the Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2. Routine Maintenance, Construction, and Repair

3.4.2.1. **Outage Authority and Coordination.** The System Operator shall have the authority to coordinate facility outages in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Each Party may in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, in coordination with the other Party(ies), remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's(ies') facilities as necessary to perform maintenance or testing or to install or replace equipment, subject to the oversight of System Operator in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

3.4.2.2. **Outage Schedules.** Outage scheduling, and any related compensation, shall be in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

3.4.2.3. **Interruption of Service.** In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, the System Operator or Interconnecting Transmission Owner may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect System Operator's or Interconnecting Transmission Owner's ability to perform such activities as are necessary to safely and reliably operate and maintain the New England Transmission System.

3.4.3. Forced Outages

During any forced outage, the Interconnecting Transmission Owner may suspend interconnection service to effect immediate repairs on the New England Transmission System. The Interconnecting Transmission Owner shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Interconnecting Transmission Owner shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4. Adverse Operating Effects

The Interconnecting Transmission Owner shall notify the Interconnection Customer and the System Operator as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the New England Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Interconnecting Transmission Owner may disconnect the Small Generating Facility. The Interconnecting Transmission Owner shall provide the Interconnection Customer and the System Operator with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5. Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from: (1) the Interconnecting Transmission Owner before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Interconnecting Transmission Owner's Interconnection Facilities; and (2) the System Operator before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the New England Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the System Operator's or the Interconnecting Transmission Owner's, as appropriate, prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6. Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the New England Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article. 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1. Interconnection Facilities

4.1.1. The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Interconnecting Transmission Owner shall provide a best estimate cost, including overheads, for

the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Interconnecting Transmission Owner.

- 4.1.2. The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Interconnecting Transmission Owner's Interconnection Facilities.

4.2. Distribution Upgrades

The Interconnecting Transmission Owner shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Interconnecting Transmission Owner and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer. The Interconnection Customer shall be responsible for its share of all reasonable expenses, associated with operating, maintaining, repairing, and replacing such Distribution Upgrades, except to the extent that a retail tariff of, or an agreement with, the Interconnecting Transmission Owner or its distribution company affiliate, if appropriate, provides otherwise.

Article. 5. Cost Responsibility for Network Upgrades

5.1. Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades, including Stand Alone Network Upgrades.

5.2. Network Upgrades

The Interconnecting Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Interconnecting Transmission Owner and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Interconnecting Transmission Owner elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne by the Interconnection Customer.

5.2.1.1. Cost Allocation. Cost allocation of Generator Interconnection Related Upgrades shall be in accordance with Schedule 11 of Section II of the Tariff.

5.2.1.2. Compensation. Any compensation due to the Interconnection Customer for increases in transfer capability to the PTF resulting from its Generator Interconnection Related Upgrade shall be determined in accordance with Sections II and III of the Tariff.

5.3. Special Provisions for Affected Systems

The Interconnection Customer shall enter into separate related facilities agreements to address any upgrades to the Affected System(s) that are necessary for safe and reliable interconnection of the Interconnection Customer's Small Generating Facility.

5.4. Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1. Billing and Payment Procedures and Final Accounting

6.1.1. The Interconnecting Transmission Owner shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2. Within three months of completing the construction and installation of the Interconnecting Transmission Owner's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Interconnecting Transmission Owner for such facilities or Upgrades. If the Interconnection Customer's cost responsibility

exceeds its previous aggregate payments, the Interconnecting Transmission Owner shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Interconnecting Transmission Owner within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Interconnecting Transmission Owner shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2. Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party(ies) of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3. Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Interconnecting Transmission Owner's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Interconnecting Transmission Owner a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Interconnecting Transmission Owner in accordance with Section 7 of Schedule 11 of the Tariff. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Interconnecting Transmission Owner's Interconnection Facilities and Upgrades. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Interconnecting Transmission Owner, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

- 6.3.2. The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Interconnecting Transmission Owner and must specify a reasonable expiration date.

Article. 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

Notwithstanding any other provision of this Agreement, the liability, indemnification and insurance provisions of the Transmission Operating Agreement (“TOA”) or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnection Transmission Owner and the liability, indemnification and insurance provisions of the Tariff apply to the relationship between the System Operator and the Interconnection Customer and between the Interconnecting Transmission Owner and the Interconnection Customer.

7.1. Assignment

This Agreement may be assigned by a Party upon 15 Business Days prior written notice and opportunity to object by the other Parties; provided that:

- 7.1.1. The Parties may assign this Agreement without the consent of the other Parties to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the other Parties of any such assignment.
- 7.1.2. The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Interconnecting Transmission Owner or the System Operator, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Interconnecting Transmission Owner and the System Operator of any such assignment.
- 7.1.3. Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2. Limitation of Liability

Each Party's liability to the other Party(ies) for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall a Party be liable to another Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3. Indemnity

- 7.3.1. This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.
- 7.3.2. Each Party shall at all times indemnify, defend, and hold the other Parties harmless from, any and all damages, losses, claims, including claims and actions 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(ies') action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 7.3.3. If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4. If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 7.3.5. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

7.4. Consequential Damages

Other than as expressly provided for in this Agreement, in no event shall a Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5. Force Majeure

7.5.1. As used in this article, a Force Majeure Event 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 an act of negligence or intentional wrongdoing."

7.5.2. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party(ies), either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party(ies) informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6. Default

7.6.1. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party(ies). Upon a Default, the non-defaulting Party shall give written notice of such Default to the

defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

- 7.6.2. If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party(ies) shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article. 8. Insurance Requirements

8.1. General Liability

The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Interconnecting Transmission Owner, except that the Interconnection Customer shall show proof of insurance to the Interconnecting Transmission Owner no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

8.2. Insurer Requirements and Endorsements

All required insurance shall be carried by reputable insurers qualified to underwrite insurance in the state where the interconnection is located having a Best Rating of “A-”. In addition, all insurance shall, (a) include Interconnecting Transmission Owner and

System Operator as additional insureds; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Interconnecting Transmission Owner and System Operator shall not incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Interconnecting Transmission Owner and System Operator prior to cancellation, termination, or material change of such insurance; provided that to the extent the Interconnection Customer is satisfying the requirements of subpart (d) of this paragraph by means of a presently existing insurance policy, the Interconnection Customer shall only be required to make good faith efforts to satisfy that requirement and will assume the responsibility for notifying the Interconnecting Transmission Owner and System Operator as required above.

If the requirement of clause (a) in the paragraph above prevents Interconnection Customer from obtaining the insurance required without added cost or due to written refusal by the insurance carrier, then upon Interconnection Customer's written notice to Interconnecting Transmission Owner and System Operator, the requirements of clause (a) shall be waived.

8.3. Evidence of Insurance

Evidence of the insurance required shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Interconnection Customer.

The Interconnection Customer is responsible for providing the Interconnecting Transmission Owner and the System Operator with evidence of insurance in compliance with this Tariff on an annual basis.

Prior to the Interconnecting Transmission Owner commencing work on Interconnection Facilities, Network Upgrades and Distribution Upgrades, the Interconnection Customer shall have its insurer furnish to the Interconnecting Transmission Owner and the System Operator certificates of insurance evidencing the insurance coverage required above. The Interconnection Customer shall notify and send to the Interconnecting Transmission Owner and the System Operator a certificate of insurance for any policy written on a "claims-made" basis. The Interconnecting Transmission Owner and the System Operator may at their discretion require the Interconnection Customer to maintain tail coverage for three years on all policies written on a "claims-made" basis.

8.4. Self Insurance

If Interconnection Customer is a company with a self-insurance program established in accordance with commercially acceptable risk management practices, Interconnection

Customer may comply with the following in lieu of the above requirements as reasonably approved by the Interconnecting Transmission Owner and the System Operator:

- Interconnection Customer shall provide to Interconnecting Transmission Owner and System Operator, at least thirty (30) calendar days prior to the Date of Initial Operation, evidence of such program to self-insure to a level of coverage equivalent to that required.
- If Interconnection Customer ceases to self-insure to the standards required hereunder, or if Interconnection Customer is unable to provide continuing evidence of Interconnection Customer's financial ability to self-insure, Interconnection Customer agrees to promptly obtain the coverage required under Article 8.1.

8.5.

The Interconnecting Transmission Owner agrees to maintain general liability insurance or self-insurance consistent with the Interconnecting Transmission Owner's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Interconnecting Transmission Owner's liabilities undertaken pursuant to this Agreement.

Article. 9. Confidentiality

- 9.1. Confidential Information shall include without limitation, all information governed by the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, and any confidential and/or proprietary information provided by a Party to the another Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2. Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party(ies) and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

- 9.2.1. Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party(ies) as it employs to protect its own Confidential Information.
- 9.2.2. Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3. Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if the Commission, 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 this Agreement, the Party shall provide the requested information to the Commission, within the time provided for in the request for information. In providing the information to the Commission, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by the Commission and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) to this Agreement prior to the release of the Confidential Information to the Commission. The Party shall notify the other Party(ies) to this Agreement when it is notified by the Commission that a request to release Confidential Information has been received by the Commission, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article. 10. Disputes

- 10.1. The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2. In the event of a dispute, a Party shall provide the other Party(ies) with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3. If the dispute has not been resolved within two Business Days after receipt of the Notice, any Party may contact the Commission's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4. The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.

- 10.5. Each Party agrees to conduct all negotiations in good faith and will be responsible for its pro-rata share of any costs paid to neutral third-parties.
- 10.6. If no Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then each Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article. 11. Taxes

- 11.1. The Parties agree to follow all applicable tax laws and regulations, consistent with Commission policy and Internal Revenue Service requirements.
- 11.2. Each Party shall cooperate with the other to maintain the other Party's(ies') tax status. Nothing in this Agreement is intended to adversely affect the Interconnecting Transmission Owner's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article. 12. Miscellaneous

12.1. Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the Commonwealth of Massachusetts (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2. Amendment

The Parties may amend this Agreement by a written instrument duly executed by the Parties, or under article 12.12 of this Agreement.

12.3. No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4. Waiver

The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.1. Any waiver at any time by a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Interconnecting Transmission Owner. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5. Entire Agreement

Except for the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, this Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. Except for the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, there are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6. Multiple Counterparts

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

12.7. No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Parties.

12.8. Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and

independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9. Security Arrangements

Infrastructure security of the New England Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Commission expects the System Operator, Interconnecting Transmission Owners, market participants, and Interconnection Customers interconnected to the New England Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10. Environmental Releases

Each Party shall notify the other Party(ies), first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party(ies). The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party(ies) copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11. Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party(ies) for the performance of such subcontractor.

12.11.1. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party(ies) for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Interconnecting Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement.

Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2. The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12. Reservation of Rights

Consistent with Section 4.8 of Schedule 23, the Interconnecting Transmission Owner and the System Operator shall have the right to make a unilateral filing with the Commission to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and the Commission's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this Agreement under any applicable provision of the Federal Power Act and the Commission's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party(ies) and to participate fully in any proceeding before the Commission in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of the Commission under sections 205 or 206 of the Federal Power Act and the Commission's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article. 13. Notices

13.1. General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: The City of Holyoke Gas and Electric Department
Attention: Brian C. Beauregard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040
Phone: 413-536-9352 Fax: 413-536-9353

If to the Interconnecting Transmission Owner:

Interconnecting Transmission Owner: The City of Holyoke Gas and Electric
Department
Attention: Brian C. Beauregard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040
Phone: 413-536-9352 Fax: 413-536-9353

If to the System Operator:

System Operator: ISO New England Inc.
Attention: Generation Interconnection, Transmission Planning Department
Address: One Sullivan Road
City: Holyoke State: MA Zip: 01040-2841
Phone: : 413-540-4219 Fax: 413-540-4203

With a copy to:

Billing Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

13.2. Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: The City of Holyoke Gas and Electric Department
Attention: Brian C. Beauregard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040

Interconnecting Transmission Owner: The City of Holyoke Gas and Electric
Department
Attention: Brian C. Beauregard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040

System Operator: ISO New England Inc.
Attention: Generation Interconnection, Transmission Planning Department
Address: One Sullivan Road
City: Holyoke State: MA Zip: 01040-2841
Phone: 413-540-4219 Fax: 413-540-4203

With a copy to:

Billing Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

13.3. Alternative Forms of Notice

Any notice or request required or permitted to be given by a Party to the other Party(ies) and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: The City of Holyoke Gas and Electric Department
Attention: Brian C. Beauregard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040
Phone: 413-536-9352 Fax: 413-536-9353
E-mail: bbeauregard@hged.com

If to the Interconnecting Transmission Owner:

Interconnecting Transmission Owner: The City of Holyoke Gas and Electric
Department
Attention: Brian C. Beauregard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040
Phone: 413-536-9352 Fax: 413-536-9353
E-mail: bbeauregard@hged.com

If to the System Operator:

System Operator: ISO New England Inc.
Attention: Generation Interconnection, Transmission Planning Department
Address: One Sullivan Road
City: Holyoke State: MA Zip: 01040-2841
Phone: 413-540-4219 Fax: 413-540-4203
E-mail: geninterconn@iso-ne.com

With a copy to:
Billing Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Facsimile: (413) 535-4024
E-mail: billingdepartment@iso-ne.com

13.4. Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: The City of Holyoke Gas and Electric Department
Attention: Brian C. Beauregard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040
Phone: 413-536-9352 Fax: 413-536-9353
E-mail: bbeauregard@hged.com

Interconnecting Transmission Owner's Operating Representative:

Interconnecting Transmission Owner: The City of Holyoke Gas and Electric Department
Attention: Brian C. Beauregard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040
Phone: 413-536-9352 Fax: 413-536-9353
E-mail: bbeauregard@hged.com

System Operator System Operator: ISO New England Inc
Attention: Peter Brandien
Address: 1 Sullivan Road
City: Holyoke State: MA Zip: 01040-2841
Phone: 413-535-4022 Fax: 413-535-4343
E-mail: pbrandien@iso-ne.com

13.5. Changes to the Notice Information

A Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article. 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

Interconnecting Transmission Owner and Interconnection Customer
The City of Holyoke Gas and Electric Department

Name: Brian C. Beauregard

Title: Superintendent - Electric

Date: _____

ISO New England Inc (System Operator)



Name: Stephen J. Rourke

Title: Vice President, System Planning

Date: 4/19/2010

Article. 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

Interconnecting Transmission Owner and Interconnection Customer
The City of Holyoke Gas and Electric Department

Brian C. Beauregard
Name: Brian C. Beauregard

Title: Superintendent - Electric

Date: April 22, 2010

ISO New England Inc (System Operator)

Name: Stephen J. Rourke

Title: Vice President, System Planning

Date: _____

ATTACHMENTS TO SGIA

- | | |
|--------------|---|
| Attachment 1 | Glossary of Terms |
| Attachment 2 | Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment |
| Attachment 3 | One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment and Upgrades |
| Attachment 4 | Milestones |
| Attachment 5 | Additional Operating Requirements for the New England Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs |
| Attachment 6 | Interconnecting Transmission Owner's Description of its Upgrades, and Best Estimates of Upgrade Costs |
| Attachment 7 | Commercial Operation Date |

Attachment 1

Glossary of Terms

Administered Transmission System – The PTF, the Non-PTF, and distribution facilities that are subject to the Tariff.

Affected Party or Parties – The entity that owns, operates or controls an Affected System, or any other entity that otherwise may be a necessary party to the interconnection process.

Affected System – Any electric system that is within the Control Area, including, but not limited to, generator owned transmission facilities, or any other electric system that is not within the Control Area that may be affected by the proposed interconnection.

Affiliate – 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.

Applicable Laws and Regulations – 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 Standards – The requirements and guidelines of NERC, NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Systems.

Base Cases – Base power flow, short circuit and stability databases, including all underlying assumptions, and contingency lists provided by System Operator, Interconnecting Transmission Owner, and any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements; such databases and lists shall include all generation projects and transmission projects, including merchant transmission projects that are proposed for the New England Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority. Base Cases also include data provided by the Interconnection Customer, where applicable, to the Interconnecting Transmission Owner and System Operator to facilitate required Interconnection Studies.

Business Day – Monday through Friday, excluding Federal Holidays.

Capacity Capability Interconnection Standard (“CC Interconnection Standard”) – The criteria required to permit the Interconnection Customer to interconnect in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource (“CNR”) – That portion of a Generating Facility that is interconnected to the Administered Transmission System under the Capacity Capability Interconnection Standard.

Capacity Network Resource Capability (“CNR Capability”) -- (i) In the case of a Generating Facility that is a New Generating Capacity Resource pursuant to Section III.13.1 of the Tariff or an Existing Generating Capacity Resource that is increasing its capability pursuant to Section III.13.1.2.2.5 of the Tariff, the highest megawatt amount of the Capacity Supply Obligation obtained by the Generating Facility in accordance with Section III.13 of the Tariff, and, if applicable, as specified in a filing by the System Operator with the Commission in accordance with Section III.13.8.2 of the Tariff, or (ii) in the case of a Generating Facility that meets the criteria under Section 1.6.4.3 of the Small Generator Interconnection Procedures (“SGIP”), the total megawatt amount reflected in an existing Interconnection Agreement, whether executed or filed in unexecuted form with the Commission, an application pursuant to Section I.3.9 of the Tariff (or its predecessor provision, if any), or as determined by the System Operator based on documented historic capability of the Generating Facility. The CNR Capability shall not exceed the maximum net megawatt electrical output of the Generating Facility at an ambient temperature at or above 90 F. degrees for Summer and at or above 20 degrees F. for Winter. Where the Generating Facility includes multiple production devices, the CNR Capability shall not exceed the aggregate maximum net megawatt electrical output of the Generating Facility at an ambient temperature at or above 90 degrees F. for Summer and at or above 20 degrees F. for Winter.

Capacity Network Resource Group Study (“CNR Group Study”) – The study performed by the System Operator under Section III.13.1.1.2.3 of the Tariff to determine which resources qualify to participate in a Forward Capacity Auction.

Capacity Network Resource Interconnection Service (“CNR Interconnection Service”) -- The Interconnection Service selected by the Interconnection Customer to interconnect its Large Generating Facility with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard. An Interconnection Customer’s CNR Interconnection Service shall be for the megawatt amount of CNR Capability. CNR Interconnection Service does not in and of itself convey transmission service.

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

Commercial Operation Date – The date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Attachment 3 to the Standard Small Generator Interconnection Agreement.

Conditional Qualified New Generating Capacity Resource – As defined in Section III.13.1.1.2.3(f) of the Tariff.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System – The Interconnecting Transmission Owner’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 – The additions, modifications, and upgrades to the Interconnecting Transmission Owner’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer’s wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Generating Facility – The Interconnection Customer’s device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer’s Interconnection Facilities.

Good Utility Practice – 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 – 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 the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

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

In-Service Date – The date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Interconnecting Transmission Owner’s Interconnection Facilities to obtain back feed power.

Interconnecting Transmission Owner – A Transmission Owner that owns, leases or otherwise possesses an interest in the portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Standard Small Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnection Customer – Any entity, including a transmission owner or its Affiliates or subsidiaries, that proposes to interconnect its Small Generating Facility with the Administered Transmission System.

Interconnection Facilities – The Interconnecting Transmission Owner’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Administered Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study – A study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for the Interconnection Customer to determine a list of facilities (including Interconnecting Transmission Owner’s Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Administered Transmission System. The scope of the study is defined in Section 3.5 of the Standard Small Generator Interconnection Procedures.

Interconnection Facilities Study Agreement – The form of agreement contained in Appendix 8 of the Standard Small Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study – A preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Administered Transmission System, the scope of which is described in Section 3.3 of the Standard Small Generator Interconnection Procedures. The Interconnection Customer has the option to request either that the Interconnection Feasibility Study be completed as a separate and distinct study, or as part of the Interconnection System Impact Study. If the Interconnection Customer requests that the Interconnection Feasibility Study be completed as part of the Interconnection System Impact Study, Section 3.3 shall be performed as the first step of the Interconnection System Impact Study, and shall be regarded as part of the Interconnection System Impact Study. When the requirements of Section 3.3 are performed as part of the Interconnection System Impact Study, the Interconnection Customer shall be responsible only for the deposit requirements of the Interconnection System Impact

Study, and there shall be only one final report, which will include the results of both Section 3.3 and Section 3.4.

Interconnection Feasibility Study Agreement – The form of agreement contained in Appendix 6 of the Standard Small Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request – The Interconnection Request (a) shall mean an Interconnection Customer's request, in accordance with the Tariff, to: (i) interconnect a new Generating Facility to the Administered Transmission System as either a CNR or a NR; (ii) increase the energy capability or capacity capability of an existing Generating Facility; (iii) make a modification to the operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected to the Administered Transmission System; (iv) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (v) change from NR Interconnection Service to CNR Interconnection Service for all or part of a Generating Facility's capability.

Interconnection Request shall not include: (i) a retail customer interconnecting a new Generating Facility that will produce electric energy to be consumed only on the retail customer's site; (ii) a request to interconnect a new Generating Facility to a distribution facility that is subject to the Tariff if the Generating Facility will not be used to make wholesale sales of electricity in interstate commerce; or (iii) a request to interconnect a Qualifying Facility (as defined by the Public Utility Regulatory Policies Act, as amended by the Energy Policy Act of 2005 and the regulations thereto), where the Qualifying Facility's owner intent is to sell 100% of the Qualifying Facility's output to its interconnected electric utility.

Interconnection Service – The service provided by the System Operator and the Interconnecting Transmission Owner, associated with interconnecting the Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability and/or capacity capability from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Small Generator Interconnection Agreement and, if applicable, the Tariff.

Interconnection Study – Any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Small Generator Interconnection Procedures. Interconnection Study shall not include a CNR Group Study.

Interconnection System Impact Study – An engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the Administered Transmission System and any other Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Small Generator Interconnection Procedures. If the Interconnection Customer requests that the

Interconnection Feasibility Study be completed as part of the Interconnection System Impact Study, Section 3.3 shall be performed as the first step of the Interconnection System Impact Study, and shall be regarded as part of the Interconnection System Impact Study. When the requirements of Section 3.3 are performed as part of the Interconnection System Impact Study, the Interconnection Customer shall be responsible only for the deposit requirements of the Interconnection System Impact Study, and there shall be only one final report, which will include the results of both Section 3.3 and 3.4.

Interconnection System Impact Study Agreement -- The form of agreement contained in Appendix 7 of the Standard Small Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

NERC – The North American Electric Reliability Corporation or its successor organization.

Network Capability Interconnection Standard (“NC Interconnection Standard”)– The minimum criteria required to permit the Interconnection Customer to interconnect in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility, as detailed in the ISO New England Planning Procedures.

Network Resource (“NR”) – The portion of a Generating Facility that is interconnected to the Administered Transmission System under the Network Capability Interconnection Standard.

Network Resource Capability (“NR Capability”) – The maximum gross and net megawatt electrical output of the Generating Facility at an ambient temperature at or above 50 degrees F. for Summer and at or above 0 degrees F. for Winter. Where the Generating Facility includes multiple energy production devices, the NR Capability shall be the aggregate maximum gross and net megawatt electrical output of the Generating Facility at an ambient temperature at or above 50 degrees F. for Summer and at or above 0 degrees F. for Winter. The NR Capability shall be equal to or greater than the CNR Capability.

Network Resource Interconnection Service (“NR Interconnection Service”) – The Interconnection Service selected by the Interconnection Customer to interconnect its Generating Facility to the Administered Transmission System in accordance with the Network Capability Interconnection Standard. An Interconnection Customer’s NR Interconnection Service shall be solely for the megawatt amount of the NR Capability. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades – Additions, modifications, and upgrades to the New England Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Administered Transmission System to accommodate the interconnection of the Small

Generating Facility with the Administered Transmission System. Network Upgrades do not include Distribution Upgrades.

Notice of Dispute – A written notice of a dispute or claim that arises out of or in connection with the Standard Small Generator Interconnection Agreement or its performance.

Operating Requirements – Any operating and technical requirements that may be applicable due to System Operator or the Interconnecting Transmission Owner’s requirements, including those set forth in the Small Generator Interconnection Agreement, ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

Party or Parties – The System Operator, Interconnecting Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Administered Transmission System.

Queue Position -- The order of a valid request in the New England Control Area, relative to all other pending requests in the New England Control Area, that is established based upon the date and time of receipt of such request by the System Operator. Requests are comprised of Interconnection Requests, requests for Elective Transmission Upgrades, requests for transmission service and notification of requests for interconnection to other electric systems, as notified by the other electric systems, that impact the Administered Transmission System. For purposes of the SGIP, references to a “higher-queued” Interconnection Request shall mean one that has been received by System Operator (and placed in queue order) earlier than another Interconnection Request, which is referred to as “lower-queued.”

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, 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.

Small Generating Facility – A Generating Facility having a maximum gross capability at or above zero degrees F. of 20 MW or less.

Stand Alone Network Upgrades – Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. The System Operator, Interconnection Customer, Interconnecting Transmission Owner, and any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, must agree as to what constitutes Stand Alone Network Upgrades and identify them in Attachment 2 to the Standard Small Generator Interconnection Agreement.

System Operator – ISO New England Inc. or a successor organization.

Tariff – The System Operator’s or Affected System's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff.

Upgrades – The required additions and modifications to the Administered Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2

**Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or the Interconnecting Transmission Owner. The Interconnecting Transmission Owner will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

I. DESCRIPTION OF MAJOR COMPONENTS

A. Small Generating Facility

(1) Description of Small Generating Facility.

Four (4) 480VAC, 130kVA induction generators installed in the #3 overflow structure of the Interconnection Customer's second level canal. These units will utilize a common 750kVA generator step-up transformer ("GSU") which will connect to the Interconnecting Transmission Owner's 4.8kV distribution system.

(2) The Small Generating Facility shall receive:

Network Resource Interconnection Service for the NR Capability.
See below

Capacity Network Resource Interconnection Service for: (a)(i) the NR Capability at a level not to exceed 0.52 gross and 0.50 net MW for Summer and Winter; and (ii) the CNR Capability at [to be determined] MW for Summer and [to be determined] MW for Winter, which shall not exceed 0.50 MW. The CNR Capability shall be the amount of the Capacity Supply Obligation obtained by the Generating Facility in accordance with Section III.13 of the Tariff and, if applicable, as specified in filings by the System Operator with the Commission pursuant to Section III.13 of the Tariff.

(3) Detailed Description of Small Generating Facility and Generator Step-Up Transformer, if applicable:

Generator Data	
Number of Generators	4
Manufacturer	Mavel
Model	GAK315510
Designation of Generator(s)	None
Excitation System Manufacturer	None
Excitation System Model	None
Voltage Regulator Manufacturer	None
Voltage Regulator Model	None
Generator Ratings	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 90 Degrees F	.130/.125
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 50 Degrees F	.130/.125
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 20 Degrees F	.130/.125
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above zero Degrees F	.130/.125
Station Service Load For Each Unit	.005
Overexcited Reactive Power at Rated MVA and Rated Power Factor	Not Applicable
Underexcited Reactive Power at Rated MVA and Rated Power Factor	Not Applicable

Generator Short Circuit Data	
Generator MVA rating	.160
Subtransient Resistance	Not Available
Subtransient Reactance (saturated)	.0167
Transient Resistance	Not Available
Transient Reactance (saturated)	Not Available
Negative sequence resistance	Not Available
Negative sequence reactance	.0167
Transformer Data	
Number of units	1
Self Cooled	Yes
Maximum Rating	750 kVA
Winding Connection (LV/HV)	480V Delta/4.8 kV Delta
Fixed Taps	105%, 102.5%, 100%, 97.5%, 95%
Z1 primary to secondary at self cooled rating	5.75
Positive Sequence X/R ratio primary to secondary	4.37
Z0 primary to secondary at self cooled rating	6.85
Zero Sequence X/R ratio primary to tertiary	6.2

B. Interconnection Facilities

The four (4) units will be connected to a single GSU. This transformer will be connected directly to the Interconnecting Transmission Owner's 4.8kV generation feeder, the ES12.

C. Metering Equipment

Instrument transformers will be provided on the low side of the GSU. An ION 8600 with ethernet capability will meter the total generation.

D. Other Components

N/A

II. INTERCONNECTION EQUIPMENT OWNERSHIP, OPERATION AND MAINTENANCE

A. Point of Change of Function; Point of Interconnection

The high side of fuse disconnect of the GSU.

B. Description of Responsibilities

N/A

III. PRICING ESTIMATES

A. Interconnection Facilities

The cost of interconnecting the Small Generating Facility to the Interconnection Customer's generation feeder is under \$40,000.

B. Metering Equipment

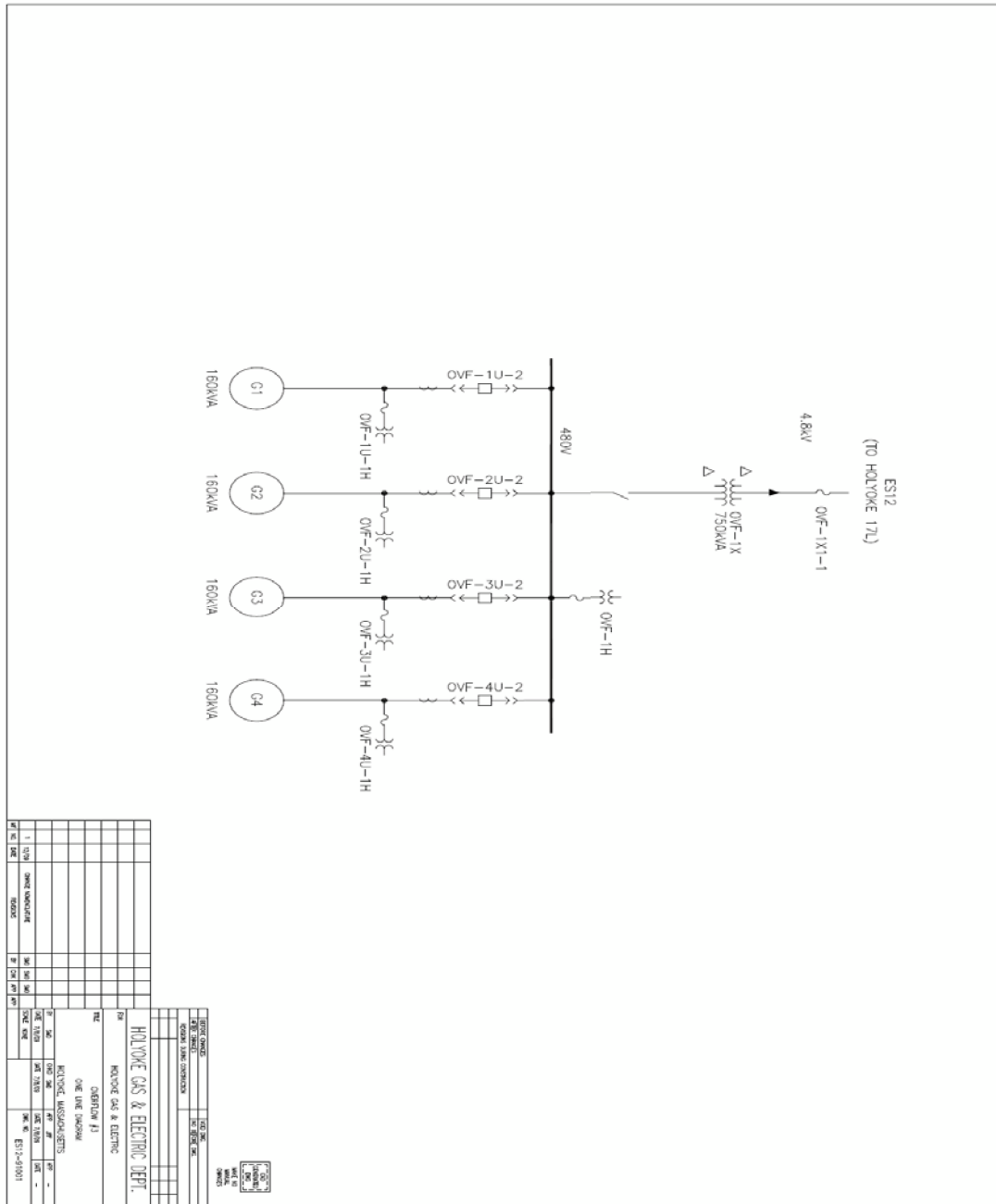
The metering equipment's cost including labor and communication will be under \$15,000.

C. Operation and Maintenance

N/A

Attachment 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades



Attachment 4

Milestones

1. Milestones for all Small Generating Facilities: The description and entries listed in the following table establish the required Milestones in accordance with the provisions of the SGIP and this SGIA. – Included below

2. Milestones Applicable If Facilities Study Has Been Waived by Interconnection Customer:


Item No.	Milestone Description	Responsible Party	Date	SGIP/SGIA Reference
1	Siting approval for the Generating Facility and Interconnection Facilities	Interconnection Customer	December 31, 2010	SGIP § 3.4.5(i)
2	Engineering of Interconnection Facilities approved by Interconnecting Transmission Owner	Interconnection Customer	July 1, 2011	SGIP § 3.4.5(ii)
3	Ordering of long lead time material for Interconnection Facilities and system upgrades	Interconnection Customer	No ordering of long lead time material required	SGIP § 3.4.5(iii)
4	Initial Synchronization Date		November 1, 2011	SGIP § 3.4.6(iv)

5	Commercial Operation Date		December 31, 2011	SGIP § 3.4.6(v)
6	In-Service Date	Interconnection Customer	November 1, 2011	SGIP § 3.4.6(v)

3. Milestones Applicable Solely for CNR Interconnection Service. In addition to the Milestones above, the following Milestones apply to Interconnection Customers requesting CNR Interconnection Service:

Item #	Milestone	Responsible Party	Date	SGIP/SGIA Reference
1	Submit necessary requests for participation in the Forward Capacity Auction associated with the Generating Facility's requested Commercial Operation Date, in accordance with Section III.13 of the Tariff	Interconnection Customer	Completed FCA 4	1.7.1.3(i)
2	Participate in a CNR Group Study	Interconnection Customer; System Operator	To be completed	1.7.1.3(ii)
3	Qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff	Interconnection Customer	To be completed	1.7.1.3(iii)
4	Complete a re-study of the applicable Interconnection Study to determine the cost responsibility for facilities and upgrades necessary to accommodate the Interconnection Request based on the results of the Forward Capacity Auction, Reconfiguration Auction or bilateral transaction through which the Interconnection Customer received a Capacity Supply Obligation	System Operator	To be completed	1.7.1.3(iv)

Agreed to by:

For the System Operator:  **Date:** 4/19/2010

For the Interconnecting Transmission Owner and Interconnection Customer:

_____ **Date:** _____

ISO New England Inc.
FERC Electric Tariff No. 3
Open Access Transmission Tariff
Schedule 23 – Small Generator Interconnection Agreement

Original Sheet No. 52

Agreed to by:

For the System Operator: _____ **Date:** _____

For the Interconnecting Transmission Owner and Interconnection Customer:

Brian C Beauregard

Date: April 22, 2010

Attachment 5

**Additional Operating Requirements for the
New England Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

I. OPERATING REQUIREMENTS

None

Attachment 6

**Interconnecting Transmission Owner's
Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Interconnecting Transmission Owner shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Interconnecting Transmission Owner shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

I. DESCRIPTION OF UPGRADES

A. Distribution Upgrades

None

B. Network Upgrades

None

(1) Stand-Alone Network Upgrades

(2) Other Network Upgrades

C. Affected System Upgrades

None

D. Contingency Upgrades

(1) Long Lead Facility-Related Upgrades. The Interconnection Customer's Small Generating Facility is associated with a Long Lead Facility, in accordance with Section 3.2.3 of the LGIP. Pursuant to Section 4.1 of the LGIP, the Interconnection Customer shall be responsible for the following upgrades in the event that the Long Lead Facility achieves Commercial Operation and obtains a Capacity Supply Obligation in accordance with Section III.13.1 of the Tariff:

N/A

If the Interconnection Customer fails to cause these upgrades to be in-service prior to the commencement of the Long Lead Facility's Capacity Commitment Period, the Interconnection Customer shall be deemed to be in Breach of this SGIA in accordance with Article 7, and the System Operator will initiate all necessary steps to terminate this SGIA, in accordance with Article 3.

(2) Other Contingency Upgrades. N/A

E. Post-Forward Capacity Auction Re-study Upgrade Obligations.

To be determined.

Attachment 7

Commercial Operation Date

This Attachment 7 is a part of the SGIA between System Operator, Interconnecting Transmission Owner and Interconnection Customer.

[Date]

The City of Holyoke Gas and Electric Department
99 Suffolk Street
Holyoke, MA 01040

Generator Interconnections
Transmission Planning Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Re: Overflow #3 Small Generating Facility

Dear _____:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _____. This letter confirms that [Interconnection Customer] commenced commercial operation of Unit No. _____ at the Small Generating Facility, effective as of [Date plus one day].

Thank you.

[Signature]

[Interconnection Customer Representative]

Attachment 2

THIS STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT

("Agreement") is made and entered into this _____23rd day of _____,
~~20~~ April, 2010, by and between _____, a _____ The City of
Holyoke Gas and Electric Department, a municipal corporation organized and existing under the
laws of the ~~State/~~Commonwealth of _____ (Massachusetts (herein known as both
the "Interconnection Customer" with a Small Generating Facility), and "Interconnecting
Transmission Owner"), and ISO New England Inc., a non-stock corporation organized and
existing under the laws of the State of Delaware ("System Operator"), and _____, a
_____ organized and existing under the laws of the State/Commonwealth of
_____ ("Interconnecting Transmission Owner"). Under this Agreement the
Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may
be referred to as a "Party" or collectively as the "Parties."

System Operator Information

System Operator: ISO New England Inc.
Attention: Generator Interconnections
Address: One Sullivan Road
City: Holyoke State: MA Zip: 01040-2841
Phone: 413-540-4219 Fax: 413-540-4203

Interconnecting Transmission Owner Information

Interconnecting Transmission Owner: The City of Holyoke Gas and Electric
Department
Attention: Brian C. Beauregard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040
Phone: 413-536-9352
Fax: 413-536-9353

Interconnection Customer Information

Interconnection Customer: The City of Holyoke Gas and Electric Department
Attention: Brian C. Beauregard
Address: 99 Suffolk Street
City: Holyoke State: MA Zip: 01040
Phone: 413-536-9352 Fax: 413-536-9353

- 1.5.3. The Interconnecting Transmission Owner shall construct, operate, and maintain its transmission facilities and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4. The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems.
- 1.5.5. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership function. The Interconnecting Transmission Owner and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the ~~New England Transmission System~~ ~~for~~ ~~Interconnecting Transmission Owner's transmission facilities~~, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6. The System Operator, with input from the Interconnecting Transmission Owner, shall coordinate with all Affected Systems to support the interconnection.

1.6. Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to the ISO New England Operating Documents, and the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7. Metering

The Interconnection Customer shall be responsible for the Interconnecting Transmission Owner's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachment 2 of this Agreement. The Interconnection Customer's metering

Article. 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

Interconnecting Transmission Owner and Interconnection Customer
The City of Holyoke Gas and Electric Department

Name: Brian C. Beauregard

Title: Superintendent - Electric

Date: _____

Interconnection Customer

Name: _____

Title: _____

Date: _____

ISO New England Inc (System Operator)

Name: Stephen J. Rourke

Title: Vice President, System Planning

Date: _____

B. Interconnection Facilities

~~insert~~The four (4) units will be connected to a single GSU. This transformer will be connected directly to the Interconnecting Transmission Owner's 4.8kV generation feeder, the ES12.

C. Metering Equipment

~~insert~~Instrument transformers will be provided on the low side of the GSU. An ION 8600 with ethernet capability will meter the total generation.

D. Other Components

~~insert~~N/A

II. INTERCONNECTION EQUIPMENT OWNERSHIP, OPERATION AND MAINTENANCE

A. Point of Change of Ownership ~~Function~~; Point of Interconnection

~~insert~~The high side of fuse disconnect of the GSU.

B. Description of Responsibilities

~~insert~~N/A

III. PRICING ESTIMATES

A. Interconnection Facilities

~~insert~~The cost of interconnecting the Small Generating Facility to the Interconnection Customer's generation feeder is under \$40,000.

B. Metering Equipment

~~insert~~The metering equipment's cost including labor and communication will be under \$15,000.

C. Operation and Maintenance

~~insert~~N/A