I.2 Rules of Construction; Definitions

I.2.1. Rules of Construction:

In this Tariff, unless otherwise provided herein:

(a) words denoting the singular include the plural and vice versa;

(b) words denoting a gender include all genders;

(c) references to a particular part, clause, section, paragraph, article, exhibit, schedule, appendix or other attachment shall be a reference to a part, clause, section, paragraph, or article of, or an exhibit, schedule, appendix or other attachment to, this Tariff;

(d) the exhibits, schedules and appendices attached hereto are incorporated herein by reference and shall be construed with an as an integral part of this Tariff to the same extent as if they were set forth verbatim herein;

(e) a reference to any statute, regulation, proclamation, ordinance or law includes all statutes, regulations, proclamations, amendments, ordinances or laws varying, consolidating or replacing the same from time to time, and a reference to a statute includes all regulations, policies, protocols, codes, proclamations and ordinances issued or otherwise applicable under that statute unless, in any such case, otherwise expressly provided in any such statute or in this Tariff;

(f) a reference to a particular section, paragraph or other part of a particular statute shall be deemed to be a reference to any other section, paragraph or other part substituted therefor from time to time;

(g) a definition of or reference to any document, instrument or agreement includes any amendment or supplement to, or restatement, replacement, modification or novation of, any such document, instrument or agreement unless otherwise specified in such definition or in the context in which such reference is used;

(h) a reference to any person (as hereinafter defined) includes such person's successors and permitted assigns in that designated capacity;

(i) any reference to "days" shall mean calendar days unless "Business Days" (as hereinafter defined) are expressly specified;

(j) if the date as of which any right, option or election is exercisable, or the date upon which any amount is due and payable, is stated to be on a date or day that is not a Business Day, such right, option or election may be exercised, and such amount shall be deemed due and payable, on the next succeeding Business Day with the same effect as if the same was exercised or made on such date or day (without, in the case of any such payment, the payment or accrual of any interest or

other late payment or charge, provided such payment is made on such next succeeding Business Day);

(k) words such as "hereunder," "hereto," "hereof" and "herein" and other words of similar import shall, unless the context requires otherwise, refer to this Tariff as a whole and not to any particular article, section, subsection, paragraph or clause hereof; and a reference to "include" or "including" means including without limiting the generality of any description preceding such term, and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned.

I.2.2. Definitions:

In this Tariff, the terms listed in this section shall be defined as described below:

Above-Threshold Offer Segment is the total MW quantity of a Capacity Offer that is priced above the Capacity Offer Price Threshold, whether such MW quantity is delimited by only one price-quantity pair or multiple price-quantity pairs submitted as part of the Capacity Offer pursuant to Section III.15.4.1.

Active Demand Capacity Resource is one or more Demand Response Resources located within the same Dispatch Zone, that is registered with the ISO, assigned a unique resource identification number by the ISO, and participates in the Forward or Annual Capacity Market to fulfill a Market Participant's Capacity Supply Obligation pursuant to Section III.13 or Section III.15 of Market Rule 1.

Actual Capacity Provided is the measure of capacity provided during a Capacity Scarcity Condition, as described in Section III.13.7.2.2 or Section III.15.8.2.2 of Market Rule 1.

Actual Load is the consumption at the Retail Delivery Point for the hour.

Additional Resource Blackstart O&M Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Additional Resource Specified-Term Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Additional Resource Standard Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Administrative Costs are those costs incurred in connection with the review of Applications for transmission service and the carrying out of System Impact Studies and Facilities Studies.

Administrative Export De-List Bid is a bid submitted in a Forward Capacity Auction by certain Existing Generating Capacity Resources subject to a multi-year contract to sell capacity outside of the New England Control Area during the associated Capacity Commitment Period, as described in Section III.13.1.2.3.1.4 of Market Rule 1.

ADR Neutrals are one or more firms or individuals identified by the ISO with the advice and consent of the Participants Committee that are prepared to act as neutrals in ADR proceedings under Appendix D to Market Rule 1.

Advance is defined in Section IV.A.3.2 of the Tariff.

Advisory Qualified Capacity Values are the advisory summer and winter Qualified Capacity values, calculated pursuant to Section III.15.2.5.

Affected Party, for purposes of the ISO New England Billing Policy, is defined in Section 6.3.5 of the ISO New England Billing Policy.

Affiliate is any person or entity that controls, is controlled by, or is under common control by another person or entity. For purposes of this definition, "control" means the possession, directly or indirectly, of the authority to direct the management or policies of an entity. A voting interest of ten percent or more shall create a rebuttable presumption of control.

AGC is automatic generation control.

AGC SetPoint is the desired output signal for a Resource providing Regulation that is produced by the AGC system as frequently as every four seconds.

AGC SetPoint Deadband is a deadband expressed in megawatts that is applied to changing values of the AGC SetPoint for generating units.

Allocated Assessment is a Covered Entity's right to seek and obtain payment and recovery of its share in any shortfall payments under Section 3.3 or Section 3.4 of the ISO New England Billing Policy.

Allowable Capacity Offer Price is a price determined by the Internal Market Monitor as part of its review of Proposed Capacity Offers pursuant to Section III.A.22.2.3.

Alternative Dispute Resolution (ADR) is the procedure set forth in Appendix D to Market Rule 1.

Alternative Technology Regulation Resource (ATRR) is one or more facilities capable of providing Regulation that have been registered in accordance with the Asset Registration Process. An Alternative Technology Regulation Resource is eligible to participate in the Regulation Market.

Ancillary Services are those services that are necessary to support the transmission of electric capacity and energy from resources to loads while maintaining reliable operation of the New England Transmission System in accordance with Good Utility Practice.

Announced Schedule 1 EA Amount, Announced Schedule 2 EA Amount, Announced Schedule 3 EA Amount are defined in Section IV.B.2.2 of the Tariff.

Annual Capacity Auction (ACA) is the Annual Capacity Market auction process carried out pursuant to Section III.15.4 of Market Rule 1.

Annual Capacity Auction Cleared Export Transaction is defined in Section III.1.10.7(f)(ii) of Market Rule 1.

Annual Capacity Auction Offer Window is the period described in the Capacity Auction Calendar during which Capacity Offers must be submitted for an Annual Capacity Auction.

Annual Capacity Market is the annual market for procuring capacity in the New England Control Area, as set forth in Section III.15 of Market Rule 1.

Annual Qualified Capacity is the Qualified Capacity calculated pursuant to Section III.15.3 that is used in an Annual Capacity Auction.

Annual Transmission Revenue Requirements are the annual revenue requirements of a PTO's PTF or of all PTOs' PTF for purposes of the OATT shall be the amount determined in accordance with Attachment F to the OATT.

Annual Reconfiguration Transaction is a bilateral transaction associated with the Forward Capacity Market that may be used in accordance with Section III.13.5.4 of Market Rule 1 to specify a price when a Capacity Supply Obligation is transferred using supply offers and demand bids in Annual Reconfiguration Auctions.

Applicants, for the purposes of the ISO New England Financial Assurance Policy, are entities applying for Market Participant status or for transmission service from the ISO.

Application is a written request by an Eligible Customer for transmission service pursuant to the provisions of the OATT.

Asset is a Generator Asset, a Demand Response Asset, a component of an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource, a Distributed Energy Resource participating as part of a Demand Response Distributed Energy Resource Aggregation, a Settlement Only Distributed Energy Resource Aggregation, a Load Asset (including an Asset Related Demand), an Alternative Technology Regulation Resource, or a Tie-Line Asset.

Asset Registration Process is the ISO business process for registering an Asset.

Asset Related Demand is a Load Asset that has been discretely modeled within the ISO's dispatch and settlement systems, settles at a Node, has been registered in accordance with the Asset Registration Process, and is made up of either: (1) one or more individual end-use metered customers receiving service from the same point or points of electrical supply with an aggregate average hourly load of 1 MW or greater during the 12 months preceding its registration; (2) a Storage DARD with a consumption capability of at least 0.1 MW; or (3) one or more storage facilities that are not Electric Storage Facilities with an aggregate consumption capability of at least 1 MW.

Asset Related Demand Bid Block-Hours are Block-Hours assigned to the Lead Market Participant for each Asset Related Demand bid. Blocks of the bid in effect for each hour will be totaled to determine the daily quantity of Asset Related Demand Bid Block-Hours. In the case that a Resource has a Real-Time unit status of "unavailable" for an entire day, that day will not contribute to the quantity of Asset Related Demand Bid Block-Hours. However, if the Resource has at least one hour of the day with a unit status of "available," the entire day will contribute to the quantity of Asset Related Demand Bid Block-Hours.

Asset-Specific Going Forward Costs are the net costs of an asset that is part of a Generating Capacity Resource, calculated for the asset in the same manner as the net costs of Generating Capacity Resources as described in Section III.A.22 (for an asset associated with a Capacity Offer price subject to Internal Market Monitor review) or Section III.A.24 (for an asset submitting a Deactivation Notification).

Assigned Meter Reader reports to the ISO the hourly and monthly MWh associated with the Asset. These MWh are used for settlement. The Assigned Meter Reader may designate an agent to help fulfill its Assigned Meter Reader responsibilities; however, the Assigned Meter Reader remains functionally responsible to the ISO.

Auction Revenue Right (ARR) is a right to receive FTR Auction Revenues in accordance with Appendix C of Market Rule 1.

Auction Revenue Right Allocation (ARR Allocation) is defined in Section 1 of Appendix C of Market Rule 1.

Auction Revenue Right Holder (ARR Holder) is an entity which is the record holder of an Auction Revenue Right (excluding an Incremental ARR) in the register maintained by the ISO.

Authorized Commission is defined in Section 3.3 of the ISO New England Information Policy.

Authorized Person is defined in Section 3.3 of the ISO New England Information Policy.

Automatic Response Rate is the response rate, in MW/Minute, at which a Market Participant is willing to have a Regulation Resource change its output or consumption while providing Regulation between the Regulation High Limit and Regulation Low Limit.

Available Energy is a value that reflects the MWhs of energy available from an Electric Storage Facility for economic dispatch.

Available Storage is a value that reflects the MWhs of unused storage available from an Electric Storage Facility for economic dispatch of consumption.

Average Hourly Load Reduction is either: (i) the sum of the On-Peak Demand Capacity Resource's electrical energy reduction during Demand Resource On-Peak Hours in the month divided by the number of Demand Resource On-Peak Hours in the month; or (ii) the sum of the Seasonal Peak Demand Capacity Resource's electrical energy reduction during Demand Resource Seasonal Peak Hours in the month divided by the number of Demand Resource Seasonal Peak Hours in the month. The On-Peak Demand Capacity Resource's or Seasonal Peak Demand Capacity Resource's electrical energy reduction and Average Hourly Load Reduction shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements, as described in Section III.15.2.1.1.2.1 or Section III.13.1.4.3 of Market Rule 1 and the ISO New England Manuals.

Average Hourly Output is either: (i) the sum of the On-Peak Demand Capacity Resource's electrical energy output during Demand Resource On-Peak Hours in the month divided by the number of Demand Resource On-Peak Hours in the month; or (ii) the sum of the Seasonal Peak Demand Capacity Resource's electrical energy output during Demand Resource Seasonal Peak Hours in the month divided by the number of Demand Resource Seasonal Peak Hours in the month. Electrical energy output and Average Hourly Output shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements, as described in Section III.13.1.4.3 or Section III.15.2.1.1.2.1 of Market Rule 1 and the ISO New England Manuals.

Backstop Transmission Solution is a solution proposed: (i) to address a reliability need identified by the ISO in a Needs Assessment reported by the ISO pursuant to Section 4.1(i) of Attachment K to the ISO OATT, (ii) by the PTO or PTOs with an obligation under Schedule 3.09(a) of the TOA to address the identified need; and (iii) in circumstances in which the competitive solution process specified in Section 4.3 of Attachment K to the ISO OATT will be utilized.

Bankruptcy Code is the United States Bankruptcy Code.

Bankruptcy Event occurs when a Covered Entity files a voluntary or involuntary petition in bankruptcy or commences a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, reorganization or bankruptcy by or against such Covered Entity as debtor.

Behind-the-Meter Generation is generation directly connected to end-use customer load and located behind the end-use customer's Retail Delivery Point that reduces the amount of energy that would otherwise have been produced on the electricity network in the New England Control Area, and is not separately metered in wholesale markets from the end-use customer load.

Benchmark Scenario is an Economic Study reference scenario that is described in Section 17.2(a) of Attachment K to the OATT.

Bilateral Contract (BC) is any of the following types of contracts: Internal Bilateral for Load, Internal Bilateral for Market for Energy, and External Transactions.

Bilateral Contract Block-Hours are Block-Hours assigned to the seller and purchaser of an Internal Bilateral for Load, Internal Bilateral for Market for Energy and External Transactions; provided, however, that only those contracts which apply to the Real-Time Energy Market will accrue Block-Hours.

Binary Storage DARD is a DARD that participates in the New England Markets as part of a Binary Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Binary Storage Facility is a type of Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Blackstart Capability Test is the test, required by ISO New England Operating Documents, of a resource's capability to provide Blackstart Service.

Blackstart Capital Payment is the annual compensation, as calculated pursuant to Section 5.1, or as referred to in Section 5.2, of Schedule 16 to the OATT, for a Designated Blackstart Resource's Blackstart Equipment capital costs associated with the provision of Blackstart Service (excluding the capital costs associated with compliance with NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Blackstart Equipment is any equipment that is solely necessary to enable the Designated Blackstart Resource to provide Blackstart Service and is not required to provide other products or services under the Tariff.

Blackstart O&M Payment is the annual Blackstart O&M compensation calculated under either Section 5.1 or 5.2 of Schedule 16 of the OATT, as applicable.

Blackstart Owner is the Market Participant who is authorized on behalf of the Generator Owner(s) to offer or operate the resource as a Designated Blackstart Resource and is authorized to commit the resource to provide Blackstart Service.

Blackstart Service is the Ancillary Service described in Section II.47 of the Tariff and Schedule 16 of the OATT.

Blackstart Service Commitment is the commitment by a Blackstart Owner for its resource to provide Blackstart Service and the acceptance of that commitment by the ISO, in the manner detailed in ISO New England Operating Procedure No. 11 – Designated Blackstart Resource Administration (OP 11), and which includes a commitment to provide Blackstart Service established under Operating Procedure 11 – Designated Blackstart Resource Administration (OP11).

Blackstart Service Minimum Criteria are the minimum criteria that a Blackstart Owner and its resource must meet in order to establish and maintain a resource as a Designated Blackstart Resource.

Blackstart Standard Rate Payment is the formulaic rate of monthly compensation, as calculated pursuant to Section 5 of Schedule 16 to the OATT, paid to a Blackstart Owner for the provision of Blackstart Service from a Designated Blackstart Resource.

Blackstart Station is comprised of (i) a single Designated Blackstart Resource or (ii) two or more Designated Blackstart Resources that share Blackstart Equipment.

Blackstart Station-specific Rate Payment is the Commission-approved compensation, as calculated pursuant to Section 5.2 of Schedule 16 to the OATT, paid to a Blackstart Owner on a monthly basis for

the provision of Blackstart Service by Designated Blackstart Resources located at a specific Blackstart Station.

Blackstart Station-specific Rate Capital Payment is a component of the Blackstart Station-specific Rate Payment that reflects a Blackstart Station's capital Blackstart Equipment costs associated with the provision of Blackstart Service (excluding the capital costs associated with compliance with NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Block is defined as follows: (1) With respect to Bilateral Contracts, a Bilateral Contract administered by the ISO for an hour; (2) with respect to Supply Offers administered by the ISO, a quantity with a related price for Energy (Supply Offers for Energy may contain multiple sets of quantity and price pairs for each hour); (3) with respect to Demand Bids administered by the ISO, a quantity with a related price for Energy (Demand Bids for Energy may contain multiple sets of quantity and price pairs for each hour); (4) with respect to Increment Offers administered by the ISO, a quantity with a related price for Energy (Increment Offers for Energy may contain multiple sets of quantity and price pairs for each hour); (5) with respect to Decrement Bids administered by the ISO, a quantity with a related price for Energy (Decrement Bids for Energy may contain multiple sets of quantity and price pairs for each hour); (6) with respect to Asset Related Demand bids administered by the ISO, a quantity with a related price for Energy (Asset Related Demand bids may contain multiple sets of quantity and price pairs for each hour); (7) with respect to Demand Reduction Offers administered by the ISO, a quantity of reduced demand with a related price (Demand Reduction Offers may contain multiple sets of quantity and price pairs for the day); and (8) with respect to Day-Ahead Ancillary Services Offers administered by the ISO, a quantity with a related price for Day-Ahead Ancillary Services (Day-Ahead Ancillary Services Offers may contain multiple prices for each hour).

Block-Hours are the number of Blocks administered for a particular hour.

Budget and Finance Subcommittee is a subcommittee of the Participants Committee, the responsibilities of which are specified in Section 8.4 of the Participants Agreement.

Business Day is any day other than a Saturday or Sunday or ISO holidays as posted by the ISO on its website.

Cancelled Start NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Capability Demonstration Year is the one year period from September 1 through August 31.

Capacity Acquiring Resource is a resource that is seeking to acquire a Capacity Supply Obligation through: (1) a Capacity Supply Obligation Bilateral, as described in Section III.13.5.1 or Section III.15.6.1, or; (2) a reconfiguration auction, as described in Section III.13.4 or Section III.15.5.

Capacity Auction Calendar is a calendar published on the ISO's website, as described in Section III.15, detailing dates and deadlines associated with Annual Capacity Market participation, Monthly Reconfiguration Auction participation, and monthly Capacity Supply Obligation Bilateral transactions.

Capacity Auction Offer Price Cap is determined pursuant to Section III.15.1.2.1 of Market Rule 1 prior to the Annual Capacity Auction for each Capacity Commitment Period and is the highest price at which capacity may be offered into the Annual Capacity Auction, unless otherwise expressly allowed by the Tariff.

Capacity Balancing Ratio is a ratio used in calculating the Capacity Performance Payment in the Capacity Market, as described in Section III.13.7.2.3 or III.15.8.2.3 of Market Rule 1.

Capacity Base Payment is the portion of revenue received in the Forward Capacity Market or Annual Capacity Market as described in Section III.13.7.1 or Section III.15.8.1 of Market Rule 1.

Capacity Capability Interconnection Standard has the meaning specified in Schedule 22, Schedule 23, and Schedule 25 of the OATT.

Capacity Clearing Price is the clearing price in a Capacity Zone for a Capacity Commitment Period resulting from the Forward Capacity Auction conducted for that Capacity Commitment Period, as determined in accordance with Section III.13.2.7 of Market Rule 1 or resulting from the Annual Capacity Auction conducted for that Capacity Commitment Period, as determined in accordance with Section III.15.4.2.

Capacity Commitment Period is the one-year period from June 1 through May 31 for which obligations are assumed and payments are made in the Forward Capacity Market and Annual Capacity Market.

Capacity Cost (CC) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

Capacity Demonstration Deadline is a monthly deadline described in the Capacity Auction Calendar for completion of the capacity demonstration requirement set forth in Section III.15.2.6 prior to participation in the Annual Capacity Auction, a Monthly Reconfiguration Auction, or a Capacity Supply Obligation Bilateral transaction.

Capacity Export Through Import Constrained Zone Transaction is defined in Section III.1.10.7(f)(i) of Market Rule 1.

Capacity Load Obligation is the quantity of capacity for which a Market Participant is financially responsible as described in Section III.13.7.5.2 or Section III.15.8.5.2 of Market Rule 1.

Capacity Load Obligation Acquiring Participant is a load serving entity or any other Market Participant seeking to acquire a Capacity Load Obligation through a Capacity Load Obligation Bilateral, as described in Section III.13.5.2 or Section III.15.6.2 of Market Rule 1.

Capacity Load Obligation Bilateral is a bilateral contract through which a Market Participant may transfer all or a portion of its Capacity Load Obligation to another entity, as described in Section III.13.5 or Section III.15.6 of Market Rule 1.

Capacity Load Obligation Transferring Participant is an entity that has a Capacity Load Obligation and is seeking to shed such obligation through a Capacity Load Obligation Bilateral, as described in Section III.13.5.2 or Section III.15.6.2 of Market Rule 1.

Capacity Market is the forward market for procuring capacity in the New England Control Area, as described in Section III.13 of Market Rule 1, or the annual market for procuring capacity in the New England Control Area, as described in Section III.15 of Market Rule 1.

Capacity Market Commercial Operation is defined in Section III.15.2.6 of Market Rule 1.

Capacity Market Deactivation is the permanent removal of a Generating Capacity Resource, Demand Capacity Resource, or Distributed Energy Capacity Resource from the Capacity Market, or the permanent

reduction in Capacity Network Import Capability of an External Elective Transmission Upgrade, as described in Section II.I of the OATT.

Capacity Network Import Capability (CNI Capability) is as defined in Section I of Schedule 25 of the OATT.

Capacity Network Import Interconnection Service (CNI Interconnection Service) is as defined in Section I of Schedule 25 of the OATT.

Capacity Network Resource (CNR) is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

Capacity Network Resource Interconnection Service (CNR Interconnection Service) is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

Capacity Offer is an offer submitted for inclusion in the Annual Capacity Auction as set forth in Section III.15.4.1 of Market Rule 1.

Capacity Offer Floor Price is defined in Section III.A.21.3 of Market Rule 1.

Capacity Offer Price Threshold (COPT) is the price specified in Section III.A.22.2.1 of Market Rule 1 associated with the submission, review, and mitigation of prices specified in Capacity Offers submitted for the Annual Capacity Auction.

Capacity Offer Review Submission Deadline is the deadline described in the Capacity Auction Calendar by which proposed Capacity Offers and accompanying documentation must be submitted to the Internal Market Monitor in accordance with Section III.A.22.2.2.

Capacity Performance Payment is the performance-dependent portion of revenue received in the Forward Capacity Market, as described in Section III.13.7.2 or Section III.15.8.2 of Market Rule 1.

Capacity Performance Payment Rate is a rate used in calculating Capacity Performance Payments, as described in Section III.13.7.2.5 or Section III.15.8.2.5 of Market Rule 1.

Capacity Resource is a type of resource eligible to participate in the Annual Capacity Auction. There are four types of Capacity Resources: Generating Capacity Resource, Import Capacity Resource, Demand Capacity Resource, and Distributed Energy Capacity Resource.

Capacity Performance Score is a figure used in determining Capacity Performance Payments, as described in Section III.13.7.2.4 or Section III.15.8.2.4 of Market Rule 1.

Capacity Rationing Rule addresses whether offers and bids in a Forward Capacity Auction may be rationed, as described in Section III.13.2.6 of Market Rule 1.

Capacity Scarcity Condition is a period during which performance is measured in the Capacity Market, as described in Section III.13.7.2.1 or III.15.8.7.2.1 of Market Rule 1.

Capacity Supply Obligation is an obligation to provide capacity from a resource, or a portion thereof, to satisfy a portion of the Installed Capacity Requirement that is acquired through a Forward Capacity Auction in accordance with Section III.13.2 or an Annual Capacity Auction in accordance with Section III.15.4, a reconfiguration auction in accordance with Section III.13.4 or Section III.15.5, or a Capacity Supply Obligation Bilateral in accordance with Section III.13.5.1 or Section III.15.6.1 of Market Rule 1.

Capacity Supply Obligation Bilateral is a bilateral contract through which a Market Participant may transfer all or a part of its Capacity Supply Obligation to another entity, as described in Section III.13.5.1 or Section III.15.6.1 of Market Rule 1.

Capacity Transfer Rights (CTRs) are calculated in accordance with Section III.13.7.5.4 or Section III.15.8.5.4.

Capacity Transferring Resource is a resource that has a Capacity Supply Obligation and is seeking to shed such obligation, or a portion thereof, through: (1) a Capacity Supply Obligation Bilateral, as described in Section III.13.5.1 or Section III.15.6.1, or; (2) a reconfiguration auction, as described in Section III.13.4 or Section III.15.5.

Capacity Zone is a geographic sub-region of the New England Control Area as determined in accordance with Section III.12.4 of Market Rule 1.

Capacity Zone Demand Curves are the demand curves used in the Capacity Market for a Capacity Zone as specified in Sections III.13.2.2.2 and III.13.2.2.3 and in Sections III.15.1.1.2 and III.15.1.1.3.

Capital Funding Charge (CFC) is defined in Section IV.B.2 of the Tariff.

CARL Data is Control Area reliability data submitted to the ISO to permit an assessment of the ability of an external Control Area to provide energy to the New England Control Area in support of capacity offered to the New England Control Area by that external Control Area.

Category B Designated Blackstart Resource has the same meaning as Designated Blackstart Resource.

Charge is a sum of money due from a Covered Entity to the ISO, either in its individual capacity or as billing and collection agent for NEPOOL pursuant to the Participants Agreement.

CLAIM10 is the value, expressed in megawatts, calculated pursuant to Section III.9.5.3 of the Tariff.

CLAIM30 is the value, expressed in megawatts, calculated pursuant to Section III.9.5.3 of the Tariff.

Claimed Capability Audit is performed to determine the real power output capability of a Generator Asset, the demand reduction capability of a Demand Response Resource, or the demand reduction capability and energy injection capability of a Demand Response Distributed Energy Resource Aggregation.

Cluster has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Cluster Enabling Transmission Upgrade (CETU) has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Enabling Transmission Upgrade Regional Planning Study (CRPS) has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Entry Deadline has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Interconnection System Impact Study (CSIS) has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Cluster Request Window has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Cluster Restudy has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Cluster Study has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

CNR Capability is defined in Section I of Schedule 22 and Attachment 1 to Schedule 23 of the OATT.

Coincident Peak Contribution is a Market Participant's share of the New England Control Area coincident peak demand for the prior calendar year as determined prior to the start of each Capacity Commitment Period, which reflects the sum of the prior year's annual coincident peak contributions of the customers served by the Market Participant at each Load Asset. Daily Coincident Peak Contribution values shall be submitted by the Assigned Meter Reader or Host Participant by the meter reading deadline to the ISO.

Co-Located Large Load is a configuration where a Large Load's Point of Delivery is located on the Interconnection Facilities of an existing or planned Generating Facility.

Commercial Capacity is capacity that has achieved FCM Commercial Operation or Capacity Market Commercial Operation.

Commission is the Federal Energy Regulatory Commission.

Commitment Period is (i) for a Day-Ahead Energy Market commitment, a period of one or more contiguous hours for which a Resource is cleared in the Day-Ahead Energy Market, and (ii) for a Real-Time Energy Market commitment, the period of time for which the ISO indicates the Resource is being committed when it issues the Dispatch Instruction. If the ISO does not indicate the period of time for

which the Resource is being committed in the Real-Time Energy Market, then the Commitment Period is the Minimum Run Time for an offline Resource and one hour for an online Resource.

Common Costs are those costs associated with a Station that are avoided only if none of the Generating Capacity Resources composing the Station acquire a Capacity Supply Obligation for the Capacity Commitment Period, or by the acceptance of the Deactivation Notification of all Generating Capacity Resources composing the Station.

Completed Application is an Application that satisfies all of the information and other requirements of the OATT, including any required deposit.

Compliance Effective Date is the date upon which the changes in the predecessor NEPOOL Open Access Transmission Tariff which have been reflected herein to comply with the Commission's Order of April 20, 1998 became effective.

Composite Capacity Market Transaction is a transaction for separate resources seeking to participate as a single composite resource in a Forward Capacity Auction or Annual Capacity Auction in which multiple Lead Market Participants provide capacity, as described in Section III.13.1.5 or Section III.15.2.8 of Market Rule 1.

Composite Offer Deadline is the deadline for submission of the Composite Offer Form described at Section III.15.2.8.

Composite Offer Form is a form submitted by Lead Market Participants for separate resources seeking to participate as a single composite Capacity Resource in the Annual Capacity Auction, as described in Section III.15.2.8.

Confidential Information is defined in Section 2.1 of the ISO New England Information Policy, which is Attachment D to the Tariff.

Confidentiality Agreement is Attachment 1 to the ISO New England Billing Policy.

Congestion is a condition of the New England Transmission System in which transmission limitations prevent unconstrained regional economic dispatch of the power system. Congestion is the condition that

results in the Congestion Component of the Locational Marginal Price at one Location being different from the Congestion Component of the Locational Marginal Price at another Location during any given hour of the dispatch day in the Day-Ahead Energy Market or Real-Time Energy Market.

Congestion Component is the component of the nodal price that reflects the marginal cost of congestion at a given Node or External Node relative to the reference point. When used in connection with Zonal Price and Hub Price, the term Congestion Component refers to the Congestion Components of the nodal prices that comprise the Zonal Price and Hub Price weighted and averaged in the same way that nodal prices are weighted to determine Zonal Price and averaged to determine the Hub Price.

Congestion Cost is the cost of congestion as measured by the difference between the Congestion Components of the Locational Marginal Prices at different Locations and/or Reliability Regions on the New England Transmission System.

Congestion Paying LSE is, for the purpose of the allocation of FTR Auction Revenues to ARR Holders as provided for in Appendix C of Market Rule 1, a Market Participant or Non-Market Participant Transmission Customer that is responsible for paying for Congestion Costs as a Transmission Customer paying for Regional Network Service under the Transmission, Markets and Services Tariff, unless such Transmission Customer has transferred its obligation to supply load in accordance with ISO New England System Rules, in which case the Congestion Paying LSE shall be the Market Participant supplying the transferred load obligation. The term Congestion Paying LSE shall be deemed to include, but not be limited to, the seller of internal bilateral transactions that transfer Real-Time Load Obligations under the ISO New England System Rules.

Congestion Revenue Fund is the amount available for payment of target allocations to FTR Holders from the collection of Congestion Cost.

Congestion Shortfall means congestion payments exceed congestion charges during the billing process in any billing period.

Continuous Storage ATRR is an ATRR that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Continuous Storage DARD is a DARD that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Continuous Storage Generator Asset is a Generator Asset that participates in the New England Markets as part of a Continuous Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Continuous Storage Facility is a type of Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Control Agreement is the document posted on the ISO website that is required if a Market Participant's cash collateral is to be invested in BlackRock funds.

Control Area is an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

(1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
(2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
(3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice and the criteria of the applicable regional reliability council or the North American Electric Reliability Corporation; and
(4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Controllable Behind-the-Meter Generation means generation whose output can be controlled located at the same facility as a DARD or a Demand Response Asset or a Distributed Energy Resource associated with a Demand Response Distributed Energy Resource Aggregation, excluding: (1) generators whose output is separately metered and reported and (2) generators that cannot operate electrically synchronized to, and that are operated only when the facility loses its supply of power from, the New England Transmission System, or when undergoing related testing.

Coordinated External Transaction is an External Transaction at an external interface for which the enhanced scheduling procedures in Section III.1.10.7.A are implemented. A transaction to wheel energy into, out of or through the New England Control Area is not a Coordinated External Transaction.

Coordinated Transaction Scheduling means the enhanced scheduling procedures set forth in Section III.1.10.7.A.

Correction Limit means the date that is one hundred and one (101) calendar days from the last Operating Day of the month to which the data applied. As described in Section III.3.6.1 of Market Rule 1, this will be the period during which meter data corrections must be submitted unless they qualify for submission as a Requested Billing Adjustment under Section III.3.7 of Market Rule 1.

Cost-Based Reference Price is a price determined by the Internal Market Monitor for comparison to a price in a Proposed Capacity Offer submitted pursuant to Section III.A.22.2.3.

Cost of Energy Consumed (CEC) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

Cost of Energy Produced (CEP) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

Cost of New Entry (CONE) is the estimated cost of new entry ($/kW-month) for a capacity resource that is determined by the ISO for each Forward Capacity Auction pursuant to Section III.13.2.4 and for each Annual Capacity Auction pursuant to Section III.15.1.2.

Counterparty means the status in which the ISO acts as the contracting party, in its name and own right and not as an agent, to an agreement or transaction with a Customer (including assignments involving Customers) involving sale to the ISO, and/or purchase from the ISO, of Regional Transmission Service and market and other products and services, and other transactions and assignments involving Customers, all as described in the Tariff.

Covered Entity is defined in the ISO New England Billing Policy.

Credit Coverage is third-party credit protection obtained by the ISO in the form of credit insurance coverage.

Credit Qualifying means a Rated Market Participant that has an Investment Grade Rating and an Unrated Market Participant that satisfies the Credit Threshold.

Credit Threshold consists of the conditions for Unrated Market Participants outlined in Section II.B.2 of the ISO New England Financial Assurance Policy.

Critical Energy Infrastructure Information (CEII) is defined in Section 3.0(j) of the ISO New England Information Policy, which is Attachment D to the Tariff.

Current Ratio is, on any date, all of a Market Participant's or Non-Market Participant Transmission Customer's current assets divided by all of its current liabilities, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

Curtailment is a reduction in the dispatch of a transaction that was scheduled, using transmission service, in response to a transfer capability shortage as a result of system reliability conditions.

Customer is a Market Participant, a Transmission Customer or another customer of the ISO.

Cyber Security Exigency is a suspicious or malicious electronic act or event that compromises or attempts to compromise, or disrupts or attempts to disrupt, the ongoing operation of the ISO, the New England Markets, or reliability within the New England Control Area or other electrical facilities directly or indirectly connected to the New England Transmission System and (i) whose severity or nature reasonably requires that the ISO obtain expert assistance not normally called upon to counter such an electronic act or resolve such an event or (ii) whose nature requires the ISO to report such an electronic act or event pursuant to NERC Critical Infrastructure Protection Reliability Standards or applicable regulations promulgated by the Department of Homeland Security, the Department of Energy, or a federal agency with similar cybersecurity responsibilities (or any of their respective successor organizations or agencies).

Data Reconciliation Process means the process by which meter reconciliation and data corrections that are discovered by Governance Participants after the Invoice has been issued for a particular month or that are discovered prior to the issuance of the Invoice for the relevant month but not included in that Invoice or in the other Invoices for that month and are reconciled by the ISO on an hourly basis based on data submitted to the ISO by the Host Participant Assigned Meter Reader or Assigned Meter Reader.

Day-Ahead is the calendar day immediately preceding the Operating Day.

Day-Ahead Adjusted Load Obligation is defined in Section III.3.2.1(a)(1) of Market Rule 1.

Day-Ahead Ancillary Services means Day-Ahead Flexible Response Services and Day-Ahead Energy Imbalance Reserve.

Day-Ahead Ancillary Services Avoidable Input Cost is defined in Section III.A.8.2.2 of Appendix A of Market Rule 1.

Day-Ahead Ancillary Services Benchmark Level is defined in Section III.A.8.2 of Appendix A of Market Rule 1.

Day-Ahead Ancillary Services Offer Block-Hours are Block-Hours assigned to the Lead Market Participant for each Day-Ahead Ancillary Services Offer. Blocks of the Day-Ahead Ancillary Services Offer in effect for each hour will be totaled to determine the quantity of Day-Ahead Ancillary Services Offer Block-Hours for a given day.

Day-Ahead Ancillary Services Expected Close-Out Component is defined in Section III.A.8.2.1 of Appendix A of Market Rule 1.

Day-Ahead Ancillary Services Market means the sale of and payment for Day-Ahead Ancillary Services developed by the ISO as a result of the offers and specifications submitted in accordance with Sections III.1.8 and III.1.10 of Market Rule 1.

Day-Ahead Ancillary Services Offer is an offer that may be submitted by Market Participants in the Day-Ahead Ancillary Services Market in accordance with Section III.1.8.1 of Market Rule 1, and that is

used by the ISO to determine obligations for Day-Ahead Ancillary Services as described in Section III.3.2.1(a)(2) of Market Rule 1.

Day-Ahead Ancillary Services Strike Price is specified in Section III.1.8.2 of Market Rule 1.

Day-Ahead Congestion Revenue is defined in Section III.3.2.1(i) of Market Rule 1.

Day-Ahead Demand Reduction Obligation is defined in Section III.3.2.1(a)(1) of Market Rule 1.

Day-Ahead Energy Imbalance Reserve is a form of reserve capability that is procured in the Day-Ahead Ancillary Services Market to help satisfy the Forecast Energy Requirement Demand Quantity described in Section III.1.8.4 of Market Rule 1.

Day-Ahead Energy Imbalance Reserve Obligation is defined in Section III.3.2.1(a)(2) of Market Rule 1.

Day-Ahead Energy Market means the schedule of commitments for the purchase or sale of energy, purchase of demand reductions, payment of Congestion Costs, payment for losses developed by the ISO as a result of the offers and specifications submitted in accordance with Sections III.1.8 and III.1.10 of Market Rule 1.

Day-Ahead Energy Market Congestion Charge/Credit is defined in Section III.3.2.1(f) of Market Rule 1.

Day-Ahead Energy Market Energy Charge/Credit is defined in Section III.3.2.1(f) of Market Rule 1.

Day-Ahead Energy Market Loss Charge/Credit is defined in Section III.3.2.1(f) of Market Rule 1.

Day-Ahead Market NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Day-Ahead External Transaction Export and Decrement Bid NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Day-Ahead External Transaction Import and Increment Offer NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Day-Ahead Flexible Response Services means Day-Ahead Ten-Minute Spinning Reserve, Day-Ahead Ten-Minute Non-Spinning Reserve, and Day-Ahead Thirty-Minute Operating Reserve.

Day-Ahead Flexible Response Services Demand Quantities means Day-Ahead Ten-Minute Spinning Reserve Demand Quantity, Day-Ahead Total Ten-Minute Reserve Demand Quantity, Day-Ahead Minimum Total Reserve Demand Quantity, and Day-Ahead Total Reserve Demand Quantity.

Day-Ahead Generation Obligation is defined in Section III.3.2.1(a)(1) of Market Rule 1.

Day-Ahead Load Obligation is defined in Section III.3.2.1(a)(1) of Market Rule 1.

Day-Ahead Locational Adjusted Net Interchange is defined in Section III.3.2.1(a)(1) of Market Rule 1.

Day-Ahead Loss Charges or Credits is defined in Section III.3.2.1(k) of Market Rule 1.

Day-Ahead Loss Revenue is defined in Section III.3.2.1(j) of Market Rule 1.

Day-Ahead Market means the jointly optimized Day-Ahead Energy Market and Day-Ahead Ancillary Services Market.

Day-Ahead Minimum Total Reserve Demand Quantity is described in Section III.1.8.3(c) of Market Rule 1.

Day-Ahead Prices means the prices resulting from the Day-Ahead Market as described in Section III.2.6 of Market Rule 1.

Day-Ahead Ten-Minute Non-Spinning Reserve is a form of ten-minute reserve capability that is procured in the Day-Ahead Ancillary Services Market based on the system-wide requirements described in Section III.1.8.3 of Market Rule 1.

Day-Ahead Ten-Minute Non-Spinning Reserve Obligation is defined in Section III.3.2.1(a)(2) of Market Rule 1.

Day-Ahead Ten-Minute Spinning Reserve is a form of ten-minute reserve capability that is procured in the Day-Ahead Ancillary Services Market based on the system-wide requirements described in Section III.1.8.3 of Market Rule 1.

Day-Ahead Ten-Minute Spinning Reserve Demand Quantity is described in Section III.1.8.3(a) of Market Rule 1.

Day-Ahead Ten-Minute Spinning Reserve Obligation is described in Section III.3.2.1(a)(2) of Market Rule 1.

Day-Ahead Thirty-Minute Operating Reserve is a form of reserve capability that is procured in the Day-Ahead Ancillary Services Market based on the system-wide requirements described in Section III.1.8.3 of Market Rule 1.

Day-Ahead Thirty-Minute Operating Reserve Obligation is defined in Section III.3.2.1(a)(2) of Market Rule 1.

Day-Ahead Total Ten-Minute Reserve Demand Quantity is described in Section III.1.8.3(b) of Market Rule 1.

Day-Ahead Total Reserve Demand Quantity is described in Section III.1.8.3(d) of Market Rule 1.

DDP Dispatchable Resource is any Dispatchable Resource that the ISO dispatches using Desired Dispatch Points in the Resource's Dispatch Instructions.

Deactivation Notification is a notification of the planned New England Market Deactivation or Capacity Market Deactivation of a resource, External Elective Transmission Upgrade, or portion thereof, submitted to the ISO by the applicable Lead Market Participant.

Deactivation Notification Deadline is the deadline for submission of a Deactivation Notification and a Deactivation Notification Package, as discussed in Section II.52.1 of the OATT.

Deactivation Notification Package is information submitted to the ISO, as specified in Section II.52.3 of the OATT, by a resource or External Elective Transmission Upgrade seeking a determination regarding a Deactivation Notification.

Debt-to-Total Capitalization Ratio is, on any date, a Market Participant's or Non-Market Participant Transmission Customer's total debt (including all current borrowings) divided by its total shareholders' equity plus total debt, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

Decrement Bid means a bid to purchase energy at a specified Location in the Day-Ahead Energy Market which is not associated with a physical load. An accepted Decrement Bid results in scheduled load at the specified Location in the Day-Ahead Energy Market.

Default Amount is all or any part of any amount due to be paid by any Covered Entity that the ISO, in its reasonable opinion, believes will not or has not been paid when due (other than in the case of a payment dispute for any amount due for transmission service under the OATT).

Default Period is defined in Section 3.3.h(i) of the ISO New England Billing Policy.

Delivering Party is the entity supplying capacity and/or energy to be transmitted at Point(s) of Receipt under the OATT.

Demand Bid means a request to purchase an amount of energy, at a specified Location, or an amount of energy at a specified price, that is associated with a physical load. A cleared Demand Bid in the Day-Ahead Energy Market results in scheduled load at the specified Location. Demand Bids submitted for use in the Real-Time Energy Market are specific to Dispatchable Asset Related Demands only.

Demand Bid Block-Hours are the Block-Hours assigned to the submitting Customer for each Demand Bid.

Demand Bid Cap is $2,000/MWh.

Demand Capacity Resource is a type of resource that may participate in the Capacity Market. There are three Demand Capacity Resource types: Active Demand Capacity Resource, On-Peak Demand Capacity Resource, and Seasonal Peak Demand Capacity Resource.

Demand Designated Entity is the entity designated by a Market Participant to receive Dispatch Instructions for Demand Response Resources in accordance with the provisions set forth in ISO New England Operating Procedure No. 14.

Demand Reduction Offer is (1) an offer by a Market Participant with a Demand Response Resource to reduce demand, or (2) an offer by a Market Participant with a Demand Response Distributed Energy Resource Aggregation to deviate from its baseline.

Demand Reduction Offer Block-Hours are Block-Hours assigned to the Lead Market Participant for each Demand Reduction Offer. Blocks of the Demand Reduction Offer in effect for each hour will be totaled to determine the quantity of Demand Reduction Offer Block-Hours for a given day. In the case that a Resource has a Real-Time unit status of "unavailable" for the entire day, that day will not contribute to the quantity of Demand Reduction Offer Block-Hours. However, if the Resource has at least one hour of the day with a unit status of "available," the entire day will contribute to the quantity of Demand Reduction Offer Block-Hours.

Demand Reduction Threshold Price is a minimum offer price calculated pursuant to Section III.1.10.1A(f).

Demand Resource On-Peak Hours are hours ending 1400 through 1700, Monday through Friday on non-Demand Response Holidays during the months of June, July, and August and hours ending 1800 through 1900, Monday through Friday on non-Demand Response Holidays during the months of December and January.

Demand Resource Seasonal Peak Hours are those hours in which the actual, real-time hourly load, as measured using real-time telemetry (adjusted for transmission and distribution losses, and excluding load associated with Exports and Storage DARDs) for Monday through Friday on non-Demand Response Holidays, during the months of June, July, August, December, and January, as determined by the ISO, is equal to or greater than 90% of the most recent 50/50 system peak load forecast, as determined by the ISO, for the applicable summer or winter season.

Demand Response Asset is an asset comprising the demand reduction capability of an individual end-use customer at a Retail Delivery Point or the aggregated demand reduction capability of multiple end-use customers from multiple delivery points (as described in Section III.8.1.1(f)) that has been registered in accordance with III.8.1.1.

Demand Response Available is the capability of the Demand Response Resource, in whole or in part, at any given time, to reduce demand in response to a Dispatch Instruction.

Demand Response Baseline is the expected baseline demand of an individual end-use metered customer or group of end-use metered customers as determined pursuant to Section III.8.2.

Demand Response Holiday is New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day. If the holiday falls on a Saturday, the holiday will be observed on the preceding Friday; if the holiday falls on a Sunday, the holiday will be observed on the following Monday.

Demand Response Distributed Energy Resource Aggregation (DRDERA) is a type of Distributed Energy Resource Aggregation that is described in additional detail in Section III.6.5.

Demand Response Resource is an individual Demand Response Asset or aggregation of Demand Response Assets within a DRR Aggregation Zone that has been registered in accordance with Section III.8.1.2.

Demand Response Resource Notification Time is the period of time between the receipt of a startup Dispatch Instruction and the time the Demand Response Resource or Demand Response Distributed Energy Resource Aggregation starts reducing demand.

Demand Response Resource Ramp Rate is the average rate, expressed in MW per minute, at which the Demand Response Resource or Demand Response Distributed Energy Resource Aggregation can reduce demand.

Demand Response Resource Start-Up Time is the period of time between the time a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation starts reducing demand at the conclusion of the Demand Response Resource Notification Time and the time the resource can reach its Minimum Reduction and be ready for further dispatch by the ISO.

Designated Agent is any entity that performs actions or functions required under the OATT on behalf of the ISO, a Transmission Owner, a Schedule 20 Service Provider, an Eligible Customer, or a Transmission Customer.

Designated Blackstart Resource is a resource that meets the eligibility requirements specified in Schedule 16 of the OATT, which includes any resource referred to previously as a Category B Designated Blackstart Resource.

Designated Entity is the entity designated by a Market Participant to receive Dispatch Instructions for a Generator Asset and/or Dispatchable Asset Related Demand in accordance with the provisions set forth in ISO New England Operating Procedure No. 14.

Designated FCM Participant is any Lead Market Participant, including any Provisional Member that is a Lead Market Participant, transacting in any Forward Capacity Auction, reconfiguration auctions or Capacity Supply Obligation Bilateral for capacity that is otherwise required to provide additional financial assurance under the ISO New England Financial Assurance Policy.

Designated FTR Participant is a Market Participant, including FTR-Only Customers, transacting in the FTR Auction that is otherwise required to provide additional financial assurance under the ISO New England Financial Assurance Policy.

Desired Dispatch Point (DDP) means the control signal, expressed in megawatts, transmitted to direct the output, consumption, or demand reduction level of each Generator Asset, Dispatchable Asset Related Demand, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation dispatched by the ISO in accordance with the asset's Offer Data.

Direct Assignment Facilities are facilities or portions of facilities that are constructed for the sole use/benefit of a particular Transmission Customer requesting service under the OATT or a Generator Owner requesting an interconnection. Direct Assignment Facilities shall be specified in a separate

agreement among the ISO, Interconnection Customer and Transmission Customer, as applicable, and the Transmission Owner whose transmission system is to be modified to include and/or interconnect with the Direct Assignment Facilities, shall be subject to applicable Commission requirements, and shall be paid for by the Customer in accordance with the applicable agreement and the Tariff.

Directly Metered Assets are specifically measured by OP-18 compliant metering as currently described in Section IV (Metering and Recording for Settlements) of OP-18. Directly Metered Assets include all Tie-Line Assets, all Generator Assets, as well as some Load Assets. Load Assets for which the Host Participant is not the Assigned Meter Reader are considered Directly Metered Assets, provided that a Load Asset that is part of a Distributed Energy Resource Aggregation for which the Host Participant is not the Assigned Meter Reader shall not be considered a Directly Metered Asset if the Host Participant determines that the meter data associated with that Load Asset must be adjusted to include non-PTF losses. In addition, the Host Participant Assigned Meter Reader determines which additional Load Assets are considered Directly Metered Assets and which ones are considered Profiled Load Assets based upon the Host Participant Assigned Meter Reader reporting systems and process by which the Host Participant Assigned Meter Reader allocates non-PTF losses.

Disbursement Agreement is the Rate Design and Funds Disbursement Agreement among the PTOs, as amended and restated from time to time.

Dispatch Instruction means directions given by the ISO to Market Participants, which may include instructions to start up, shut down, raise or lower generation, curtail or restore loads from Demand Response Resources or Demand Response Distributed Energy Resource Aggregations, change External Transactions, or change the status or consumption of a Dispatchable Asset Related Demand in accordance with the Supply Offer, Demand Bid, or Demand Reduction Offer parameters. Such instructions may also require a change to the operation of a Pool Transmission Facility. Such instructions are given through either electronic or verbal means.

Dispatch Zone means a subset of Nodes located within a Load Zone established by the ISO for each Capacity Commitment Period pursuant to Section III.12.4A.

Dispatchable Asset Related Demand (DARD) is an Asset Related Demand that is capable of having its energy consumption modified in Real-Time in response to Dispatch Instructions. A DARD must be capable of receiving and responding to electronic Dispatch Instructions, must be able to increase or

decrease energy consumption between its Minimum Consumption Limit and Maximum Consumption Limit in accordance with Dispatch Instructions, and must meet the technical requirements specified in the ISO New England Operating Procedures and Manuals.

Dispatchable Resource is any Generator Asset, Dispatchable Asset Related Demand, Demand Response Resource, Demand Response Distributed Energy Resource Aggregation, or, with respect to the Regulation Market only, Alternative Technology Regulation Resource, that, during the course of normal operation, is capable of receiving and responding to electronic Dispatch Instructions in accordance with the parameters contained in the Resource's Supply Offer, Demand Bid, Demand Reduction Offer or Regulation Service Offer. A Resource that is normally classified as a Dispatchable Resource remains a Dispatchable Resource when it is temporarily not capable of receiving and responding to electronic Dispatch Instructions.

Dispute Representatives are defined in 6.5.c of the ISO New England Billing Policy.

Disputed Amount is a Covered Entity's disputed amount due on any fully paid monthly Invoice and/or any amount believed to be due or owed on a Remittance Advice, as defined in Section 6 of the ISO New England Billing Policy.

Disputing Party, for the purposes of the ISO New England Billing Policy, is any Covered Entity seeking to recover a Disputed Amount.

Distributed Energy Capacity Resource (DECR) is a type of Capacity Resource that participates in the Capacity Market and composes one or more Distributed Energy Resource Aggregations.

Distributed Energy Resource (DER) is any resource located on the distribution system, any subsystem thereof or behind a customer meter that is capable of providing energy injection, energy withdrawal, regulation, or demand reduction.

Distributed Energy Resource Aggregation (DERA) is an aggregation of Distributed Energy Resources that is registered under Section III.6.7 and is described in additional detail in Section III.6.

Distributed Energy Resource Aggregator (DER Aggregator) is a Market Participant that aggregates one or more Distributed Energy Resources for participation in a Distributed Energy Resource Aggregation and serves as the Lead Market Participant for a Distributed Energy Resource Aggregation.

Distributed Generation means generation directly connected to end-use customer load and located behind the end-use customer's Retail Delivery Point that reduces the amount of energy that would otherwise have been produced on the electricity network in the New England Control Area, provided that the facility's Net Supply Capability is (i) less than 5 MW or (ii) less than or equal to the Maximum Facility Load, whichever is greater.

DRR Aggregation Zone is a Dispatch Zone entirely within a single Reserve Zone or Rest of System or, where a Dispatch Zone is not entirely within a single Reserve Zone or Rest of System, each portion of the Dispatch Zone demarcated by the Reserve Zone boundary.

Do Not Exceed (DNE) Dispatchable Generator is any Generator Asset that is dispatched using Do Not Exceed Dispatch Points in its Dispatch Instructions and meets the criteria specified in Section III.1.11.3(e). Do Not Exceed Dispatchable Generators are Dispatchable Resources.

Do Not Exceed Dispatch Point is a Dispatch Instruction indicating a maximum output level that a DNE Dispatchable Generator must not exceed.

Dynamic De-List Bid is a bid submitted by Existing Generating Capacity Resources, Existing Import Capacity Resources, Existing Demand Capacity Resources, and Existing Distributed Energy Capacity Resources in the Forward Capacity Auction below the Dynamic De-List Bid Threshold, as described in Section III.13.2.3.2(d) of Market Rule 1.

Dynamic De-List Bid Threshold is the price specified in Section III.13.1.2.3.1.A of Market Rule 1 associated with the submission of Dynamic De-List Bids in the Forward Capacity Auction.

EA Amount is defined in Section IV.B.2.2 of the Tariff.

Early Amortization Charge (EAC) is defined in Section IV.B.2 of the Tariff.

Early Amortization Working Capital Charge (EAWCC) is defined in Section IV.B.2 of the Tariff.

Early Payment Shortfall Funding Amount (EPSF Amount) is defined in Section IV.B.2.4 of the Tariff.

Early Payment Shortfall Funding Charge (EPSFC) is defined in Section IV.B.2 of the Tariff.

EAWW Amount is defined in Section IV.B.2.3 of the Tariff.

EBITDA-to-Interest Expense Ratio is, on any date, a Market Participant's or Non-Market Participant Transmission Customer's earnings before interest, taxes, depreciation and amortization in the most recent fiscal quarter divided by that Market Participant's or Non-Market Participant Transmission Customer's expense for interest in that fiscal quarter, in each case as shown on the most recent financial statements provided by such Market Participant or Non-Market Participant Transmission Customer to the ISO.

Economic Dispatch Point is the output, reduction, or consumption level to which a Resource would have been dispatched, based on the Resource's Supply Offer, Demand Reduction Offer, or Demand Bid and the Real-Time Price, and taking account of any operating limits, had the ISO not dispatched the Resource to another Desired Dispatch Point.

Economic Maximum Limit or Economic Max is the maximum available output, in MW, of a Generator Asset that a Market Participant offers to supply in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Generator Asset's Offer Data. This represents the highest MW output a Market Participant has offered for a Generator Asset for economic dispatch. A Market Participant must maintain an up-to-date Economic Maximum Limit (and where applicable, must provide the ISO with any telemetry required by ISO New England Operating Procedure No. 18 to allow the ISO to maintain an updated Economic Maximum Limit) for all hours in which a Generator Asset has been offered into the Day-Ahead Energy Market or Real-Time Energy Market.

Economic Minimum Limit or Economic Min is (a) for a Generator Asset with an incremental heat rate, the maximum of: (i) the lowest sustainable output level as specified by physical design characteristics, environmental regulations or licensing limits; and (ii) the lowest sustainable output level at which a one MW increment increase in the output level would not decrease the incremental cost, calculated based on the incremental heat rate, of providing an additional MW of output, and (b) for a Generator Asset without an incremental heat rate, the lowest sustainable output level that is consistent with the physical design

characteristics of the Generator Asset and with meeting all environmental regulations and licensing limits, and (c) for a Generator Asset undergoing Facility and Equipment Testing or auditing, the level to which the Generator Asset requests and is approved to operate or is directed to operate for purposes of completing the Facility and Equipment Testing or auditing, and (d) for Non-Dispatchable Resources the output level at which a Market Participant anticipates its Non-Dispatchable Resource will be available to operate based on fuel limitations, physical design characteristics, environmental regulations or licensing limits.

Economic Study or Economic Studies are studies conducted by the ISO pursuant to the process set out in Section 17 of Attachment K to the OATT.

Effective Offer is the Supply Offer, Demand Reduction Offer, Demand Bid or Day-Ahead Ancillary Services Offer that is used for NCPC calculation purposes as specified in Section III.F.1(a).

EFT is electronic funds transfer.

Elective Transmission Upgrade is defined in Section I of Schedule 25 of the OATT.

Elective Transmission Upgrade Interconnection Customer is defined in Schedule 25 of the OATT.

Electric Reliability Organization (ERO) is defined in 18 C.F.R. § 39.1.

Electric Storage Facility is a storage facility that participates in the New England Markets as described in Section III.1.10.6 of Market Rule 1.

Electrically Proximate Large Load is a configuration where a Large Load's Point of Delivery is located at (or directly connected radially through dedicated facilities to) the same substation and voltage level as a Generating Facility's Point of Interconnection (or to the Generating Facility's radially dedicated facilities that connect between the substation and its Point of Interconnection), such that the Generating Facility's Point of Interconnection is sufficiently electrically close to the associated Large Load's Point of Delivery, such that the impact on the transmission system of the combination of the Generating Facility and the Large Load, with the exception of the transmission facilities between the two, will be effectively the same as if they were located at the same point.

Eligible Customer is: (i) Any entity that is engaged, or proposes to engage, in the wholesale or retail electric power business is an Eligible Customer under the OATT. (ii) Any electric utility (including any power marketer), Federal power marketing agency, or any other entity generating electric energy for sale or for resale is an Eligible Customer under the OATT. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Owner with which that entity is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) offer the unbundled transmission service or Local Delivery Service, or pursuant to a voluntary offer of such service by the Transmission Owner with which that entity is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer). (iii) Any end user taking or eligible to take unbundled transmission service or Local Delivery Service pursuant to a state requirement that the Transmission Owner with which that end user is directly interconnected or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) offer the transmission service or Local Delivery Service, or pursuant to a voluntary offer of such service by the Transmission Owner with which that end user is directly interconnected, or the distribution company having the service territory in which that entity is located (if that entity is a retail customer) is an Eligible Customer under the OATT.

Eligible FTR Bidder is an entity that has satisfied applicable financial assurance criteria, and shall not include the auctioneer, its Affiliates, and their officers, directors, employees, consultants and other representatives.

Emergency is an abnormal system condition on the bulk power systems of New England or neighboring Control Areas requiring manual or automatic action to maintain system frequency, or to prevent the involuntary loss of load, equipment damage, or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; or a fuel shortage requiring departure from normal operating procedures in order to minimize the use of such scarce fuel; or a condition that requires implementation of Emergency procedures as defined in the ISO New England Manuals.

Emergency Condition means an Emergency has been declared by the ISO in accordance with the procedures set forth in the ISO New England Manuals and ISO New England Administrative Procedures.

Emergency Energy is energy transferred from one control area operator to another in an Emergency.

Emergency Minimum Limit or Emergency Min means the minimum output, in MWs, that a Generator Asset can deliver for a limited period of time without exceeding specified limits of equipment stability and operating permits.

EMS is energy management system.

End-of-Round Price is the lowest price associated with a round of a Forward Capacity Auction, as described in Section III.13.2.3.1 of Market Rule 1.

End User Participant is defined in Section 1 of the Participants Agreement.

Energy is power produced in the form of electricity, measured in kilowatthours or megawatthours.

Energy Administration Service (EAS) is the service provided by the ISO, as described in Schedule 2 of Section IV.A of the Tariff.

Energy Component means the Locational Marginal Price at the reference point.

Energy Efficiency is installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy needed, while delivering a comparable or improved level of end-use service. Such measures include, but are not limited to, the installation of more energy efficient lighting, motors, refrigeration, HVAC equipment and control systems, envelope measures, operations and maintenance procedures, and industrial process equipment.

Energy Imbalance Service is the form of Ancillary Service described in Schedule 4 of the OATT.

Energy Market is, collectively, the Day-Ahead Energy Market and the Real-Time Energy Market.

Energy Non-Zero Spot Market Settlement Hours are the sum of the hours for which the Customer has a positive or negative Real-Time System Adjusted Net Interchange or for which the Customer has a positive or negative Real-Time Demand Reduction Obligation as determined by the ISO settlement process for the Energy Market.

Energy Offer Floor is negative $150/MWh.

Energy Transaction Units (Energy TUs) are the sum for the month for a Customer of Bilateral Contract Block-Hours, Demand Bid Block-Hours, Asset Related Demand Bid Block-Hours, Supply Offer Block-Hours, Demand Reduction Offer Block-Hours, Day-Ahead Ancillary Services Offer Block-Hours, and Energy Non-Zero Spot Market Settlement Hours.

Equipment Damage Reimbursement is the compensation paid to the owner of a Designated Blackstart Resource as specified in Section 5.5 of Schedule 16 to the OATT.

Equivalent Demand Forced Outage Rate (EFORd) means the portion of time a unit is in demand, but is unavailable due to forced outages.

Establish Claimed Capability Audit is the audit performed pursuant to Section III.1.5.1.2.

Excepted Transaction is a transaction specified in Section II.40 of the Tariff for the applicable period specified in that Section.

Existing Capacity Qualification Deadline is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

Existing Capacity Qualification Package is information submitted for certain existing resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

Existing Capacity Resource is any resource that does not meet any of the eligibility criteria to participate in the Forward Capacity Auction as a New Capacity Resource.

Existing Capacity Retirement Deadline is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

Existing Capacity Retirement Package is information submitted for certain existing resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

Existing Demand Capacity Resource is a type of Demand Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4.2 of Market Rule 1.

Existing Distributed Energy Capacity Resource is a type of Distributed Energy Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4A.2 of Market Rule 1.

Existing Generating Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.2.1 of Market Rule 1.

Existing Import Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.3.1 of Market Rule 1.

Expedited Study Request is defined in Section II.34.7 of the OATT.

Export-Adjusted LSR is as defined in Section III.12.4(b)(ii).

Export Bid is a bid submitted by certain resources in the Forward Capacity Auction to export capacity to an external Control Area, as described in Section III.13.1.2.3.1.3 of Market Rule 1.

Export Offer Segment is the total MW quantity of a Capacity Offer that is subject to a contract to export capacity outside the New England Control Area during the Capacity Commitment Period associated with the Capacity Offer, whether such MW quantity is delimited by only one price-quantity pair or multiple price-quantity pairs submitted as part of the Capacity Offer pursuant to Section III.15.4.1.

Exports are Real-Time External Transactions, which are limited to sales from the New England Control Area, for exporting energy out of the New England Control Area.

External Elective Transmission Upgrade (External ETU) is defined in Section I of Schedule 25 of the OATT.

External Market Monitor means the person or entity appointed by the ISO Board of Directors pursuant to Section III.A.1.2 of Appendix A of Market Rule 1 to carry out the market monitoring and mitigation functions specified in Appendix A and elsewhere in Market Rule 1.

External Node is a proxy bus or buses used for establishing a Locational Marginal Price for energy received by Market Participants from, or delivered by Market Participants to, a neighboring Control Area or for establishing Locational Marginal Prices associated with energy delivered through the New England Control Area by Non-Market Participants for use in calculating Non-Market Participant Congestion Costs and loss costs.

External Resource means a generation resource located outside the metered boundaries of the New England Control Area.

External Transaction is the import of external energy into the New England Control Area by a Market Participant or the export of internal energy out of the New England Control Area by a Market Participant in the Day-Ahead Energy Market and/or Real-Time Energy Market, or the wheeling of external energy through the New England Control Area by a Market Participant or a Non-Market Participant in the Real-Time Energy Market.

External Transaction Cap is $2,000/MWh for External Transactions other than Coordinated External Transactions and $1,000/MWh for Coordinated External Transactions.

External Transaction Floor is the Energy Offer Floor for External Transactions other than Coordinated External Transactions and negative $1,000/MWh for Coordinated External Transactions.

External Transmission Project is a transmission project comprising facilities located wholly outside the New England Control Area and regarding which an agreement has been reached whereby New England ratepayers will support all or a portion of the cost of the facilities.

Facilities Study is an engineering study conducted pursuant to the OATT by the ISO (or, in the case of Local Service or interconnections to Local Area Facilities as defined in the TOA, by one or more affected PTOs) or some other entity designated by the ISO in consultation with any affected Transmission Owner(s), to determine the required modifications to the PTF and Non-PTF, including the cost and

scheduled completion date for such modifications, that will be required to provide a requested transmission service or interconnection on the PTF and Non-PTF.

Facility and Equipment Testing means operation of a Resource to evaluate the functionality of the facility or equipment utilized in the operation of the facility.

Failure to Maintain Blackstart Capability is a failure of a Blackstart Owner or Designated Blackstart Resource to meet the Blackstart Service Minimum Criteria or Blackstart Service obligations, but does not include a Failure to Perform During a System Restoration event.

Failure to Perform During a System Restoration is a failure of a Blackstart Owner or Designated Blackstart Resource to follow ISO or Local Control Center dispatch instructions or perform in accordance with the dispatch instructions or the Blackstart Service Minimum Criteria and Blackstart Service obligations, described within the ISO New England Operating Documents, during a restoration of the New England Transmission System.

Fast Start Demand Response Resource is a Demand Response Resource that meets the following criteria: (i) Minimum Reduction Time does not exceed one hour; (ii) Minimum Time Between Reductions does not exceed one hour; (iii) Demand Response Resource Start-Up Time plus Demand Response Resource Notification Time does not exceed 30 minutes; (iv) has personnel available to respond to Dispatch Instructions or has automatic remote response capability; and (v) is capable of receiving and acknowledging a Dispatch Instruction electronically.

Fast Start Demand Response Distributed Energy Resource Aggregation is a Distributed Energy Resource Aggregation that meets the following criteria: (i) Minimum Reduction Time does not exceed one hour; (ii) Minimum Time Between Reductions does not exceed one hour; (iii) Demand Response Resource Start-Up Time plus Demand Response Resource Notification Time does not exceed 30 minutes; (iv) has personnel available to respond to Dispatch Instructions or has automatic remote response capability; and (v) is capable of receiving and acknowledging a Dispatch Instruction electronically.

Fast Start Generator means a Generator Asset that the ISO can dispatch to an on-line or off-line state through electronic dispatch and that meets the following criteria: (i) Minimum Run Time does not exceed one hour; (ii) Minimum Down Time does not exceed one hour; (iii) cold Notification Time plus cold Start-Up Time does not exceed 30 minutes; (iv) available for dispatch (when it is either in an on-line or

off-line state) and manned or has automatic remote dispatch capability; and (v) capable of receiving and acknowledging a start-up or shut-down Dispatch Instruction electronically.

FCA Qualified Capacity is the Qualified Capacity that is used in a Forward Capacity Auction.

FCM Capacity Charge Requirements are calculated in accordance with Section VII.C of the ISO New England Financial Assurance Policy.

FCM Charge Rate is calculated in accordance with Section VII.C of the ISO New England Financial Assurance Policy.

FCM Commercial Operation is defined in Section III.13.3.8 of Market Rule 1.

FCM Deposit is calculated in accordance with Section VII.B.1 of the ISO New England Financial Assurance Policy.

FCM Financial Assurance Requirements are described in Section VII of the ISO New England Financial Assurance Policy.

Final Forward Reserve Obligation is calculated in accordance with Section III.9.8(a) of Market Rule 1.

Financial Assurance Default results from a Market Participant or Non-Market Participant Transmission Customer's failure to comply with the ISO New England Financial Assurance Policy.

Financial Assurance Obligations relative to the ISO New England Financial Assurance Policy are determined in accordance with Section III.A(v) of the ISO New England Financial Assurance Policy.

Financial Transmission Right (FTR) is a financial instrument that evidences the rights and obligations specified in Sections III.5.2.2 and III.7 of the Tariff.

Firm Contract Demand Service is a type of transmission service for Large Loads described in Section II.57.1.1 of the OATT.

Firm Point-To-Point Service is service which is arranged for and administered between specified Points of Receipt and Delivery in accordance with Part II.C of the OATT.

Firm Transmission Service is Regional Network Service, Through or Out Service, service for Excepted Transactions, firm MTF Service, firm OTF Service, and firm Local Service.

Flexible DNE Dispatchable Generator is any DNE Dispatchable Generator that meets the following criteria: (i) Minimum Run Time does not exceed one hour; (ii) Minimum Down Time does not exceed one hour; and (iii) cold Notification Time plus cold Start-Up Time does not exceed 30 minutes.

Force Majeure - An event of Force Majeure means any act of God, labor disturbance, act of the public enemy or terrorists, war, invasion, insurrection, riot, fire, storm or flood, ice, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond the control of the ISO, a Transmission Owner, a Schedule 20 Service Provider, or a Customer, including without limitation, in the case of the ISO, any action or inaction by a Customer, a Schedule 20 Service Provider, or a Transmission Owner, in the case of a Transmission Owner, any action or inaction by the ISO, any Customer, a Schedule 20 Service Provider, or any other Transmission Owner, in the case of a Schedule 20 Service Provider, any action or inaction by the ISO, any Customer, a Transmission Owner, or any other Schedule 20 Service Provider, and, in the case of a Transmission Customer, any action or inaction by the ISO, a Schedule 20 Service Provider, or any Transmission Owner.

Forecast Energy Requirement Demand Quantity is described in Section III.1.8.4 of Market Rule 1.

Forecast Energy Requirement Penalty Factor is a rate, in $/MWh, that is used within the Day-Ahead Market security-constrained economic commitment and dispatch process to reflect the value of forecast energy requirement shortages and is defined in Section III.2.6.2(d) of Market Rule 1.

Forecast Energy Requirement Price is determined in accordance with Section III.2.6.2(b) of Market Rule 1.

Forward Capacity Auction (FCA) is the annual Forward Capacity Market auction process described in Section III.13.2 of Market Rule 1. The final Forward Capacity Auction was for the Capacity Commitment Period beginning on June 1, 2027.

Forward Capacity Auction Starting Price is calculated in accordance with Section III.13.2.4 of Market Rule 1.

Forward Capacity Market (FCM) is the forward market for procuring capacity in the New England Control Area, as described in Section III.13 of Market Rule 1.

Forward Energy Inventory Election is the total MWh value for which a Market Participant elects to be compensated at the forward rate in the inventoried energy program as described in Section III.K.1(d) of Market Rule 1.

Forward LNG Inventory Election is the portion of a Market Participant's Forward Energy Inventory Election attributed to liquefied natural gas in the inventoried energy program as described in Section III.K.1(d) of Market Rule 1.

Forward Reserve means TMNSR and TMOR purchased by the ISO on a forward basis on behalf of Market Participants as provided for in Section III.9 of Market Rule 1.

Forward Reserve Assigned Megawatts is the amount of Forward Reserve, in megawatts, that a Market Participant assigns to eligible Forward Reserve Resources to meet its Forward Reserve Obligation as defined in Section III.9.4.1 of Market Rule 1.

Forward Reserve Auction is the periodic auction conducted by the ISO in accordance with Section III.9 of Market Rule 1 to procure Forward Reserve.

Forward Reserve Auction Offers are offers to provide Forward Reserve to meet system and Reserve Zone requirements as submitted by a Market Participant in accordance with Section III.9.3 of Market Rule 1.

Forward Reserve Charge is a Market Participant's share of applicable system and Reserve Zone Forward Reserve costs attributable to meeting the Forward Reserve requirement as calculated in accordance with Section III.9.9 of Market Rule 1.

Forward Reserve Clearing Price is the clearing price for TMNSR or TMOR, as applicable, for the system and each Reserve Zone resulting from the Forward Reserve Auction as defined in Section III.9.4 of Market Rule 1.

Forward Reserve Credit is the credit received by a Market Participant that is associated with that Market Participant's Final Forward Reserve Obligation as calculated in accordance with Section III.9.8 of Market Rule 1.

Forward Reserve Delivered Megawatts are calculated in accordance with Section III.9.6.5 of Market Rule 1.

Forward Reserve Delivery Period is defined in Section III.9.1 of Market Rule 1.

Forward Reserve Failure-to-Activate Megawatts are calculated in accordance with Section III.9.7.2(a) of Market Rule 1.

Forward Reserve Failure-to-Activate Penalty is the penalty associated with a Market Participant's failure to activate Forward Reserve when requested to do so by the ISO and is defined in Section III.9.7.2 of Market Rule 1.

Forward Reserve Failure-to-Activate Penalty Rate is specified in Section III.9.7.2 of Market Rule 1.

Forward Reserve Failure-to-Reserve, as specified in Section III.9.7.1 of Market Rule 1, occurs when a Market Participant's Forward Reserve Delivered Megawatts for a Reserve Zone in an hour is less than that Market Participant's Forward Reserve Obligation for that Reserve Zone in that hour. Under these circumstances the Market Participant pays a penalty based upon the Forward Reserve Failure-to-Reserve Penalty Rate and that Market Participant's Forward Reserve Failure-to-Reserve Megawatts.

Forward Reserve Failure-to-Reserve Megawatts are calculated in accordance with Section III.9.7.1(a) of Market Rule 1.

Forward Reserve Failure-to-Reserve Penalty is the penalty associated with a Market Participant's failure to reserve Forward Reserve and is defined in Section III.9.7.1 of Market Rule 1.

Forward Reserve Failure-to-Reserve Penalty Rate is specified in Section III.9.7.1(b)(ii) of Market Rule 1.

Forward Reserve Fuel Index is the index or set of indices used to calculate the Forward Reserve Threshold Price as defined in Section III.9.6.2 of Market Rule 1.

Forward Reserve Heat Rate is the heat rate as defined in Section III.9.6.2 of Market Rule 1 that is used to calculate the Forward Reserve Threshold Price.

Forward Reserve Market is a market for forward procurement of two reserve products, Ten-Minute Non-Spinning Reserve (TMNSR) and Thirty-Minute Operating Reserve (TMOR).

Forward Reserve MWs are those megawatts assigned to specific eligible Forward Reserve Resources which convert a Forward Reserve Obligation into a Resource-specific obligation.

Forward Reserve Obligation is a Market Participant's amount, in megawatts, of Forward Reserve that cleared in the Forward Reserve Auction and adjusted, as applicable, to account for bilateral transactions that transfer Forward Reserve Obligations.

Forward Reserve Obligation Charge is defined in Section III.10.4 of Market Rule 1.

Forward Reserve Offer Cap is $7,100/megawatt-month.

Forward Reserve Payment Rate is defined in Section III.9.8 of Market Rule 1.

Forward Reserve Procurement Period is defined in Section III.9.1 of Market Rule 1. As described in Section III.9.1, the final Forward Reserve Procurement Period shall run from October 1, 2024 through February 28, 2025.

Forward Reserve Qualifying Megawatts refer to all or a portion of a Forward Reserve Resource's capability offered into the Real-Time Energy Market at energy offer prices above the applicable Forward Reserve Threshold Price that are calculated in accordance with Section III.9.6.4 of Market Rule 1.

Forward Reserve Resource is a Resource that meets the eligibility requirements defined in Section III.9.5.2 of Market Rule 1 that has been assigned Forward Reserve Obligation by a Market Participant.

Forward Reserve Threshold Price is the minimum price at which assigned Forward Reserve Megawatts are required to be offered into the Real-Time Energy Market as calculated in Section III.9.6.2 of Market Rule 1.

FTR Auction is the periodic auction of FTRs conducted by the ISO in accordance with Section III.7 of Market Rule 1.

FTR Auction Revenue is the revenue collected from the sale of FTRs in FTR Auctions. FTR Auction Revenue is payable to FTR Holders who submit their FTRs for sale in the FTR Auction in accordance with Section III.7 of Market Rule 1 and to ARR Holders and Incremental ARR Holders in accordance with Appendix C of Market Rule 1.

FTR Credit Test Percentage is calculated in accordance with Section III.B.1(b) of the ISO New England Financial Assurance Policy.

FTR Financial Assurance Requirements are described in Section VI of the ISO New England Financial Assurance Policy.

FTR Holder is an entity that acquires an FTR through the FTR Auction to Section III.7 of Market Rule 1 and registers with the ISO as the holder of the FTR in accordance with Section III.7 of Market Rule 1 and applicable ISO New England Manuals.

FTR-Only Customer is a Market Participant that transacts in the FTR Auction and that does not participate in other markets or programs of the New England Markets. References in this Tariff to a "Non-Market Participant FTR Customers" and similar phrases shall be deemed references to an FTR-Only Customer.

FTR Settlement Risk Financial Assurance is an amount of financial assurance required by a Designated FTR Participant for each bid submission into an FTR Auction and for each bid awarded to the individual participant in an FTR Auction. This amount is calculated pursuant to Section VI.A of the ISO New England Financial Assurance Policy.

GADS Data means data submitted to the NERC for collection into the NERC's Generating Availability Data System (GADS).

Gap Request for Proposals (Gap RFP) is defined in Section III.11 of Market Rule 1.

Gas Day means a period of 24 consecutive hours beginning at 0900 hrs Central Time.

Generating Capacity Resource means a type of resource participating in the Capacity Market that meets the qualification requirements for such a resource type specified in Section III.15.2..

Generator Asset is a device (or a collection of devices) that is capable of injecting real power onto the grid that has been registered as a Generator Asset in accordance with the Asset Registration Process.

Generator Imbalance Service is the form of Ancillary Service described in Schedule 10 of the OATT.

Generator Interconnection Related Upgrade is an addition to or modification of the New England Transmission System (pursuant to Section II.47.1, Schedule 22 or Schedule 23 of the OATT) to effect the interconnection of a new generating unit or an existing generating unit whose energy capability or capacity capability is being materially changed and increased whether or not the interconnection is being effected to meet the Capacity Capability Interconnection Standard or the Network Capability Interconnection Standard. As to Category A Projects (as defined in Schedule 11 of the OATT), a Generator Interconnection Related Upgrade also includes an upgrade beyond that required to satisfy the Network Capability Interconnection Standard (or its predecessor) for which the Generator Owner has committed to pay prior to October 29, 1998.

Generator Owner is the owner, in whole or part, of a generating unit whether located within or outside the New England Control Area.

Good Utility Practice means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility 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 includes all acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215(a)(4).

Governance Only Member is defined in Section 1 of the Participants Agreement.

Governance Participant is defined in the Participants Agreement.

Governing Documents, for the purposes of the ISO New England Billing Policy, are the Transmission, Markets and Services Tariff and ISO Participants Agreement.

Governing Rating is the lowest corporate rating from any Rating Agency for that Market Participant, or, if the Market Participant has no corporate rating, then the lowest rating from any Rating Agency for that Market Participant's senior unsecured debt.

Grandfathered Agreements (GAs) is a transaction specified in Section II.45 for the applicable period specified in that Section.

Grandfathered Intertie Agreement (GIA) is defined pursuant to the TOA.

Handy-Whitman Index of Public Utility Construction Costs is the Total Other Production Plant index shown in the Cost Trends of Electric Utility Construction for the North Atlantic Region as published in the Handy-Whitman Index of Public Utility Construction Costs.

Highgate Transmission Facilities (HTF) are existing U. S.-based transmission facilities covered under the Agreement for Joint Ownership, Construction and Operation of the Highgate Transmission Interconnection dated as of August 1, 1984 including (1) the whole of a 200 megawatt high-voltage, back-to-back, direct-current converter facility located in Highgate, Vermont and (2) a 345 kilovolt transmission line within Highgate and Franklin, Vermont (which connects the converter facility at the U.S.-Canadian border to a Hydro-Quebec 120 kilovolt line in Bedford, Quebec). The HTF include any upgrades associated with increasing the capacity or changing the physical characteristics of these facilities as defined in the above stated agreement dated August 1, 1984 until the Operations Date, as defined in the TOA. The current HTF rating is a nominal 225 MW. The HTF are not defined as PTF. Coincident with the Operations Date and except as stipulated in Schedules, 9, 12, and Attachment F to the OATT, HTF

shall be treated in the same manner as PTF for purposes of the OATT and all references to PTF in the OATT shall be deemed to apply to HTF as well. The treatment of the HTF is not intended to establish any binding precedent or presumption with regard to the treatment for other transmission facilities within the New England Transmission System (including HVDC, MTF, or Control Area Interties) for purposes of the OATT.

Host Participant or Host Utility is a Market Participant or a Governance Participant transmission or distribution provider that reconciles the loads within the metering domain with OP-18 compliant metering.

Hourly Charges are defined in Section 1.3 of the ISO New England Billing Policy.

Hourly Requirements are determined in accordance with Section III.A(i) of the ISO New England Financial Assurance Policy.

Hourly Shortfall NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Hub is a specific set of pre-defined Nodes for which a Locational Marginal Price will be calculated for the Day-Ahead Energy Market and Real-Time Energy Market and which can be used to establish a reference price for energy purchases and the transfer of Day-Ahead Adjusted Load Obligations and Real-Time Adjusted Load Obligations and for the designation of FTRs.

Hub Price is calculated in accordance with Section III.2.8 of Market Rule 1.

HQ Interconnection Capability Credit (HQICC) is a monthly value reflective of the annual installed capacity benefits of the Phase I/II HVDC-TF, as determined by the ISO, using a standard methodology on file with the Commission, in conjunction with the setting of the Installed Capacity Requirement. An appropriate share of the HQICC shall be assigned to an IRH if the Phase I/II HVDC-TF support costs are paid by that IRH and such costs are not included in the calculation of the Regional Network Service rate. The share of HQICC allocated to such an eligible IRH for a month is the sum in kilowatts of (1)(a) the IRH's percentage share, if any, of the Phase I Transfer Capability times (b) the Phase I Transfer Credit, plus (2)(a) the IRH's percentage share, if any, of the Phase II Transfer Capability, times (b) the Phase II Transfer Credit. The ISO shall establish appropriate HQICCs to apply for an IRH which has such a percentage share.

Import Capacity Resource is a type of resource participating in the Capacity Market that meets the qualification requirements for such a resource type specified in Section III.15.2.

Inadvertent Energy Revenue is defined in Section III.3.2.1(o) of Market Rule 1.

Inadvertent Energy Revenue Charges or Credits is defined in Section III.3.2.1(p) of Market Rule 1.

Inadvertent Interchange means the difference between net actual energy flow and net scheduled energy flow into or out of the New England Control Area.

Increment Offer means an offer to sell energy at a specified Location in the Day-Ahead Energy Market which is not associated with a physical supply. An accepted Increment Offer results in scheduled supply at the specified Location in the Day-Ahead Energy Market.

Incremental ARR is an ARR provided in recognition of a participant-funded transmission system upgrade pursuant to Appendix C of this Market Rule.

Incremental ARR Holder is an entity which is the record holder of an Incremental Auction Revenue Right in the register maintained by the ISO.

Incremental Cost of Reliability Service is described in Section II.54.5 of the OATT..

Independent Transmission Company (ITC) is a transmission entity that assumes certain responsibilities in accordance with Section 10.05 of the Transmission Operating Agreement and Attachment M to the OATT, subject to the acceptance or approval of the Commission and a finding of the Commission that the transmission entity satisfies applicable independence requirements.

Information Request is a request from a potential Disputing Party submitted in writing to the ISO for access to Confidential Information.

Initial Market Participant Financial Assurance Requirement is calculated for new Market Participants and Returning Market Participants, other than an FTR-Only Customer or a Governance Only Member, according to Section IV of the ISO New England Financial Assurance Policy.

Initial State of Charge is the State of Charge that an Electric Storage Facility offers at the start of hour one of the Day-Ahead Energy Market.

Installed Capacity Requirement means the level of capacity required to meet the reliability requirements defined for the New England Control Area, as described in Section III.12 of Market Rule 1.

Interchange Transactions are transactions deemed to be effected under Market Rule 1.

Interconnecting Transmission Owner has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Interconnection Agreement is the "Large Generator Interconnection Agreement", the "Small Generator Interconnection Agreement", or the "Elective Transmission Upgrade Interconnection Agreement" pursuant to Schedules 22, 23 or 25 of the ISO OATT or an interconnection agreement approved by the Commission prior to the adoption of the Interconnection Procedures.

Interconnection Customer has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Interconnection Procedure is the "Large Generator Interconnection Procedures," the "Small Generator Interconnection Procedures," or the "Elective Transmission Upgrade Interconnection Procedures" pursuant to Schedules 22, 23, and 25 of the ISO OATT.

Interconnection Reliability Operating Limit (IROL) has the meaning specified in the Glossary of Terms Used in NERC Reliability Standards.

Interconnection Request has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, or Section I of Schedule 25 of the OATT.

Interconnection Rights Holder(s) (IRH) has the meaning given to it in Schedule 20A to Section II of this Tariff.

Interest is interest calculated in the manner specified in Section II.8.3.

Interface Bid is a unified real-time bid to simultaneously purchase and sell energy on each side of an external interface for which the enhanced scheduling procedures in Section III.1.10.7.A are implemented.

Interim Contract Demand Service is a type of transmission service for Large Loads described in Section II.57.1.2 of the OATT

Intermittent Power Resource is a wind, solar, run of river hydro or other renewable resource or an aggregation of wind, solar, run of river hydro and other renewable resources that does not have control over its net power output.

Internal Bilateral for Load is an internal bilateral transaction under which the buyer receives a reduction in Real-Time Load Obligation and the seller receives a corresponding increase in Real-Time Load Obligation in the amount of the sale, in MWs. An Internal Bilateral for Load transaction is only applicable in the Real-Time Energy Market.

Internal Bilateral for Market for Energy is an internal bilateral transaction for Energy which applies in the Day-Ahead Energy Market and Real-Time Energy Market or just the Real-Time Energy Market under which the buyer receives a reduction in Day-Ahead Adjusted Load Obligation and Real-Time Adjusted Load Obligation and the seller receives a corresponding increase in Day-Ahead Adjusted Load Obligation and Real-Time Adjusted Load Obligation in the amount of the sale, in MWs.

Internal Elective Transmission Upgrade (Internal ETU) is defined in Section I of Schedule 25 of the OATT.

Internal Market Monitor means the department of the ISO responsible for carrying out the market monitoring and mitigation functions specified in Appendix A and elsewhere in Market Rule 1.

Interregional Planning Stakeholder Advisory Committee (IPSAC) is the committee described as such in the Northeast Planning Protocol.

Interregional Transmission Project is a transmission project located within the New England Control Area and one or more of the neighboring transmission planning regions.

Interruption Cost is the amount, in dollars, that must be paid to a Market Participant each time the Market Participant's Demand Response Resource or Demand Response Distributed Energy Resource Aggregation is scheduled or dispatched in the New England Markets to reduce demand.

Inventoried Energy Day is an Operating Day that occurs in the months of December, January, or February during the winters of 2023-2024 and 2024-2025 (inventoried energy program) and for which the average of the high temperature and the low temperature on that Operating Day, as measured and reported by the National Weather Service at Bradley International Airport in Windsor Locks, Connecticut, is less than or equal to 17 degrees Fahrenheit, as described in Section III.K.3.1 of Market Rule 1.

Investment Grade Rating, for a Market (other than an FTR-Only Customer) or Non-Market Participant Transmission Customer, is either (a) a corporate investment grade rating from one or more of the Rating Agencies, or (b) if the Market Participant or Non-Market Participant Transmission Customer does not have a corporate rating from one of the Rating Agencies, then an investment grade rating for the Market Participant's or Non-Market Participant Transmission Customer's senior unsecured debt from one or more of the Rating Agencies.

Invoice is a statement issued by the ISO for the net Charge owed by a Covered Entity pursuant to the ISO New England Billing Policy.

Invoice Date is the day on which the ISO issues an Invoice.

ISO means ISO New England Inc.

ISO Charges, for the purposes of the ISO New England Billing Policy, are both Non-Hourly Charges and Hourly Charges.

ISO Control Center is the primary control center established by the ISO for the exercise of its Operating Authority and the performance of functions as an RTO.

ISO-Initiated Claimed Capability Audit is the audit performed pursuant to Section III.1.5.1.4.

ISO New England Administrative Procedures means procedures adopted by the ISO to fulfill its responsibilities to apply and implement ISO New England System Rules.

ISO New England Billing Policy is Exhibit ID to Section I of the Transmission, Markets and Services Tariff.

ISO New England Filed Documents means the Transmission, Markets and Services Tariff, including but not limited to Market Rule 1, the Participants Agreement, the Transmission Operating Agreement or other documents that affect the rates, terms and conditions of service.

ISO New England Financial Assurance Policy is Exhibit IA to Section I of the Transmission, Markets and Services Tariff.

ISO New England Information Policy is the policy establishing guidelines regarding the information received, created and distributed by Market Participants and the ISO in connection with the settlement, operation and planning of the System, as the same may be amended from time to time in accordance with the provisions of this Tariff. The ISO New England Information Policy is Attachment D to the Transmission, Markets and Services Tariff.

ISO New England Manuals are the manuals implementing Market Rule 1, as amended from time to time in accordance with the Participants Agreement. Any elements of the ISO New England Manuals that substantially affect rates, terms, and/or conditions of service shall be filed with the Commission under Section 205 of the Federal Power Act.

ISO New England Operating Documents are the Tariff and the ISO New England Operating Procedures.

ISO New England Operating Procedures (OPs) are the ISO New England Planning Procedures and the operating guides, manuals, procedures and protocols developed and utilized by the ISO for operating the ISO bulk power system and the New England Markets.

ISO New England Planning Procedures are the procedures developed and utilized by the ISO for planning the ISO bulk power system.

ISO New England System Rules are Market Rule 1, the ISO New England Information Policy, the ISO New England Administrative Procedures, the ISO New England Manuals and any other system rules,

procedures or criteria for the operation of the New England Transmission System and administration of the New England Markets and the Transmission, Markets and Services Tariff.

ITC Agreement is defined in Attachment M to the OATT.

ITC Rate Schedule is defined in Section 3.1 of Attachment M to the OATT.

ITC System is defined in Section 2.2 of Attachment M to the OATT.

ITC System Planning Procedures is defined in Section 15.4 of Attachment M to the OATT.

Joint ISO/RTO Planning Committee (JIPC) is the committee described as such in the Northeastern Planning Protocol.

~~S~~

Large Load is a commercial or industrial customer, located at a single site behind one or more points of delivery, and that has a gross peak demand of 50 MW or greater, relative to its exempt demand as described in Part II.J of the OATT, interconnects to the transmission system, either directly or through a

system primarily designed to serve the customer, at a voltage level of greater than 60 kV. Excluded from this definition are: electrical energy support resources such as storage resources (*e.g.*, pumped storage and battery energy storage systems); emergency and municipal services resources such as hospitals, major medical complexes and water treatment facilities; transportation and infrastructure resources other than dedicated electric vehicle charging facilities, such as railroads and airports; and campus facilities that do not have an aggregate exceeding 50 MW of dedicated computational, industrial or commercial process loads each 1 MW or greater, including but not limited to a university campus without a major data center.

Large Load Affected Party is the entity that owns, operates or controls a Large Load Affected System, or any other entity that otherwise may be a necessary party to the Large Load study process.

Large Load Affected System is any electric system that is outside the New England Control Area that may be affected by the proposed provision of transmission service to a Large Load.

Large Load Base Cases are the set of initial cases used to evaluate the impact of Large Loads, including: (1) the latest available case used for performing Needs Assessments; and (2) the latest available case used for a completed Cluster Study or an ongoing Cluster Study.

Large Load Co-Located Generator is a Generating Facility that is associated with a Co-Located Large Load through a Non-Firm Large Load Generator Arrangement.

Large Load Contingent Facilities are those unbuilt Interconnection Facilities, Large Load Interconnection Facilities, Network Upgrades, and Large Load Network Upgrades or a transmission project that is planned or proposed for the New England Transmission System upon which the Large Load Transmission Customer's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Large Load Transmission Service Application or a reassessment of the Large Load Interconnection Facilities and/or Large Load Network Upgrades and/or costs and timing.

Large Load Cost Recovery Agreement is the agreement in the form of Attachment V to the OATT.

Large Load Distribution Upgrades are the additions, modifications, and upgrades to the Large Load Interconnecting Transmission Owner's distribution system (i.e., 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) at or beyond the Point of Delivery to facilitate interconnection of the Large Load and render the transmission service necessary to serve the Large Load. Large Load Distribution Upgrades do not include Large Load Interconnection Facilities.

Large Load Electrically Proximate Generator is a Generating Facility that is associated with an Electrically Proximate Large Load through a Non-Firm Large Load Generator Arrangement

Large Load Eligible Customer is the Eligible Customer that submits an application for Firm Contract Demand Service or Non-Firm Contract Demand Service on behalf of a Large Load.

Large Load Entity is the entity that owns or controls the Large Load.

Large Load Facilities Study is the study for Large Loads conducted pursuant to Section II.60 of the OATT.

Large Load Facilities Study Agreement is the agreement described in Section II.60 of the OATT.
Large Load Internal Affected Party is the entity that owns, operates or controls a Large Load Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the Large Load study process.

Large Load Internal Affected System is any electric system that is within the New England Control Area that may be affected by the proposed provision of service to the Large Load.

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

Large Load Interconnecting Transmission Owner is the Transmission Owner that owns, leases or otherwise possesses the controlling interest in the portion of the Administered Transmission System at the Point of Delivery for the Large Load.

Large Load Interconnecting Transmission Owner's Interconnection Facilities are all facilities and equipment owned, controlled, or operated by Large Load Interconnecting Transmission Owner from the Large Load Point of Change of Ownership to the Point of Delivery as identified in Appendix A to the Large Load Transmission Service Agreement, including any modifications, additions or upgrades to such facilities and equipment. Large Load Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Large Load Distribution Upgrades and Large Load Network Upgrades.

Large Load Material Modification is defined in Section II.60 of the OATT.

Large Load Network Upgrades are those upgrades to the New England Transmission System, any Large Load Affected Systems and Large Load Internal Affected Systems as identified in a Large Load System Impact Study.

Large Load Point of Change of Ownership is the point, as set forth in Appendix A to the Large Load Transmission Service Agreement, where Large Load Transmission Customer's Interconnection Facilities connect to the Large Load Interconnecting Transmission Owner's Interconnection Facilities.

Large Load Queue Position is the order of a valid Large Load Transmission Service Application in the New England Control Area, relative to all other pending Large Load Transmission Service Application(s) in the New England Control Area, that is established based upon the date and time of receipt of such application by the ISO.

Large Load Re-Dispatch Price is $250/MWh.

Large Load Scoping Meeting is the meeting between representatives of the ISO, the Large Load Eligible Customer, and the Transmission Owner(s), or any Large Load Internal Affected Party as deemed appropriate by the ISO in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Large Load Transmission Service Application, exchanging information, and refining information and models provided by Large Load Eligible Customer.

Large Load Service Commencement Date is the date transmission service is to begin pursuant to the terms of a Large Load Transmission Service Agreement that has been executed or filed unexecuted.

Large Load Site Control is the exclusive right to develop, construct, operate and maintain the Large Load. Large Load Site Control may be demonstrated by documentation establishing that, over the expected term of the Large Load operations, the entity proposing the Large Load will hold ownership or other exclusive rights over the property allowing for the construction, operation and maintenance of the Large Load in the form of either: (a) fee simple ownership of real property; (b) an easement; (c) a valid written leasehold or other contractual interest in real property; (d) a duly executed written contract to purchase, acquire an easement, a license or leasehold interest in real property; or (e) for any federal or state property, has filed applications for required permits or authorizations to construct, operate and maintain the Large Load.

Large Load Study Cases are the cases defined in Section II.60.2 of the OATT.

Large Load Sufficiently Under Construction is a load that is determined by the ISO to have provided sufficient evidence that it received major permits necessary for construction of the project, achieved project financing closing, ordered major equipment necessary for the construction of the project, and has started construction activities on the project site.

Large Load System Impact Study is the study for Large Loads conducted pursuant to Section II.60 of the OATT.

Large Load System Impact Study Agreement is the agreement described in Section II.60 of the OATT.

Large Load Transmission Customer is the Large Load Eligible Customer that has completed the large load service application and study procedures set forth in Sections II.58 and II.60 of the OATT, and executed a Large Load Transmission Service Agreement and receives Firm Contract Demand Service, Interim Contract Demand Service, or Non-Firm Contract Demand Service on behalf of a Large Load.

Large Load Transmission Customer's Interconnection Facilities are all facilities and equipment, as identified in Appendix A of the Large Load Transmission Service Agreement, that are located between the Large Load and the Large Load Point of Change of Ownership, including any modification, addition,

or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Large Load Transmission Customer to the Administered Transmission System. Large Load Transmission Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Large Load Transmission Service Agreement is the form of transmission service agreement applicable to a Large Load Transmission Service Application pertaining to a Large Load, that is included as Attachment S to the OATT.

Large Load Transmission Service Application is a Large Load Eligible Customer's application, in the form available on the ISO website.

Late Payment Account is a segregated interest-bearing account into which the ISO deposits Late Payment Charges due from ISO Charges and interest owed from participants for late payments that are collected and not distributed to the Covered Entities, until the Late Payment Account Limit is reached, under the ISO New England Billing Policy and penalties collected under the ISO New England Financial Assurance Policy.

Late Payment Account Limit is defined in Section 4.2 of the ISO New England Billing Policy.

Late Payment Charge is defined in Section 4.1 of the ISO New England Billing Policy.

Lead Market Participant, for purposes other than the Forward Capacity Market or Annual Capacity Market, is the entity authorized to submit Supply Offers, Demand Bids, Demand Reduction Offers, or Day-Ahead Ancillary Services Offers for a Resource and to whom certain Energy TUs are assessed under Schedule 2 of Section IV.A of the Tariff. For purposes of the Forward Capacity Market, the Lead Market Participant is the entity designated to participate in that market on behalf of an Existing Capacity Resource or a New Capacity Resource. For purposes of the Annual Capacity Market, the Lead Market Participant is the entity designated to participate in that market on behalf of a Capacity Resource.

Limited Energy Resource means a Generator Asset that, due to design considerations, environmental restriction on operations, cyclical requirements, such as the need to recharge or refill or manage water flow, or fuel limitations, are unable to operate continuously at full output on a daily basis.

Load Asset means a physical load that has been registered in accordance with the Asset Registration Process. A Load Asset can be an Asset Related Demand, including a Dispatchable Asset Related Demand.

Load Management means measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that curtail electrical usage or shift electrical usage while delivering a comparable or acceptable level of end-use service. Such measures include, but are not limited to, energy management systems, load control end-use cycling, load curtailment strategies, and energy storage that curtails or shifts electrical usage by means other than generating electricity.

Load Shedding is the systematic reduction of system demand by temporarily decreasing load.

Load-Side Relationship Certification is a certification described in Section III.A.21.1.4 that a Lead Market Participant submits as part of a submission of information pursuant to Section III.A.21.1.5 to demonstrate that certain capacity should not be subject to buyer-side market power review.

Load Zone is a Reliability Region, except as otherwise provided for in Section III.2.7 of Market Rule 1.

Local Area Facilities are defined in the TOA**.**

Local Benefit Upgrade(s) (LBU) is an upgrade, modification or addition to the transmission system that is: (i) rated below 115kV or (ii) rated 115kV or above and does not meet all of the non-voltage criteria for PTF classification specified in the OATT.

Local Control Centers are those control centers in existence as of the effective date of the OATT (including the CONVEX, REMVEC, Maine and New Hampshire control centers) or established by the PTOs in accordance with the TOA that are separate from the ISO Control Center and perform certain functions in accordance with the OATT and the TOA.

Local Delivery Service is the service of delivering electric energy to end users. This service is subject to state jurisdiction regardless of whether such service is provided over local distribution or transmission facilities. An entity that is an Eligible Customer under the OATT is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service

with the Participating Transmission Owner and/or distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs and benefits.

Local Longer-Term Transmission Upgrade is any addition, modification, and/or upgrade to the New England Transmission System with a voltage level below 115 kV that is required in connection with the construction of a Longer-Term Transmission Upgrade approved for inclusion in the Regional System Plan pursuant to Section 16 of Attachment K to the OATT.

Local Network is defined as the transmission facilities constituting a local network as identified in Attachment E, as such Attachment may be modified from time to time in accordance with the Transmission Operating Agreement.

Local Network Load is the load that a Network Customer designates for Local Network Service under Schedule 21 to the OATT.

Local Network RNS Rate is the rate applicable to Regional Network Service to effect a delivery to load in a particular Local Network, as determined in accordance with Schedule 9 to the OATT.

Local Network Service (LNS) is the network service provided under Schedule 21 and the Local Service Schedules to permit the Transmission Customer to efficiently and economically utilize its resources to serve its load.

Local Point-To-Point Service (LPTP) is Point-to-Point Service provided under Schedule 21 of the OATT and the Local Service Schedules to permit deliveries to or from an interconnection point on the PTF.

Local Public Policy Transmission Upgrade is any addition and/or upgrade to the New England Transmission System with a voltage level below 115 kV that is required in connection with the construction of a Public Policy Transmission Upgrade approved for inclusion in the Regional System Plan pursuant to Attachment K to the ISO OATT or included in a Local System Plan in accordance with Appendix 1 to Attachment K.

Local Resource Adequacy Requirement is calculated pursuant to Section III.12.2.1.1.

Local Second Contingency Protection Resources are those Resources identified by the ISO on a daily basis as necessary for the provision of Operating Reserve requirements and adherence to NERC, NPCC and ISO reliability criteria over and above those Resources required to meet first contingency reliability criteria within a Reliability Region.

Local Service is transmission service provided under Schedule 21 and the Local Service Schedules thereto.

Local Service Schedule is a PTO-specific schedule to the OATT setting forth the rates, charges, terms and conditions applicable to Local Service.

Local Sourcing Requirement (LSR) is a value calculated as described in Section III.12.2.1 of Market Rule 1.

Local System Planning (LSP) is the process defined in Appendix 1 of Attachment K to the OATT.

Localized Costs are costs that the ISO, with advisory input from the Reliability Committee, determines in accordance with Schedule 12C of the OATT shall not be included in the Pool-Supported PTF costs recoverable under this OATT, or in costs allocated to Regional Network Load according to Section 6 and Section 10 of Schedule 12. If there are any Localized Costs, the ISO shall identify them in the Regional System Plan.

Location is a Node, External Node, Load Zone, DRR Aggregation Zone, or Hub.

Locational Marginal Price (LMP) is defined in Section III.2 of Market Rule 1. The Locational Marginal Price for a Node is the nodal price at that Node; the Locational Marginal Price for an External Node is the nodal price at that External Node; the Locational Marginal Price for a Load Zone, DRR Aggregation Zone or Reliability Region is the Zonal Price for that Load Zone, DRR Aggregation Zone or Reliability Region, respectively; and the Locational Marginal Price for a Hub is the Hub Price for that Hub.

Long-Term is a term of one year or more.

Long-Term Transmission Outage is a long-term transmission outage scheduled in accordance with ISO New England Operating Procedure No. 3.

Longer-Term Proposal is a proposal submitted by a Qualified Transmission Project Sponsor pursuant to Section 16.4(b) of Attachment K to the OATT.

Longer-Term Transmission Solution is the Longer-Term Proposal identified as the preferred solution pursuant to Section 16 of Attachment K to the OATT.

Longer-Term Transmission Study is a study conducted by the ISO pursuant to the process set out in Section 16 of Attachment K of the OATT. The 2050 Transmission Study shall be the first Longer-Term Transmission Study.

Longer-Term Transmission Upgrade is an addition, modification, and/or upgrade to the New England Transmission System that meets the voltage and non-voltage criteria for Longer-Term Transmission Upgrade PTF classification specified in the OATT and has been included in the Regional System Plan and RSP Project List as a Longer-Term Transmission Upgrade pursuant to the procedures described in Section 16 of Attachment K of the OATT.

Loss Component is the component of the nodal LMP at a given Node or External Node on the PTF that reflects the cost of losses at that Node or External Node relative to the reference point. The Loss Component of the nodal LMP at a given Node on the non-PTF system reflects the relative cost of losses at that Node adjusted as required to account for losses on the non-PTF system already accounted for through tariffs associated with the non-PTF. When used in connection with Hub Price or Zonal Price, the term Loss Component refers to the Loss Components of the nodal LMPs that comprise the Hub Price or Zonal Price, which Loss Components are averaged or weighted in the same way that nodal LMPs are averaged to determine Hub Price or weighted to determine Zonal Price.

Loss of Load Expectation (LOLE) is the probability of disconnecting non-interruptible customers due to a resource deficiency.

Lost Opportunity Cost (LOC) is one of four forms of compensation that may be paid to resources providing VAR Service under Schedule 2 of the OATT.

LSE means load serving entity.

Lump Sum Blackstart Payment is defined and calculated as specified in Section 5.4 of Schedule 16 to the OATT.

Lump Sum Blackstart Capital Payment is defined and calculated as specified in Section 5.4 of Schedule 16 to the OATT.

Manual Response Rate is the rate, in MW/Minute, at which the output of a Generator Asset, or the consumption of a Dispatchable Asset Related Demand, is capable of changing.

Marginal Loss Revenue Load Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Marginal Reliability Impact is the change, with respect to an increment of capacity supply, in expected unserved energy due to resource deficiency, as measured in hours per year.

Market Credit Limit is a credit limit for a Market Participant's Financial Assurance Obligations (except FTR Financial Assurance Requirements) established for each Market Participant in accordance with Section II.C of the ISO New England Financial Assurance Policy.

Market Credit Test Percentage is calculated in accordance with Section III.B.1(a) of the ISO New England Financial Assurance Policy.

Market Participant is a participant in the New England Markets (including a FTR-Only Customer) that has executed a Market Participant Service Agreement, or on whose behalf an unexecuted Market Participant Service Agreement has been filed with the Commission.

Market Participant Financial Assurance Requirement is defined in Section III of the ISO New England Financial Assurance Policy.

Market Participant Service Agreement (MPSA) is an agreement between the ISO and a Market Participant, in the form specified in Attachment A or Attachment A-1 to the Tariff, as applicable.

Market Rule 1 is ISO Market Rule 1 and appendices set forth in Section III of this ISO New England Inc. Transmission, Markets and Services Tariff, as it may be amended from time to time.

Market Violation is a tariff violation, violation of a Commission-approved order, rule or regulation, market manipulation, or inappropriate dispatch that creates substantial concerns regarding unnecessary market inefficiencies.

Material Adverse Change is any change in financial status including, but not limited to a downgrade to below an Investment Grade Rating by any Rating Agency, being placed on credit watch with negative implication by any Rating Agency if the Market Participant or Non-Market Participant Transmission Customer does not have an Investment Grade Rating, a bankruptcy filing or other insolvency, a report of a significant quarterly loss or decline of earnings, the resignation of key officer(s), the sanctioning of the Market Participant or Non-Market Participant Transmission Customer or any of its Principles imposed by the Federal Energy Regulatory Commission, the Securities Exchange Commission, any exchange monitored by the National Futures Association, or any state entity responsible for regulating activity in energy markets; the filing of a material lawsuit that could materially adversely impact current or future financial results; a significant change in the Market Participant's or Non-Market Participant Transmission Customer's credit default spreads; or a significant change in market capitalization.

Material Adverse Impact is defined, for purposes of review of ITC-proposed plans, as a proposed facility or project will be deemed to cause a "material adverse impact" on facilities outside of the ITC System if: (i) the proposed facility or project causes non-ITC facilities to exceed their capabilities or exceed their thermal, voltage or stability limits, consistent with all applicable reliability criteria, or (ii) the proposed facility or project would not satisfy the standards set forth in Section I.3.9 of the Transmission, Markets and Services Tariff. This standard is intended to assure the continued service of all non-ITC firm load customers and the ability of the non-ITC systems to meet outstanding transmission service obligations.

Maximum Capacity Limit is a value calculated as described in Section III.12.2.2 of Market Rule 1.

Maximum Consumption Limit is the maximum amount, in MW, available for economic dispatch from a DARD and is based on the physical characteristics as submitted as part of the DARD's Offer Data. A Market Participant must maintain an up-to-date Maximum Consumption Limit (and where applicable, must provide the ISO with any telemetry required by ISO New England Operating Procedure No. 18 to allow the ISO to maintain an updated Maximum Consumption Limit) for all hours in which a DARD has been offered into the Day-Ahead Energy Market or Real-Time Energy Market.

Maximum Daily Award Limit is a parameter that may be submitted as part of a Day-Ahead Ancillary Services Offer, as described in Section III.1.8.1, that expresses the maximum total megawatt-hours of Day-Ahead energy offered or bid and Day-Ahead Ancillary Services offered for the next Operating Day.

Maximum Daily Energy Limit is the maximum amount of megawatt-hours that a Limited Energy Resource expects to be able to generate in the next Operating Day.

Maximum Daily Consumption Limit is the maximum amount of megawatt-hours that a Storage DARD expects to be able to consume in the next Operating Day.

Maximum Facility Load is the highest demand of an end-use customer facility since the start of the prior calendar year (or, if unavailable, an estimate thereof), where the demand evaluated is established by adding metered demand measured at the Retail Delivery Point and the output of all generators located behind the Retail Delivery Point in the same time intervals.

Maximum Interruptible Capacity is an estimate of (1) the maximum demand reduction and Net Supply that a Demand Response Asset can deliver, as measured at the Retail Delivery Point, or (2) the maximum demand reduction and/or energy injection that a Distributed Energy Resource comprising a Demand Response Distributed Energy Resource Aggregation can deliver, as measured at the Retail Delivery Point and/or Point-of-Interconnection.

Maximum Load is the highest demand since the start of the prior calendar year (or, if unavailable, an estimate thereof), as measured at the Retail Delivery Point.

Maximum Number of Daily Starts is the maximum number of times that a Binary Storage DARD or a Generator Asset can be started or that a Demand Response Resource or that a Demand Response Distributed Energy Resource Aggregation can be interrupted in the next Operating Day under normal operating conditions.

Maximum Reduction is (1) the maximum available demand reduction, in MW, of a Demand Response Resource that a Market Participant offers to deliver in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Demand Response Resource's Demand Reduction Offer, or (2) the maximum available deviation from its baseline, in MW, of a Demand Response Distributed Energy

Resource Aggregation that a Market Participant offers to reduce demand and/or provide energy injection in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Demand Response Distributed Energy Resource Aggregation's Demand Reduction Offer.

Maximum State of Charge is the megawatt-hour value of stored energy, submitted by an Electric Storage Facility as part of its Offer Data for a given hour of the Day-Ahead Energy Market, above which the ISO shall not schedule the Electric Storage Facility to receive electricity from the grid.

Measure Life is the estimated time an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource measure will remain in place, or the estimated time period over which the facility, structure, equipment or system in which a measure is installed continues to exist, whichever is shorter. Suppliers of On-Peak Demand Capacity Resources or Seasonal Peak Demand Capacity Resources comprised of an aggregation of measures with varied Measures Lives shall determine and document the Measure Life either: (i) for each type of measure with a different Measure Life and adjust the aggregate performance based on the individual measure life calculation in the portfolio; or (ii) as the average Measure Life for the aggregated measures as long as the demand reduction capability of the resource is greater than or equal to the amount that cleared in the Forward Capacity Auction, Annual Capacity Auction, or reconfiguration auction for the entire Capacity Commitment Period, and the demand reduction capability for an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource is not over-stated in a subsequent Capacity Commitment Period. Measure Life shall be determined consistent with the resource's Measurement and Verification Plan, which shall be reviewed by the ISO to ensure consistency with the measurement and verification requirements of Market Rule 1 and the ISO New England Manuals.

Measurement and Verification Documents mean the measurement and verification documents described in Section III.13.1.4.3.1 and Section III.15.2.1.1.2.1 of Market Rule 1 that are submitted by On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources, which include Measurement and Verification Plans, Updated Measurement and Verification Plans, Measurement and Verification Summary Reports, and Measurement and Verification Reference Reports.

Measurement and Verification Plan means the measurement and verification plan submitted by an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource as part of the qualification process for the Forward Capacity Auction pursuant to the requirements of Section III.13.1.4.3 of Market Rule 1, or as part of the qualification process for the Annual Capacity Auction

pursuant to the requirements of Section III.15.2.1.1.2.1 of Market Rule 1, and the ISO New England Manuals.

Measurement and Verification Reference Reports are optional reports submitted by On-Peak Demand Capacity Resources or Seasonal Peak Demand Capacity Resources during the Capacity Commitment Period subject to the schedule in the Measurement and Verification Plan and consistent with the schedule and reporting standards set forth in the ISO New England Manuals. Measurement and Verification Reference Reports update the prospective demand reduction capability of the On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource project based on measurement and verification studies performed during the Capacity Commitment Period.

Measurement and Verification Summary Report is the monthly report submitted by an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource with the monthly settlement report for the Forward Capacity Market or Annual Capacity Market, which documents the total demand reduction capability for all On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources in operation as of the end of the previous month.

MEPCO Grandfathered Transmission Service Agreement (MGTSA) is a MEPCO long-term firm point-to-point transmission service agreement with a POR or POD at the New Brunswick border and a start date prior to June 1, 2007 where the holder has elected, by written notice delivered to MEPCO within five (5) days following the filing of the settlement agreement in Docket Nos. ER07-1289 and EL08-56 or by September 1, 2008 (whichever is later), MGTSA treatment as further described in Section II.45.1.

Merchant Transmission Facilities (MTF) are the transmission facilities owned by MTOs, defined and classified as MTF pursuant to Schedule 18 of the OATT, over which the ISO shall exercise Operating Authority in accordance with the terms set forth in a MTOA or Attachment K to the OATT, rated 69 kV or above and required to allow energy from significant power sources to move freely on the New England Transmission System.

Merchant Transmission Facilities Provider (MTF Provider) is an entity as defined in Schedule 18 of the OATT.

Merchant Transmission Facilities Service (MTF Service) is transmission service over MTF as provided for in Schedule 18 of the OATT.

Merchant Transmission Operating Agreement (MTOA) is an agreement between the ISO and an MTO with respect to its MTF.

Merchant Transmission Owner (MTO) is an owner of MTF.

Meter Data Error means an error in meter data, including an error in Coincident Peak Contribution values, on an Invoice issued by the ISO after the completion of the Data Reconciliation Process as described in the ISO New England Manuals and in Section III.3.8 of Market Rule 1.

Meter Data Error RBA Submission Limit means the date thirty 30 calendar days after the issuance of the Invoice containing the results of the Data Reconciliation Process as described in the ISO New England Manuals and in Section III.3.6 of Market Rule 1.

Metered Quantity For Settlement is defined in Section III.3.2.1.1 of Market Rule 1.

Minimum Consumption Limit is (a) the lowest consumption level, in MW, available for economic dispatch from a DARD and is based on the physical characteristics as submitted as part of the DARD's Offer Data, and (b) for a DARD undergoing Facility and Equipment Testing or auditing, the level to which the DARD requests and is approved to operate or is directed to operate for purposes of completing the Facility and Equipment Testing or auditing.

Minimum Down Time is the number of hours that must elapse after a Generator Asset or Storage DARD has been released for shutdown at or below its Economic Minimum Limit or Minimum Consumption Limit before the Generator Asset or Storage DARD can be brought online and be released for dispatch at its Economic Minimum Limit or Minimum Consumption Limit.

Minimum Generation Emergency means an Emergency declared by the ISO in which the ISO anticipates requesting one or more Generator Assets to operate at or below Economic Minimum Limit in order to manage, alleviate, or end the Emergency.

Minimum Generation Emergency Credits are those Real-Time Dispatch NCPC Credits calculated pursuant to Appendix F of Market Rule 1 for resources within a reliability region that are dispatched during a period for which a Minimum Generation Emergency has been declared.

Minimum Reduction is (1) the minimum available demand reduction, in MW, of a Demand Response Resource that a Market Participant offers to deliver in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Demand Response Resource's Demand Reduction Offer, or (2) the minimum available deviation from its baseline, in MW, of a Demand Response Distributed Energy Resource Aggregation that a Market Participant offers to reduce demand and/or provide additional energy injection in the Day-Ahead Energy Market or Real-Time Energy Market, as reflected in the Demand Response Distributed Energy Resource Aggregation's Demand Reduction Offer.

Minimum Reduction Time is the minimum number of hours of demand reduction or deviation from its baseline at or above the Minimum Reduction for which the ISO must dispatch a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation to reduce demand or deviate from its baseline.

Minimum Run Time is the number of hours that a Generator Asset must remain online after it has been scheduled to reach its Economic Minimum Limit before it can be released for shutdown from its Economic Minimum Limit or the number of hours that must elapse after a Storage DARD has been scheduled to consume at its Minimum Consumption Limit before it can be released for shutdown.

Minimum State of Charge is the megawatt-hour value of stored energy, submitted by an Electric Storage Facility as part of its Offer Data for a given hour of the Day-Ahead Energy Market, below which the ISO shall not schedule the Electric Storage Facility to inject electricity to the grid.

Minimum Time Between Reductions is the number of hours that must elapse after a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation has received a Dispatch Instruction to stop reducing demand before the Resource can achieve its Minimum Reduction after receiving a Dispatch Instruction to start reducing demand or deviating from its baseline.

Minimum Total Reserve Requirement, which does not include Replacement Reserve, is the combined amount of TMSR, TMNSR, and TMOR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Monthly Blackstart Service Charge is the charge made to Transmission Customers pursuant to Section 6 of Schedule 16 to the OATT.

Monthly Capacity Payment is the Capacity Market payment described in Section III.13.7.3 or Section III.15.8.3 of Market Rule 1.

Monthly Peak is defined in Section II.21.2 of the OATT.

Monthly Qualified Capacity is the amount of a resource's Qualified Capacity eligible to participate in a Monthly Reconfiguration Auction or Capacity Supply Obligation Bilateral during the applicable month.

Monthly Real-Time Demand Reduction Obligation is the absolute value of a Customer's hourly Real-Time Demand Reduction Obligation summed for all hours in a month, in MWhs.

Monthly Real-Time Generation Obligation is the sum, for all hours in a month, at all Locations, of a Customer's Real-Time Generation Obligation, in MWhs.

Monthly Real-Time Load Obligation is the absolute value of a Customer's hourly Real-Time Load Obligation summed for all hours in a month, in MWhs.

Monthly Reconfiguration Auction is the reconfiguration auction conducted by the ISO each month as described in Section III.13.4.7 for those Monthly Reconfiguration Auctions held for months prior to the Capacity Commitment Period beginning on June 1, 2028 and in Section III.15.5 for those Monthly Reconfiguration Auctions held for months subsequent to the start of the Capacity Commitment Period beginning on June 1, 2028.

Monthly Regional Network Load is defined in Section II.21.2 of the OATT.

Monthly Statement is the first weekly Statement issued on a Monday after the ninth of a calendar month that includes both the Hourly Charges for the relevant billing period and Non-Hourly Charges for the immediately preceding calendar month.

MRI Transition Period is the period specified in Section III.13.2.2.1.

MUI is the market user interface.

Municipal Market Participant is defined in Section II of the ISO New England Financial Assurance Policy.

MW is megawatt.

MWh is megawatt-hour.

Native Load Customers are the wholesale and retail power customers of a Transmission Owner on whose behalf the Transmission Owner, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate its system to meet the reliable electric needs of such customers.

NCPC Charge means the charges to Market Participants calculated pursuant to Appendix F to Market Rule 1.

NCPC Credit means the credits to Market Participants calculated pursuant to Appendix F to Market Rule 1.

Needs Assessment is defined in Section 4.1 of Attachment K to the OATT.

NEMA, for purposes of Section III of the Tariff, is the Northeast Massachusetts Reliability Region.

NEMA Contract is a contract described in Appendix C of Market Rule 1 and listed in Exhibit 1 of Appendix C of Market Rule 1.

NEMA Load Serving Entity (NEMA LSE) is a Transmission Customer or Congestion Paying LSE Entity that serves load within NEMA.

NEMA or Northeast Massachusetts Upgrade, for purposes of Section II of the Tariff, is an addition to or modification of the PTF into or within the Northeast Massachusetts Reliability Region that was not, as of December 31, 1999, the subject of a System Impact Study or application filed pursuant to Section I.3.9

of the Transmission, Markets and Services Tariff; that is not related to generation interconnections; and that will be completed and placed in service by June 30, 2004. Such upgrades include, but are not limited to, new transmission facilities and related equipment and/or modifications to existing transmission facilities and related equipment. The list of NEMA Upgrades is contained in Schedule 12A of the OATT.

NEPOOL is the New England Power Pool, and the entities that collectively participated in the New England Power Pool.

NEPOOL Agreement is the agreement among the participants in NEPOOL.

NEPOOL GIS is the generation information system.

NEPOOL GIS Administrator is the entity or entities that develop, administer, operate and maintain the NEPOOL GIS.

NEPOOL GIS API Fees are the one-time on-boarding fees and annual maintenance fees charged to NEPOOL by the NEPOOL GIS Administrator for each NEPOOL Participant or Market Participant that accesses the NEPOOL GIS through an application programming interface pursuant to Rule 3.9(b) of the operating rules of the NEPOOL GIS.

NEPOOL Participant is a party to the NEPOOL Agreement.

NERC is the North American Electric Reliability Corporation or its successor organization.

NESCOE is the New England States Committee on Electricity, recognized by the Commission as the regional state committee for the New England Control Area.

Net Commitment Period Compensation (NCPC) is the compensation methodology for Resources that is described in Appendix F to Market Rule 1.

Net CONE is an estimate of the Cost of New Entry, net of non-capacity market revenues, for a reference technology resource type and is intended to equal the amount of capacity revenue the reference technology resource would require to be economically viable given reasonable expectations of the energy and ancillary services revenues under long-term equilibrium conditions.

Net Regional Clearing Price is described in Section III.13.7.5 or Section III.15.8.5 of Market Rule 1.

Net Supply is energy injected into the transmission or distribution system at a Retail Delivery Point.

Net Supply Capability is the maximum Net Supply a facility is physically and contractually able to inject into the transmission or distribution system at its Retail Delivery Point.

Network Capability Interconnection Standard has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Network Customer is a Transmission Customer receiving RNS or LNS.

Network Import Capability (NI Capability) is defined in Section I of Schedule 25 of the OATT.

Network Import Interconnection Service (NI Interconnection Service) is defined in Section I of Schedule 25 of the OATT.

Network Resource is defined as follows: (1) With respect to Market Participants, (a) any generating resource located in the New England Control Area which has been placed in service prior to the Compliance Effective Date (including a unit that has lost its capacity value when its capacity value is restored and a deactivated unit which may be reactivated without satisfying the requirements of Section II.46 of the OATT in accordance with the provisions thereof) until retired or deactivated; (b) any generating resource located in the New England Control Area which is placed in service after the Compliance Effective Date until retired or deactivated, provided that (i) the Generator Owner has complied with the requirements of Sections II.46 and II.47 and Schedules 22 and 23 of the OATT, and (ii) the output of the unit shall be limited in accordance with Sections II.46 and II.47 and Schedules 22 and 23, if required; and (c) any generating resource or combination of resources (including bilateral purchases) located outside the New England Control Area for so long as any Market Participant has an Ownership Share in the resource or resources which is being delivered to it in the New England Control Area to serve Regional Network Load located in the New England Control Area or other designated Regional Network Loads contemplated by Section II.18.3 of the OATT taking Regional Network Service. (2) With respect to Non-Market Participant Transmission Customers, any generating resource owned,

purchased or leased by the Non-Market Participant Transmission Customer which it designates to serve Regional Network Load.

Network Upgrades has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

New Brunswick Security Energy is defined in Section III.3.2.6A of Market Rule 1.

New Capacity Offer is an offer in the Forward Capacity Auction to provide capacity from a New Generating Capacity Resource, New Import Capacity Resource, New Demand Capacity Resource, or New Distributed Energy Capacity Resource.

New Capacity Qualification Deadline is a deadline, specified in Section III.13.1.10 of Market Rule 1, for submission of certain qualification materials for the Forward Capacity Auction, as discussed in Section III.13.1 of Market Rule 1.

New Capacity Qualification Package is information submitted by certain new resources prior to participation in the Forward Capacity Auction, as described in Section III.13.1 of Market Rule 1.

New Capacity Resource is a resource (i) that never previously received any payment as a capacity resource including any capacity payment pursuant to the market rules in effect prior to June 1, 2010 and that has not cleared in any previous Forward Capacity Auction; or (ii) that is otherwise eligible to participate in the Forward Capacity Auction as a New Capacity Resource.

New Capacity Show of Interest Form is a form applicable to the Forward Capacity Market described in Section III.13.1.1.2.1 of Market Rule 1.

New Capacity Show of Interest Submission Window is the period of time applicable to the Forward Capacity Market during which a Project Sponsor may submit a New Capacity Show of Interest Form, a New Demand Capacity Resource Show of Interest Form, or a New Distributed Energy Capacity Resource Show of Interest Form, as described in Section III.13.1.10 of Market Rule 1.

New Demand Capacity Resource is a type of Demand Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4.1 of Market Rule 1.

New Demand Capacity Resource Qualification Package is the information that a Project Sponsor must submit, in accordance with Section III.13.1.4.1.1.2 of Market Rule 1, for each resource that it seeks to offer in the Forward Capacity Auction as a New Demand Capacity Resource.

New Demand Capacity Resource Show of Interest Form is a form applicable to the Forward Capacity Market described in Section III.13.1.4.1.1.1 of Market Rule 1.

New Distributed Energy Capacity Resource is a type of Distributed Energy Capacity Resource participating in the Forward Capacity Market, as defined in Section III.13.1.4A.1 of Market Rule 1.

New Distributed Energy Capacity Resource Qualification Package is the information that a Project Sponsor must submit, in accordance with Section III.13.1.4A.1.1.2 of Market Rule 1, for each resource that it seeks to offer in the Forward Capacity Auction as a New Distributed Energy Capacity Resource.

New Distributed Energy Capacity Resource Show of Interest Form is a form applicable to the Forward Capacity Market described in Section III.13.1.4A.1.1.1 of Market Rule 1.

NECEC Transmission LLC (NECEC) is defined in Schedule 20B to Section II of this Tariff.

New England Clean Energy Connect Transmission Line (NECEC Transmission Line) is defined in Schedule 20B to Section II of this Tariff.

New England Control Area is the Control Area for New England, which includes PTF, Non-PTF, MTF and OTF. The New England Control Area covers Connecticut, Rhode Island, Massachusetts, New Hampshire, Vermont, and part of Maine (i.e., excluding the portions of Northern Maine and the northern portion of Eastern Maine which are in the Maritimes Control Area).

New England Markets Deactivation is the permanent removal of a Generating Capacity Resource, Demand Capacity Resource, or Distributed Energy Capacity Resource from all New England Markets, or the permanent reduction in Capacity Network Import Capability and Network Import Capability of an External Elective Transmission Upgrade, as described in Section II.I of the OATT.

New England Markets are markets or programs for the purchase of energy, capacity, ancillary services, demand response services or other related products or services (including Financial Transmission Rights) that are delivered through or useful to the operation of the New England Transmission System and that are administered by the ISO pursuant to rules, rates, or agreements on file from time to time with the Federal Energy Regulatory Commission.

New England System Restoration Plan is the plan that is developed by ISO, in accordance with NERC Reliability Standards, NPCC regional criteria and standards, ISO New England Operating Documents and ISO operating agreements, to facilitate the restoration of the New England Transmission System following a partial or complete shutdown of the New England Transmission System.

New England Transmission System is the system of transmission facilities, including PTF, Non-PTF, OTF and MTF, within the New England Control Area under the ISO's operational jurisdiction.

New Generating Capacity Resource is a type of resource participating in the Forward Capacity Market, as described in Section III.13.1.1.1 of Market Rule 1.

New Import Capacity Resource is a type of resource participating in the Forward Capacity Market, as defined in Section III.13.1.3.4 of Market Rule 1.

NMPTC means Non-Market Participant Transmission Customer.

NMPTC Credit Threshold is described in Section V.A.2 of the ISO New England Financial Assurance Policy.

NMPTC Financial Assurance Requirement is an amount of additional financial assurance for Non-Market Participant Transmission Customers described in Section V.D of the ISO New England Financial Assurance Policy.

Node is a point on the New England Transmission System at which LMPs are calculated.

No-Load Fee is the amount, in dollars per hour, for a Generator Asset that must be paid to Market Participants with an Ownership Share in the Generator Asset for being scheduled in the New England

Markets, in addition to the Start-Up Fee and price offered to supply energy, for each hour that the Generator Asset is scheduled in the New England Markets.

Nominated Consumption Limit is the consumption level specified by the Market Participant for a Dispatchable Asset Related Demand as adjusted in accordance with the provisions of Section III.13.7.5.2.1 or Section III.15.8.5.2.1.

Non-Commercial Capacity is the capacity of a resource that cleared in a Forward Capacity Auction for periods prior to the Annual Capacity Auction associated with the Capacity Commitment Period beginning on June 1, 2028, or otherwise acquired a Capacity Supply Obligation and remains on Critical Path Schedule monitoring as of June 1, 2028, for some or all of its capacity that acquired a Capacity Supply Obligation.

Non-Commercial Capacity Cure Period is the time period described in Section VII.D of the ISO New England Financial Assurance Policy.

Non-Commercial Capacity Financial Assurance Amount (Non-Commercial Capacity FA Amount) is the financial assurance amount held on Non-Commercial Capacity cleared in a Forward Capacity Auction as calculated in accordance with Section VII.B.2 of the ISO New England Financial Assurance Policy.

Non-Designated Blackstart Resource Study Cost Payments are the study costs reimbursed under Section 5.3 of Schedule 16 of the OATT.

Non-Dispatchable Resource is any Resource that does not meet the requirements to be a Dispatchable Resource.

Non-Firm Contract Demand Service is a type of transmission service for Large Loads described in Section II.57.1.3 of the OATT.

Non-Firm Large Load Generator Arrangement is an arrangement between a Co-located Load or Electrically Proximate Load and the applicable Co-Located Generator or Electrically Proximate Generator which supports the Large Load taking Interim Contract Demand Service or Non-Firm Contract Demand Service.

Non-Hourly Charges are defined in Section 1.3 of the ISO New England Billing Policy.

Non-Hourly Requirements are determined in accordance with Section III.A(ii) of the ISO New England Financial Assurance Policy, which is Exhibit 1A of Section I of the Tariff.

Non-Incumbent Transmission Developer is a Qualified Transmission Project Sponsor that: (i) is not currently a PTO; (ii) has a transmission project listed in the RSP Project List; and (iii) has executed a Non-Incumbent Transmission Developer Operating Agreement. "Non-Incumbent Transmission Developer" also includes a PTO that proposes the development of a transmission facility not located within or connected to its existing electric system; however, because such a PTO is a party to the TOA, it is not required to enter into a Non-Incumbent Transmission Developer Operating Agreement.

Non-Incumbent Transmission Developer Operating Agreement (or NTDOA) is an agreement between the ISO and a Non-Incumbent Transmission Developer in the form specified in Attachment O to the OATT that sets forth their respective rights and responsibilities to each other with regard to proposals for and construction of certain transmission facilities.

Non-Market Participant is any entity that is not a Market Participant.

Non-Market Participant Transmission Customer is any entity which is not a Market Participant but is a Transmission Customer.

Non-Municipal Market Participant is defined in Section II of the ISO New England Financial Assurance Policy.

Non-PTF Transmission Facilities (Non-PTF) are the transmission facilities owned by the PTOs that do not constitute PTF, OTF or MTF.

Non-Qualifying means a Market Participant that is not a Credit Qualifying Market Participant.

Notice of RBA is defined in Section 6.3.2 of the ISO New England Billing Policy.

Notification Time is the time required for a Generator Asset to synchronize to the system from the time a startup Dispatch Instruction is received from the ISO.

Northeastern Planning Protocol is the Amended and Restated Northeastern ISO/RTO Planning Coordination Protocol on file with the Commission and posted on the ISO website at the following URL: www.iso-ne.com/static-assets/documents/2015/07/northeastern_protocol_dmeast.doc.

NPCC is the Northeast Power Coordinating Council.

Obligation Month means a time period of one calendar month for which capacity payments are issued and the costs associated with capacity payments are allocated.

Offer Data means the scheduling, operations planning, dispatch, new Resource, and other data, including Generator Asset, Dispatchable Asset Related Demand, Demand Response Resource, and Demand Response Distributed Energy Resource Aggregation operating limits based on physical characteristics, and information necessary to schedule and dispatch Generator Assets, Dispatchable Asset Related Demands, Demand Response Resources and Demand Response Distributed Energy Resource Aggregations for the provision or consumption of energy, the provision of other services, and the maintenance of the reliability and security of the transmission system in the New England Control Area, and specified for submission to the New England Markets for such purposes by the ISO.

Offered CLAIM10 is a Supply Offer value or a Demand Reduction Offer value between 0 and the CLAIM10 of the resource that represents the amount of TMNSR available either from an off-line Fast Start Generator or from a Fast Start Demand Response Resource or a Fast Start Demand Response Distributed Energy Resource Aggregation that has not been dispatched.

Offered CLAIM30 is a Supply Offer value or a Demand Reduction Offer value between 0 and the CLAIM30 of the resource that represents the amount of TMOR available either from an off-line Fast Start Generator or from a Fast Start Demand Response Resource or a Fast Start Demand Response Distributed Energy Resource Aggregation that has not been dispatched.

On-Peak Demand Capacity Resource is a type of Demand Capacity Resource and means installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy consumed during Demand Resource On-Peak Hours, while delivering a comparable or acceptable level of end-use service. Such measures include Energy Efficiency, Load Management, and Distributed Generation.

Open Access Same-Time Information System (OASIS) is the ISO information system and standards of conduct responding to requirements of 18 C.F.R. §37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

Open Access Transmission Tariff (OATT) is Section II of the ISO New England Inc. Transmission, Markets and Services Tariff.

Operating Authority is defined pursuant to a MTOA, an OTOA, the TOA or the OATT, as applicable.

Operating Data means GADS Data, data equivalent to GADS Data, CARL Data, metered load data, or actual system failure occurrences data, all as described in the ISO New England Operating Procedures.

Operating Day means the calendar day period beginning at midnight for which transactions on the New England Markets are scheduled.

Operating Reserve means Ten-Minute Spinning Reserve (TMSR), Ten-Minute Non-Spinning Reserve (TMNSR) and Thirty-Minute Operating Reserve (TMOR).

Operations Date is February 1, 2005.

OTF Service is transmission service over OTF as provided for in Schedule 20.

Other Transmission Facility (OTF) are the transmission facilities owned by Transmission Owners, defined and classified as OTF pursuant to Schedule 20, over which the ISO shall exercise Operating Authority in accordance with the terms set forth in the OTOA, rated 69 kV or above, and required to allow energy from significant power sources to move freely on the New England Transmission System.

Other Transmission Operating Agreements (OTOA) is the agreement(s) between the ISO, an OTO and/or the associated service provider(s) with respect to an OTF, which includes the HVDC Transmission Operating Agreement and the Phase I/II HVDC-TF Transmission Service Administration Agreement for the Phase I/II HVDC-TF and the NECEC Transmission Operating Agreement for the NECEC Transmission Line. With respect to the Phase I/II HVDC-TF, the HVDC Transmission Operating Agreement covers the rights and responsibilities for the operation of the facility and the Phase I/II HVDC-TF Transmission Service Administration Agreement covers the rights and responsibilities for the administration of transmission service.

Other Transmission Owner (OTO) is an owner of OTF.

Ownership Share is a right or obligation, for purposes of settlement, to a percentage share of all credits or charges associated with a Generator Asset, Settlement Only Distributed Energy Resource Aggregation, the energy injection and/or energy withdrawal portion of a Demand Response Distributed Energy Resource Aggregation, or a Load Asset, where such facility is interconnected to the New England Transmission System.

Participant Expenses are defined in Section 1 of the Participants Agreement.

Participant Required Balance is defined in Section 5.3 of the ISO New England Billing Policy.

Participant Vote is defined in Section 1 of the Participants Agreement.

Participants Agreement is the agreement among the ISO, the New England Power Pool and Individual Participants, as amended from time to time, on file with the Commission.

Participants Committee is the principal committee referred to in the Participants Agreement.

Participating Transmission Owner (PTO) is a transmission owner that is a party to the TOA.

Passive DR Audit is the audit performed pursuant to Section III.13.6.1.5.4 or Section III.15.7.1.5.4.

Passive DR Auditing Period is the summer Passive DR Auditing Period (June 1 to August 31) or winter Passive DR Auditing Period (December 1 to January 31) applicable to On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources.

Payment is a sum of money due to a Covered Entity from the ISO.

Payment Default Shortfall Fund is defined in Section 5.1 of the ISO New England Billing Policy.

Permanent De-list Bid is a bid submitted by an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource in the Forward Capacity Auction to permanently remove itself from the capacity market, as described in Section III.13.1.2.3.1.5 of Market Rule 1.

Phase I Transfer Credit is 40% of the HQICC, or such other fraction of the HQICC as the ISO may establish.

Phase I/II HVDC-TF is defined in Schedule 20A to Section II of this Tariff.

Phase I/II HVDC-TF Transfer Capability is the transfer capacity of the Phase I/II HVDC-TF under normal operating conditions, as determined in accordance with Good Utility Practice. The "Phase I Transfer Capability" is the transfer capacity under normal operating conditions, as determined in accordance with Good Utility Practice, of the Phase I terminal facilities as determined initially as of the time immediately prior to Phase II of the Phase I/II HVDC-TF first being placed in service, and as adjusted thereafter only to take into account changes in the transfer capacity which are independent of any effect of Phase II on the operation of Phase I. The "Phase II Transfer Capability" is the difference between the Phase I/II HVDC-TF Transfer Capability and the Phase I Transfer Capability. Determinations of, and any adjustment in, Phase I/II HVDC-TF Transfer Capability shall be made by the ISO, and the basis for any such adjustment shall be explained in writing and posted on the ISO website.

Phase One Proposal is a first round submission, as defined in Section 4.3 of Attachment K of the OATT, of a proposal for a Reliability Transmission Upgrade, as applicable, by a Qualified Transmission Project Sponsor.

Phase II Transfer Credit is 60% of the HQICC, or such other fraction of the HQICC as the ISO may establish.

Phase Two Solution is a second round submission, as defined in Section 4.3 of Attachment K of the OATT, of a proposal for a Reliability Transmission Upgrade by a Qualified Transmission Project Sponsor.

Planning Advisory Committee is the committee described in Attachment K of the OATT.

Planning and Reliability Criteria is defined in Section 3.3 of Attachment K to the OATT.

Planning Authority is an entity defined as such by the North American Electric Reliability Corporation.

Point(s) of Delivery (POD) is point(s) of interconnection where capacity and/or energy transmitted by a Transmission Customer will be made available to the Receiving Party under the OATT.

Point of Interconnection shall have the same meaning as that used for purposes of Schedules 22, 23 and 25 of the OATT.

Point(s) of Receipt (POR) is point(s) of interconnection where capacity and/or energy transmitted by a Transmission Customer will be made available by the Delivering Party under the OATT.

Point-To-Point Service is the transmission of capacity and/or energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under the OATT pursuant to Local Point-To-Point Service or OTF Service or MTF Service; and the transmission of capacity and/or energy from the Point(s) of Receipt to the Point(s) of Delivery under the OATT pursuant to Through or Out Service.

Policy Scenario is an Economic Study reference scenario that is described in Section 17.2(c) of Attachment K to the OATT.

Pool-Planned Unit is one of the following units: New Haven Harbor Unit 1 (Coke Works), Mystic Unit 7, Canal Unit 2, Potter Unit 2, Wyman Unit 4, Stony Brook Units 1, 1A, 1B, 1C, 2A and 2B, Millstone Unit 3, Seabrook Unit 1 and Waters River Unit 2 (to the extent of 7 megawatts of its Summer capability and 12 megawatts of its Winter capability).

Pool PTF Rate is the transmission rate determined in accordance with Schedule 8 to the OATT.

Pool RNS Rate is the transmission rate determined in accordance with paragraph (2) of Schedule 9 of Section II of the Tariff.

Pool-Scheduled Resources are described in Section III.1.10.2 of Market Rule 1.

Pool Supported PTF is defined as: (i) PTF first placed in service prior to January 1, 2000; (ii) Generator Interconnection Related Upgrades with respect to Category A and B projects (as defined in Schedule 11), but only to the extent not paid for by the interconnecting Generator Owner; and (iii) other PTF upgrades, but only to the extent the costs therefore are determined to be Pool Supported PTF in accordance with Schedule 12.

Pool Transmission Facility (PTF) means the transmission facilities owned by PTOs which meet the criteria specified in Section II.49 of the OATT.

Posting Entity is any Market Participant or Non-Market Participant Transmission Customer providing financial security under the provisions of the ISO New England Financial Assurance Policy.

Posture means an action of the ISO to deviate from the jointly optimized security constrained economic dispatch for Energy and Operating Reserves solution for a Resource produced by the ISO's technical software for the purpose of maintaining sufficient Operating Reserve (both online and off-line) or for the provision of voltage or VAR support.

Posturing Credits are the Real-Time Posturing NCPC Credits for Generators (Other Than Limited Energy Resources) Postured for Reliability and the Real-Time Posturing NCPC Credit for Limited Energy Resources Postured for Reliability.

Power Purchaser is the entity that is purchasing the capacity and/or energy to be transmitted under the OATT.

Principal is (i) the sole proprietor of a sole proprietorship; (ii) a general partner of a partnership; (iii) a president, chief executive officer, chief operating officer or chief financial officer (or equivalent position)

of an organization; (iv) a manager, managing member or a member vested with the management authority for a limited liability company or limited liability partnership; (v) any person or entity that has the power to exercise a controlling influence over an organization's activities that are subject to regulation by the Federal Energy Regulatory Commission, the Securities and Exchange Commission, the Commodity Futures Trading Commission, any exchange monitored by the National Futures Association, or any state entity responsible for regulating activity in energy markets; or (vi) any person or entity that: (a) is the direct owner of 10% or more of any class of an organization's equity securities; or (b) has directly contributed 10% or more of an organization's capital.

Profiled Load Assets include all Load Assets that are not directly metered by OP-18 compliant metering as currently described in Section IV (Metering and Recording for Settlements) of OP18, and some Load Assets that are measured by OP-18 compliant metering (as currently described in Section IV of OP-18) to which the Host Participant Assigned Meter Reader allocates non-PTF losses.

Project Sponsor is an entity seeking to have a New Generating Capacity Resource, New Import Capacity Resource, New Demand Capacity Resource, or New Distributed Energy Capacity Resource participate in the Forward Capacity Market, as described in Section III.13.

Proposed Capacity Offer is an offer submitted to the Internal Market Monitor for its review pursuant to Section III.A.22.2.3.

Proportional Impact Method has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, or Section I of Schedule 25 of the OATT.

Proxy Capacity Offer is a type of offer used in the Annual Capacity Market.

Proxy De-List Bid was a type of bid used in the Forward Capacity Market.

Provisional Member is defined in Section I.68A of the Restated NEPOOL Agreement.

PTO Administrative Committee is the committee referred to in Section 11.04 of the TOA.

Public Policy Requirement is a requirement reflected in a statute enacted by, or a regulation promulgated by, the federal government or a state or local (e.g., municipal or county) government.

Public Policy Transmission Study is a study conducted by the ISO pursuant to the process set out in Section 4A.3 of Attachment K of the OATT, and consists of two phases: (i) an initial phase to produce a rough estimate of the costs and benefits of concepts that could meet transmission needs driven by public policy requirements; and (ii) a follow-on phase designed to produce more detailed analysis and engineering work on transmission concepts identified in the first phase.

Public Policy Local Transmission Study is a study conducted by a PTO pursuant to the process set out in Section 1.6 of Attachment K Appendix 1 of the OATT, and consists of two phases: (i) an initial phase to produce an estimate of the costs and benefits of concepts that could meet transmission needs driven by public policy requirements; and (ii) a follow-on phase designed to produce more detailed analysis and engineering work on transmission concepts identified in the first phase.

Public Policy Transmission Upgrade is an addition and/or upgrade to the New England Transmission System that meets the voltage and non-voltage criteria for Public Policy Transmission Upgrade PTF classification specified in the OATT, and has been included in the Regional System Plan and RSP Project List as a Public Policy Transmission Upgrade pursuant to the procedures described in Section 4A of Attachment K of the OATT.

Publicly Owned Entity is defined in Section I of the Restated NEPOOL Agreement.

Qualification Data Submission Deadline is a date specified in the Capacity Auction Calendar by which a Lead Market Participant seeking to have a resource participate in the Annual Capacity Auction must submit qualification materials pursuant to Section III.15.2.1.1.

Qualification Data Submission Package is the package submitted to the ISO by a Lead Market Participant seeking to qualify a resource for the Annual Capacity Auction, Monthly Reconfiguration Auction, or Capacity Supply Obligation Bilateral pursuant to Section III.15.2.1.1.

Qualification Process Cost Reimbursement Deposit is described in Section III.13.1.9.3 of Market Rule 1 and shall apply to all resources subject to Section III.15.A of Market Rule 1.

Qualified Capacity is the amount of capacity a resource may provide in the summer or winter in a Capacity Commitment Period, as determined prior to the 2028-2029 Capacity Commitment Period in the Forward Capacity Market qualification processes, or, for the 2028-2029 Capacity Commitment Period and all Capacity Commitment Periods thereafter, through the Annual Capacity Market qualification and demonstration processes.

Qualified Capacity Challenge and Restoration Plan Submission Window is the period set forth in the Capacity Auction Calendar during which a Lead Market Participant may challenge the ISO-calculated summer and winter Qualified Capacity values of a Capacity Resource or submit a restoration plan to remedy a significant decrease in a Seasonal Qualified Capacity value of a Capacity Resource.

Qualified Capacity Challenge and Restoration Plan Submission Deadline is a date set forth in the Capacity Auction Calendar by which a Lead Market Participant may challenge the ISO-calculated summer and winter Qualified Capacity values of a Capacity Resource or submit a restoration plan to remedy a significant decrease in Qualified Capacity of a Capacity Resource..

Qualified Generator Reactive Resource(s) is any generator source of dynamic reactive power that meets the criteria specified in Schedule 2 of the OATT.

Qualified Non-Generator Reactive Resource(s) is any non-generator source of dynamic reactive power that meets the criteria specified in Schedule 2 of the OATT.

Qualified Reactive Resource(s) is any Qualified Generator Reactive Resource and/or Qualified Non-Generator Reactive Resource that meets the criteria specified in Schedule 2 of the OATT.

Qualified Transmission Project Sponsor is defined in Sections 4B.2 and 4B.3 of Attachment K of the OATT.

Queue Position has the meaning specified in Section I of Schedule 22, Attachment 1 to Schedule 23, and Section I of Schedule 25 of the OATT.

Rapid Response Pricing Asset is: (i) a Fast Start Generator; (ii) a Flexible DNE Dispatchable Generator; or (iii) a Binary Storage DARD with Offer Data specifying a Minimum Run Time and a Minimum Down Time not exceeding one hour each. A Rapid Response Pricing Asset shall also include a Fast Start

Demand Response Resource for which the Market Participant's Offer Data meets the following criteria: (i) Minimum Reduction Time does not exceed one hour; and (ii) Demand Response Resource Notification Time plus Demand Response Resource Start-Up Time does not exceed 30 minutes. A Rapid Response Pricing Asset shall also include a Fast Start Demand Response Distributed Energy Resource Aggregation for which the Market Participant's Offer Data meets the following criteria: (i) Minimum Reduction Time does not exceed one hour; and (ii) Demand Response Resource Notification Time plus Demand Response Resource Start-Up Time does not exceed 30 minutes.

Rapid Response Pricing Opportunity Cost is the NCPC Credit described in Section III.F.2.3.10.

Rated means a Market Participant that receives a credit rating from one or more of the Rating Agencies, or, if such Market Participant is not rated by one of the Rating Agencies, then a Market Participant that has outstanding unsecured debt rated by one or more of the Rating Agencies.

Rating Agencies are Standard and Poor's (S&P), Moody's, and Fitch.

Rationing Minimum Limit is the MW quantity below which a Capacity Offer may not be rationed in the Annual Capacity Auction.

RBA Decision is a written decision provided by the ISO to a Disputing Party and to the Chair of the NEPOOL Budget and Finance Subcommittee accepting or denying a Requested Billing Adjustment within twenty Business Days of the date the ISO distributes a Notice of RBA, unless some later date is agreed upon by the Disputing Party and the ISO.

Reactive Capability Audit is an audit that measures the ability of a Reactive Resource to provide or absorb reactive power to or from the transmission system at a specified real power output or consumption.

Reactive Resource is a device that dynamically adjusts reactive power output automatically in Real-Time over a continuous range, taking into account control system response bandwidth, within a specified voltage bandwidth in response to grid voltage changes. These resources operate to maintain a set-point voltage and include, but are not limited to, Generator Assets, Dispatchable Asset Related Demands that are part of an Electric Storage Facility, and dynamic transmission devices.

Reactive Supply and Voltage Control Service is the form of Ancillary Service described in Schedule 2 of the OATT.

Real-Time is a period in the current Operating Day for which the ISO dispatches Resources for energy and Regulation, designates Resources for Regulation and Operating Reserve and, if necessary, commits additional Resources.

Real-Time Adjusted Load Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Adjusted Load Obligation Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time Commitment NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Congestion Revenue is defined in Section III.3.2.1(i) of Market Rule 1.

Real-Time Demand Reduction Obligation is defined in Section III.3.2.1(c) of Market Rule 1.

Real-Time Demand Reduction Obligation Deviation is defined in Section III.3.2.1(e) of Market Rule 1.

Real-Time Dispatch NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Energy Inventory is a component of the spot payment that a Market Participant may receive through the inventoried energy program, as described in Section III.K.3.2.1 of Market Rule 1.

Real-Time Energy Market means the purchase or sale of energy, purchase of demand reductions, payment of Congestion Costs, and payment for losses for quantity deviations from the Day-Ahead Energy Market in the Operating Day and designation of and payment for provision of Operating Reserve in Real-Time.

Real-Time Energy Market Deviation Congestion Charge/Credit is defined in Section III.3.2.1(g) of Market Rule 1.

Real-Time Energy Market Deviation Energy Charge/Credit is defined in Section III.3.2.1(g) of Market Rule 1.

Real-Time Energy Market Deviation Loss Charge/Credit is defined in Section III.3.2.1(g) of Market Rule 1.

Real-Time Energy Market NCPC Credits are the Real-Time Commitment NCPC Credit and the Real-Time Dispatch NCPC Credit.

Real-Time External Transaction NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Generation Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Generation Obligation Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time High Operating Limit is the maximum output, in MW, of a Generator Asset that could be achieved, consistent with Good Utility Practice, in response to an ISO request for Energy (including pursuant to Section III.13.6.4 or Section III.15.7.4 of Market Rule 1), for each hour of the Operating Day, as reflected in the Generator Asset's Offer Data. This value is based on real-time operating conditions and the physical operating characteristics and operating permits of the facility and must be submitted for all Generator Assets (other than Settlement Only Resources).

Real-Time Load Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Load Obligation Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time Locational Adjusted Net Interchange is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Locational Adjusted Net Interchange Deviation is defined in Section III.3.2.1(d) of Market Rule 1.

Real-Time Loss Revenue is defined in Section III.3.2.1(l) of Market Rule 1.

Real-Time Loss Revenue Charges or Credits are defined in Section III.3.2.1(m) of Market Rule 1.

Real-Time NCP Load Obligation is the maximum hourly value, during a month, of a Market Participant's Real-Time Load Obligation summed over all Locations, excluding exports, in kilowatts.

Real-Time Offer Change is a modification to a Supply Offer pursuant to Section III.1.10.9(c).

Real-Time Posturing NCPC Credit for Generators (Other Than Limited Energy Resources) Postured for Reliability is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Posturing NCPC Credit for Limited Energy Resources Postured for Reliability is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time Prices means the Locational Marginal Prices resulting from the ISO's dispatch of the New England Markets in the Operating Day.

Real-Time Reserve Charge is a Market Participant's share of applicable system and Reserve Zone Real-Time Operating Reserve costs attributable to meeting the Real-Time Operating Reserve requirement as calculated in accordance with Section III.10 of Market Rule 1.

Real-Time Reserve Clearing Price is the Real-Time TMSR, TMNSR or TMOR clearing price, as applicable, for the system and each Reserve Zone that is calculated in accordance with Section III.2.7A of Market Rule 1.

Real-Time Reserve Credit is a Market Participant's compensation associated with that Market Participant's Resources' Reserve Quantity For Settlement as calculated in accordance with Section III.10 of Market Rule 1.

Real-Time Reserve Designation is the amount, in MW, of Operating Reserve designated to a Resource in Real-Time by the ISO as described in Section III.1.7.19 of Market Rule 1.

Real-Time Reserve Opportunity Cost is defined in Section III.2.7A(b) of Market Rule 1.

Real-Time SATOA Obligation is defined in Section III.3.2.1(b) of Market Rule 1.

Real-Time Synchronous Condensing NCPC Credit is an NCPC Credit calculated pursuant to Appendix F to Market Rule 1.

Real-Time System Adjusted Net Interchange means, for each hour, the sum of Real-Time Locational Adjusted Net Interchange for a Market Participant over all Locations, in kilowatts.

Receiving Party is the entity receiving the capacity and/or energy transmitted to Point(s) of Delivery under the OATT.

Reference Level is defined in Section III.A.7 of Appendix A of Market Rule 1.

Regional Benefit Upgrade(s) (RBU) means a Transmission Upgrade that: (i) is rated 115kV or above; (ii) meets all of the non-voltage criteria for PTF classification specified in the OATT; and (iii) is included in the Regional System Plan as either a Reliability Transmission Upgrade or a System Efficiency Transmission Upgrade identified as needed pursuant to Attachment K of the OATT. The category of RBU shall not include any Transmission Upgrade that has been categorized under any of the other categories specified in Schedule 12 of the OATT (e.g., an Elective Transmission Upgrade shall not also be categorized as an RBU). Any upgrades to transmission facilities rated below 115kV that were PTF prior to January 1, 2004 shall remain classified as PTF and be categorized as an RBU if, and for so long as, such upgrades meet the criteria for PTF specified in the OATT.

Regional Network Load is the load that a Network Customer designates for Regional Network Service under Part II.B of the OATT. The Network Customer's Regional Network Load shall include all load designated by the Network Customer (including losses). A Network Customer may elect to designate less than its total load as Regional Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Transmission Customer has elected not to designate a particular load at discrete Points of Delivery as Regional Network Load, the Transmission Customer is responsible for making separate arrangements under Part II.C of the OATT for any Point-To-Point Service that may be necessary for such non-designated load. A Network Customer's Monthly Regional Network Load shall be calculated in accordance with Section II.21.2 of the OATT.

Regional Network Service (RNS) is the transmission service over the PTF described in Part II.B of the OATT, including such service which is used with respect to Network Resources or Regional Network Load that is not physically interconnected with the PTF.

Regional Planning Dispute Resolution Process is described in Section 12 of Attachment K to the OATT.

Regional System Plan (RSP) is the plan developed under the process specified in Attachment K of the OATT.

Regional Transmission Service (RTS) is Regional Network Service and Through or Out Service as provided over the PTF in accordance with Section II.B, Section II.C, Schedule 8 and Schedule 9 of the OATT.

Regulation is the capability of a specific Resource with appropriate telecommunications, control and response capability to respond to an AGC SetPoint.

Regulation and Frequency Response Service is the form of Ancillary Service described in Schedule 3 of the OATT. The capability of performing Regulation and Frequency Response Service is referred to as automatic generation control (AGC).

Regulation Capacity is the lesser of five times the Automatic Response Rate and one-half of the difference between the Regulation High Limit and the Regulation Low Limit of a Resource capable of providing Regulation.

Regulation Capacity Requirement is the amount of Regulation Capacity required to maintain system control and reliability in the New England Control Area as calculated and posted on the ISO website.

Regulation Capacity Offer is an offer by a Market Participant to provide Regulation Capacity.

Regulation High Limit is an offer parameter that establishes the upper bound for AGC SetPoints and is used in the determination of a Resource's Regulation Capacity.

Regulation Low Limit is an offer parameter that establishes the lower bound for AGC SetPoints and is used in the determination of a Resource's Regulation Capacity.

Regulation Market is the market described in Section III.14 of Market Rule 1.

Regulation Resources are those Alternative Technology Regulation Resources and Generator Assets that satisfy the requirements of Section III.14.2. Regulation Resources are eligible to participate in the Regulation Market.

Regulation Service is the change in output or consumption made in response to changing AGC SetPoints.

Regulation Service Requirement is the estimated amount of Regulation Service required to maintain system control and reliability in the New England Control Area as calculated and posted on the ISO website.

Regulation Service Offer is an offer by a Market Participant to provide Regulation Service.

Related Person is defined pursuant to Section 1.1 of the Participants Agreement.

Related Transaction is defined in Section III.1.4.3 of Market Rule 1.

Reliability Administration Service (RAS) is the service provided by the ISO, as described in Schedule 3 of Section IV.A of the Tariff, in order to administer the Reliability Markets and provide other reliability-related and informational functions.

Reliability Committee is the committee whose responsibilities are specified in Section 8.2.3 of the Participants Agreement.

Reliability Markets are, collectively, the ISO's administration of Regulation, the Forward Capacity Market, the Annual Capacity Market, and Operating Reserve.

Reliability Region means any one of the regions identified on the ISO's website. Reliability Regions are intended to reflect the operating characteristics of, and the major transmission constraints on, the New England Transmission System.

Reliability Transmission Upgrade means those additions and upgrades not required by the interconnection of a generator that are nonetheless necessary to ensure the continued reliability of the New England Transmission System, taking into account load growth and known resource changes, and include those upgrades necessary to provide acceptable stability response, short circuit capability and system voltage levels, and those facilities required to provide adequate thermal capability and local voltage levels that cannot otherwise be achieved with reasonable assumptions for certain amounts of generation being unavailable (due to maintenance or forced outages) for purposes of long-term planning studies. Good Utility Practice, applicable reliability principles, guidelines, criteria, rules, procedures and standards of ERO and NPCC and any of their successors, applicable publicly available local reliability criteria, and the ISO System Rules, as they may be amended from time to time, will be used to define the system facilities required to maintain reliability in evaluating proposed Reliability Transmission Upgrades. A Reliability Transmission Upgrade may provide system efficiency benefits as well as reliability benefits to the New England Transmission System.

Remittance Advice is an issuance from the ISO for the net Payment owed to a Covered Entity where a Covered Entity's total Payments exceed its total Charges in a billing period.

Remittance Advice Date is the day on which the ISO issues a Remittance Advice.

Renewable Technology Resource is a Generating Capacity Resource or an On-Peak Demand Resource that satisfies the requirements specified in Section III.13.1.1.1.7.

Re-Offer Period is the period that normally occurs between the posting of the of the Day-Ahead Energy Market results and 2:00 p.m. on the day before the Operating Day during which a Market Participant may submit revised Supply Offers, revised External Transactions, or revised Demand Bids associated with Dispatchable Asset Related Demands or associated with Demand Response Resources or, revised Baseline Deviation Offers associated with Demand Response Distributed Energy Resource Aggregations.

Replacement Reserve is described in Part III, Section VII of ISO New England Operating Procedure No. 8.

Request for Alternative Proposals (RFAP) is the request described in Attachment K of the OATT.

Requested Billing Adjustment (RBA) is defined in Section 6.1 of the ISO New England Billing Policy.

Required Balance is an amount as defined in Section 5.3 of the Billing Policy.

Reseller is a MGTSA holder that sells, assigns or transfers its rights under its MGTSA, as described in Section II.45.1(a) of the OATT.

Reserve Adequacy Analysis is the analysis performed by the ISO to determine if adequate Resources are committed to meet forecasted load, Operating Reserve, and security constraint requirements for the current and next Operating Day.

Reserve Constraint Penalty Factors (RCPFs) are rates, in $/MWh, that are used within the Real-Time dispatch and pricing algorithm to reflect the value of Operating Reserve shortages and are defined in Section III.2.7A(c) of Market Rule 1, and that are used within the Day-Ahead Market security-constrained economic commitment and dispatch process to reflect the value of Day-Ahead Flexible Response Services shortages and defined in Section III.2.6.2(c) of Market Rule 1.

Reserve Quantity For Settlement is defined in Section III.10.1 of Market Rule 1.

Reserve Zone is defined in Section III.2.7 of Market Rule 1.

Reserved Capacity is the maximum amount of capacity and energy that is committed to the Transmission Customer for transmission over the New England Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II.C or Schedule 18, 20 or 21 of the OATT, as applicable. Reserved Capacity shall be expressed in terms of whole kilowatts on a sixty-minute interval (commencing on the clock hour) basis, or, in the case of Reserved Capacity for Local Point-to-Point Service, in terms of whole megawatts on a sixty-minute interval basis.

Resource means a Generator Asset, a Dispatchable Asset Related Demand, an External Resource, an External Transaction, a Demand Response Resource, a Settlement Only Distributed Energy Resource Aggregation, or a Demand Response Distributed Energy Resource Aggregation.

Resource Adequacy Assessment Qualified Capacity is the amount of summer and winter Qualified Capacity determined pursuant to Section III.15.3 of Market Rule 1 for all Capacity Resources identified in Section III.12.7.2(a) of Market Rule 1, at the start of the Resource Adequacy Assessment process that begins in June of the year preceding the relevant Capacity Commitment Period.

Restated New England Power Pool Agreement (RNA) is the Second Restated New England Power Pool Agreement, which restated for a second time by an amendment dated as of August 16, 2004 the New England Power Pool Agreement dated September 1, 1971, as the same may be amended and restated from time to time, governing the relationship among the NEPOOL members.

Rest-of-Pool Capacity Zone is a single Capacity Zone made up of the adjacent Load Zones that are neither export-constrained nor import-constrained.

Rest of System is an area established under Section III.2.7(d) of Market Rule 1.

Retail Delivery Point is the point on the transmission or distribution system at which the load of an end-use facility, which is metered and assigned a unique account number by the Host Participant, is measured to determine the amount of energy delivered to the facility from the transmission and distribution system. If an end-use facility is connected to the transmission or distribution system at more than one location, the Retail Delivery Point shall consist of the metered load at each connection point, summed to measure the net energy delivered to the facility in each interval.

Retirement De-List Bid is a bid in the Forward Capacity Market to retire an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource from all New England Markets, as described in Section III.13.1.2.3.1.5.

Returning Market Participant is a Market Participant, other than an FTR-Only Customer or a Governance Only Member, whose previous membership as a Market Participant was involuntarily terminated due to a Financial Assurance Default or a payment default and, since returning, has been a Market Participant for less than six consecutive months.

Revenue Requirement is defined in Section IV.A.2.1 of the Tariff.

Reviewable Action is defined in Section III.D.1.1 of Appendix D of Market Rule 1.

Reviewable Determination is defined in Section 12.4(a) of Attachment K to the OATT.

Round-Trip Efficiency is a percentage expressing the megawatt-hours of energy that an Electric Storage Facility injects onto the grid per megawatt-hour of energy it receives from the grid.

RSP Project List is defined in Section 1 of Attachment K to the OATT.

RTEP02 Upgrade(s) means a Transmission Upgrade that was included in the annual NEPOOL Transmission Plan (also known as the "Regional Transmission Expansion Plan" or "RTEP") for the year 2002, as approved by ISO New England Inc.'s Board of Directors, or the functional equivalent of such Transmission Upgrade, as determined by ISO New England Inc. The RTEP02 Upgrades are listed in Schedule 12B of the OATT.

RTO is a regional transmission organization or comparable independent transmission organization that complies with Order No. 2000 and the Commission's corresponding regulation.

Same Reserve Zone Export Transaction is defined in Section III.1.10.7(f)(iii) of Market Rule 1.

Schedule, Schedules, Schedule 1, 2, 3, 4 and 5 are references to the individual or collective schedules to Section IV.A. of the Tariff.

Schedule 20 Service Provider (SSP) references Schedule 20A Service Providers and/or Schedule 20B Service Provider.

Schedule 20A Service Provider is defined in Schedule 20A to Section II of this Tariff.

Schedule 20B Service Provider refers to NECEC as defined in Schedule 20B to Section II of this Tariff.

Scheduling Service, for purposes of Section IV.A and Section IV.B of the Tariff, is the service described in Schedule 1 to Section IV.A of the Tariff.

Scheduling, System Control and Dispatch Service, for purposes of Section II of the Tariff, is the form of Ancillary Service described in Schedule 1 of the OATT.

Seasonal Claimed Capability is the summer or winter claimed capability of a Generator Asset or Generating Capacity Resource, and represents the maximum dependable load carrying ability of the asset or resource, excluding capacity required for station use.

Seasonal Claimed Capability Audit is the Generator Asset audit performed pursuant to Section III.1.5.1.3.

Seasonal DR Audit is the Demand Response Resource audit performed pursuant to Section III.1.5.1.3.1.

Seasonal Peak Demand Capacity Resource is a type of Demand Capacity Resource and shall mean installed measures (e.g., products, equipment, systems, services, practices and/or strategies) on end-use customer facilities that reduce the total amount of electrical energy consumed during Demand Resource Seasonal Peak Hours, while delivering a comparable or acceptable level of end-use service. Such measures include Energy Efficiency, Load Management, and Distributed Generation.

Seasonal Qualified Capacity Notification Date is a date described in the Capacity Auction Calendar by which the ISO shall notify Market Participants of their Seasonal Qualified Capacity for the upcoming Capacity Commitment Period.

Seasonal Qualified Capacity Values are the summer and winter Qualified Capacity calculated by the ISO pursuant to Section 15.2.7.

Section III.1.4 Transactions are defined in Section III.1.4.2 of Market Rule 1.

Section III.1.4 Conforming Transactions are defined in Section III.1.4.2 of Market Rule 1.

Security Agreement is Attachment 1 to the ISO New England Financial Assurance Policy.

Selected Qualified Transmission Project Sponsor is the Qualified Transmission Project Sponsor that proposed the Phase Two Solution, Stage Two Solution, Longer-Term Proposal, or System Efficiency Transmission Upgrade Proposal that has been identified by the ISO as the preferred Phase Two Solution,

Stage Two Solution, Longer-Term Transmission Solution, or System Efficiency Transmission Upgrade Solution.

Selected Qualified Transmission Project Sponsor Agreement is the agreement between the ISO and a Selected Qualified Transmission Project Sponsor. The Selected Qualified Transmission Project Sponsor Agreement is provided in Attachment P to the OATT.

Self-Schedule is the action of a Market Participant in committing its Generator Asset or DARD, in accordance with applicable ISO New England Manuals, to provide service in an hour, whether or not in the absence of that action the Generator Asset or DARD would have been committed by the ISO to provide the service. For a Generator Asset, Self-Schedule is the action of a Market Participant in committing a Generator Asset to provide Energy in an hour at its Economic Minimum Limit, whether or not in the absence of that action the Generator Asset would have been committed by the ISO to provide the Energy. For a DARD, Self-Schedule is the action of a Market Participant in committing a DARD to consume Energy in an hour at its Minimum Consumption Limit, whether or not in the absence of that action the DARD would have been committed by the ISO to consume Energy. For an External Transaction in the Day-Ahead Energy Market, a Self-Schedule is a request by a Market Participant for the ISO to select the External Transaction subject to the conditions specified in Section III.1.10.1A(b)(iii) and (iv). For an External Transaction in the Real-Time Energy Market, a Self-Schedule is a request by a Market Participant for the ISO to select the External Transaction regardless of LMP. Demand Response Resources and Demand Response Distributed Energy Resource Aggregations are not permitted to Self-Schedule.

Self-Supplied FCA Resource is described in Section III.13.1.6 of Market Rule 1.

Self-Supplied Capacity Resource is described in Section III.15.2.9.1 of Market Rule 1.

Senior Officer means an officer of the subject entity with the title of vice president (or similar office) or higher, or another officer designated in writing to the ISO by that officer.

Service Agreement is a Transmission Service Agreement or an MPSA.

Service Commencement Date is the date service is to begin pursuant to the terms of an executed Service Agreement, or the date service begins in accordance with the sections of the OATT addressing the filing of unexecuted Service Agreements.

Services means, collectively, the Scheduling Service, EAS and RAS; individually, a Service.

Settlement Financial Assurance is an amount of financial assurance required from a Designated FTR Participant awarded a bid in an FTR Auction. This amount is calculated pursuant to Section VI.C of the ISO New England Financial Assurance Policy.

Settlement Only Distributed Energy Resource Aggregation (SODERA) is a type of Distributed Energy Resource Aggregation and is described in additional detail in Section III.6.6.

Settlement Only Resources are generators of less than 5 MW of maximum net output when operating at any temperature at or above zero degrees Fahrenheit, that meet the metering, interconnection and other requirements in ISO New England Operating Procedure No. 14 and that have elected Settlement Only Resource treatment as described in the ISO New England Manual for Registration and Performance Auditing.

Shortfall Funding Arrangement, as specified in Section 5.1 of the ISO New England Billing Policy, is a separate financing arrangement that can be used to make up any non-congestion related differences between amounts received on Invoices and amounts due for ISO Charges in any bill issued.

Short-Term is a period of less than one year.

Significantly Reduced Congestion Costs are defined in Section III.G.2.2 of Appendix G to Market Rule 1.

SMD Effective Date is March 1, 2003.

Solar High Limit is the estimated power output (MW) of a solar Generator Asset given the Real-Time solar and weather conditions, taking into account equipment outages, and absent any self-imposed reductions in power output or any reduction in power output as a result of a Dispatch Instruction, calculated in the manner described in the ISO Operating Documents.

Solar Plant Future Availability is the forecasted Real-Time High Operating Limit of a solar Generator Asset, calculated in the manner described in the ISO Operating Documents.

Solutions Study is described in Section 4.2(b) of Attachment K to the OATT.

Special Constraint Resource (SCR) is a Resource that provides Special Constraint Resource Service under Schedule 19 of the OATT.

Special Constraint Resource Service is the form of Ancillary Service described in Schedule 19 of the OATT.

Specified-Term Blackstart Capital Payment is the annual compensation level, as calculated pursuant to Section 5.1 of Schedule 16 of the OATT, for a Designated Blackstart Resource's capital Blackstart Equipment costs associated with the provision of Blackstart Service (except for capital costs associated with adhering to NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Sponsored Policy Resource is a resource, each asset of which: receives a revenue source, other than revenues from ISO-administered markets, that is supported by a government-regulated rate, charge, or other regulated cost recovery mechanism, and; qualifies as a renewable, clean, zero carbon, or alternative energy asset under a renewable energy portfolio standard, clean energy standard, decarbonization or net-zero carbon standard, alternative energy portfolio standard, renewable energy goal, clean energy goal, or decarbonization or net-zero carbon goal enacted by federal or New England state statute, regulation, or executive or administrative order and as a result of which the asset receives the revenue source.

Stage One Proposal is a first round submission, as defined in Section 4A.6 of Attachment K of the OATT, of a proposal for a Public Policy Transmission Upgrade by a Qualified Transmission Project Sponsor.

Stage Two Solution is a second round submission, as defined in Section 4A.8 of Attachment K of the OATT, of a proposal for a Public Policy Transmission Upgrade by a Qualified Transmission Project Sponsor.

Stakeholder-Requested Scenario is an Economic Study reference scenario that is described in Section 17.2(d) of Attachment K to the OATT.

Standard Blackstart Capital Payment is the annual compensation level, as calculated pursuant to Section 5.1 of Schedule 16 of the OATT, for a Designated Blackstart Resource's capital Blackstart Equipment costs associated with the provision of Blackstart Service (except for capital costs associated with adhering to NERC Critical Infrastructure Protection Reliability Standards as part of Blackstart Service).

Start-of-Round Price is the highest price associated with a round of a Forward Capacity Auction as described in Section III.13.2.3.1 of Market Rule 1.

Start-Up Fee is the amount, in dollars, that must be paid for a Generator Asset to Market Participants with an Ownership Share in the Generator Asset each time the Generator Asset is scheduled in the New England Markets to start-up.

Start-Up Time is the time it takes the Generator Asset, after synchronizing to the system, to reach its Economic Minimum Limit and, for dispatchable Generator Assets, be ready for further dispatch by the ISO.

State Estimator means the computer model of power flows specified in Section III.2.3 of Market Rule 1.

State of Charge is the total quantity of megawatt-hours available to be injected by an Electric Storage Facility onto the grid.

State-identified Requirement refers to a legal requirement, mandate or policy of a New England state or local government that forms the basis for a Longer-Term Transmission Study request submitted to the ISO pursuant to the process set out in Section 16 of Attachment K of the OATT.

Statements, for the purpose of the ISO New England Billing Policy, refer to both Invoices and Remittance Advices.

Static De-List Bid is a bid submitted by an Existing Generating Capacity Resource, Existing Import Capacity Resource, Existing Demand Capacity Resource, or Existing Distributed Energy Capacity Resource in the Forward Capacity Auction to remove itself from the capacity market for a one year period, as described in Section III.13.1.2.3.1.1 of Market Rule 1.

Station is one or more Generating Capacity Resources consisting of one or more assets located within a common property boundary.

Station Going Forward Common Costs are the net costs associated with a Station that are avoided only if none of the Generating Capacity Resources composing the Station acquire a Capacity Supply Obligation for the Capacity Commitment Period, or by deactivating all Generating Capacity Resources composing the Station.

Station-level Blackstart O&M Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Station-level Specified-Term Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Storage as Transmission-Only Asset (SATOA) is electric storage equipment that: (1) is connected to or to be connected to Pool Transmission Facilities in the New England Transmission System at a voltage level of 115 kV or higher; (2) the ISO approved to be included in the Regional System Plan and RSP Project List as a regulated transmission solution and Pool Transmission Facility pursuant to the regional system planning processes in Attachment K of the OATT; and (3) is capable of receiving energy only from the Pool Transmission Facilities and storing the energy for later injection to the Pool Transmission Facilities.

Station-level Standard Blackstart Capital Payment is defined and calculated as specified in Section 5.1.2 of Schedule 16 to the OATT.

Storage DARD is a DARD that participates in the New England Markets as part of an Electric Storage Facility, as described in Section III.1.10.6 of Market Rule 1.

Substation Network Upgrades has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Summer ARA Qualified Capacity is described in Section III.13.4.2.1.2.1.1.1 of Market Rule 1.

Summer Capability Period means one of two time periods defined by the ISO for the purposes of rating and auditing resources pursuant to Section III.9. The time period associated with the Summer Capability Period is the period of June 1 through September 30.

Summer Intermittent Reliability Hours are defined in Section III.13.1.2.2.2.1(c) or Section III.15.3.2.1(b) of Market Rule 1.

Supply Offer is a proposal to furnish energy at a Node or Regulation from a Resource that meets the applicable requirements set forth in the ISO New England Manuals submitted to the ISO by a Market Participant with authority to submit a Supply Offer for the Resource. The Supply Offer will be submitted pursuant to Market Rule 1 and applicable ISO New England Manuals, and include a price and information with respect to the quantity proposed to be furnished, technical parameters for the Resource, timing and other matters. A Supply Offer is a subset of the information required in a Market Participant's Offer Data.

Supply Offer Block-Hours are Block-Hours assigned to the Lead Market Participant for each Supply Offer. Blocks of the Supply Offer in effect for each hour will be totaled to determine the quantity of Supply Offer Block-Hours for a given day. In the case that a Resource has a Real-Time unit status of "unavailable" for the entire day, that day will not contribute to the quantity of Supply Offer Block-Hours. However, if the Resource has at least one hour of the day with a unit status of "available," the entire day will contribute to the quantity of Supply Offer Block-Hours.

Synchronous Condenser is a generator that is synchronized to the grid but supplying no energy for the purpose of providing Operating Reserve or VAR or voltage support.

System-Backed Export is defined in Section III.13.7.2.A.1 and Section III.15.8.2.A.1 of Market Rule 1.

System-Backed Export Charge is calculated in accordance with Section III.13.7.2.A.2 and Section III.15.8.2.A.2 of Market Rule 1.

System Condition is a specified condition on the New England Transmission System or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm MTF or OTF Service on the MTF or the OTF using the curtailment priority pursuant to Section II.44 of the Tariff or Curtailment of Local Long-Term Firm Point-to-Point Transmission Service on the non-PTF using the curtailment priority pursuant to Schedule 21 of the Tariff. Such conditions must be identified in the Transmission Customer's Service Agreement.

System Efficiency Needs Assessment is defined in Section 17.9 of Attachment K to the OATT.

System Efficiency Needs Scenario is an Economic Study reference scenario that is described in Section 17.2(b) of Attachment K to the OATT.

System Efficiency Transmission Upgrade is defined as those additions and upgrades that are not related to the interconnection of a generator, and, in the ISO's determination, are designed to reduce bulk power system costs to load system-wide, where financial benefits they provide exceed the cost of the transmission addition or upgrade.

System Efficiency Transmission Upgrade Proposal is a proposal submitted by a Qualified Transmission Project Sponsor pursuant to Section 17.12 of Attachment K to the OATT

System Efficiency Transmission Upgrade Solution is the System Efficiency Transmission Upgrade Proposal identified as the preferred solution pursuant to Section 17.12 of Attachment K to the OATT.

System Impact Study is an assessment pursuant to Part II.B, II.C, II.G, Schedule 21, Schedule 22, Schedule 23, or Schedule 25 of the OATT of (i) the adequacy of the PTF or Non-PTF to accommodate a request for the interconnection of a new or materially changed generating unit or a new or materially changed interconnection to another Control Area or new Regional Network Service or new Local Service or an Elective Transmission Upgrade, and (ii) whether any additional costs may be required to be incurred in order to provide the interconnection or transmission service.

System Network Upgrades has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

System Operator shall mean ISO New England Inc. or a successor organization.

System Operating Limit (SOL) has the meaning specified in the Glossary of Terms Used in NERC Reliability Standards.

System-Wide Capacity Demand Curve is the demand curve used in the Capacity Market as specified in Section III.13.2.2 or Section III.15.1.1.1.

TADO is the total amount due and owing (not including any amounts due under Section 14.1 of the RNA) at such time to the ISO, NEPOOL, the PTOs, the Market Participants and the Non-Market Participant Transmission Customers, by all PTOs, Market Participants and Non-Market Participant Transmission Customers.

Tangible Net Worth is the value, determined in accordance with international accounting standards or generally accepted accounting principles in the United States, of all of that entity's assets less the following: (i) assets the ISO reasonably believes to be restricted or potentially unavailable to settle a claim in the event of a default (e.g., regulatory assets, restricted assets, and Affiliate assets), net of any matching liabilities, to the extent that the result of that netting is a positive value; (ii) derivative assets, net of any matching liabilities, to the extent that the result of that netting is a positive value; (iii) the amount at which the liabilities of the entity would be shown on a balance sheet in accordance with international accounting standards or generally accepted accounting principles in the United States; (iv) preferred stock: (v) non-controlling interest; and (vi) all of that entity's intangible assets (e.g., patents, trademarks, franchises, intellectual property, goodwill and any other assets not having a physical existence), in each case as shown on the most recent financial statements provided by such entity to the ISO.

Technical Committee is defined in Section 8.2 of the Participants Agreement.

Ten-Minute Non-Spinning Reserve (TMNSR) is a form of ten-minute reserve capability, determined pursuant to Section III.1.7.19.2.

Ten-Minute Non-Spinning Reserve Service is the form of Ancillary Service described in Schedule 6 of the OATT.

Ten-Minute Reserve Requirement is the combined amount of TMSR and TMNSR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Ten-Minute Spinning Reserve (TMSR) is a form of ten-minute reserve capability, determined pursuant to Section III.1.7.19.2.

Ten-Minute Spinning Reserve Requirement is the amount of TMSR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Ten-Minute Spinning Reserve Service is the form of Ancillary Service described in Schedule 5 of the OATT.

Third-Party Sale is any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Regional Network Load or Local Network Load under the Regional Network Service or Local Network Service, as applicable.

Thirty-Minute Operating Reserve (TMOR) is a form of thirty-minute reserve capability, determined pursuant to Section III.1.7.19.2.

Thirty-Minute Operating Reserve Service is the form of Ancillary Service described in Schedule 7 of the OATT.

Through or Out Rate (TOUT Rate) is the rate per hour for Through or Out Service, as defined in Section II.25.2 of the OATT.

Through or Out Service (TOUT Service) means Point-To-Point Service over the PTF provided by the ISO with respect to a transaction that goes through the New England Control Area, as, for example, a single transaction where energy or capacity is transmitted into the New England Control Area from New Brunswick and subsequently out of the New England Control Area to New York, or a single transaction where energy or capacity is transmitted into the New England Control Area from New York through one point on the PTF and subsequently flows over the PTF prior to passing out of the New England Control Area to New York, or with respect to a transaction which originates at a point on the PTF and flows over the PTF prior to passing out of the New England Control Area, as, for example, from Boston to New York.

Tie-Line Asset is a physical transmission tie-line, or an inter-state or intra-state border arrangement created according to the ISO New England Manuals and registered in accordance with the Asset Registration Process.

Total Available Amount is the sum of the available amount of the Shortfall Funding Arrangement and the balance in the Payment Default Shortfall Fund.

Total Blackstart Capital Payment is the annual compensation calculated under either Section 5.1 or Section 5.2 of Schedule 16 of the OATT, as applicable.

Total Blackstart Service Payments is monthly compensation to Blackstart Owners or Market Participants, as applicable, and as calculated pursuant to Section 5.6 of Schedule 16 to the OATT.

Total Reserve Requirement, which includes Replacement Reserve, is the combined amount of TMSR, TMNSR, and TMOR required system-wide as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Total System Capacity is the aggregate capacity supply curve for the New England Control Area as determined in accordance with Section III.13.2.3.3 of Market Rule 1.

Transaction Unit (TU) is a type of billing determinant under Schedule 2 of Section IV.A of the Tariff used to assess charges to Customers.

Transition Period: The six-year period commencing on March 1, 1997.

Transmission Charges, for the purposes of the ISO New England Financial Assurance Policy and the ISO New England Billing Policy, are all charges and payments under Schedules 1, 8 and 9 of the OATT.

Transmission Congestion Credit means the allocated share of total Transmission Congestion Revenue credited to each holder of Financial Transmission Rights, calculated and allocated as specified in Section III.5.2 of Market Rule 1.

Transmission Congestion Revenue is defined in Section III.5.2.5(a) of Market Rule 1.

Transmission Constraint Penalty Factors are described in Section III.1.7.5 of Market Rule 1.

Transmission Credit Limit is a credit limit, not to be used to meet FTR Requirements, established for each Market Participant in accordance with Section II.D and each Non-Market Participant Transmission Customer in accordance with Section V.B.2 of the ISO New England Financial Assurance Policy.

Transmission Credit Test Percentage is calculated in accordance with Section III.B.1(c) of the ISO New England Financial Assurance Policy.

Transmission Customer is any Eligible Customer that (i) executes, on its own behalf or through its Designated Agent, an MPSA or TSA, or (ii) requests in writing, on its own behalf or through its Designated Agent, that the ISO, the Transmission Owner, or the Schedule 20 Service Provider, as applicable, file with the Commission, a proposed unexecuted MPSA or TSA containing terms and conditions deemed appropriate by the ISO (in consultation with the applicable PTO, OTO or Schedule 20 Service Provider) in order that the Eligible Customer may receive transmission service under Section II of this Tariff. A Transmission Customer under Section II of this Tariff includes a Market Participant or a Non-Market Participant taking Regional Network Service, Through or Out Service, MTF Service, OTF Service, Ancillary Services, or Local Service.

Transmission Default Amount is all or any part of any amount of Transmission Charges due to be paid by any Covered Entity that the ISO, in its reasonable opinion, believes will not or has not been paid when due.

Transmission Default Period is defined in Section 3.4.f of the ISO New England Billing Policy.

Transmission Late Payment Account is defined in Section 4.2 of the ISO New England Billing Policy.

Transmission Late Payment Account Limit is defined in Section 4.2 of the ISO New England Billing Policy.

Transmission Late Payment Charge is defined in Section 4.1 of the ISO New England Billing Policy.

Transmission, Markets and Services Tariff (Tariff) is the ISO New England Inc. Transmission, Markets and Services Tariff, as amended from time to time.

Transmission Obligations are determined in accordance with Section III.A(vi) of the ISO New England Financial Assurance Policy.

Transmission Operating Agreement (TOA) is the Transmission Operating Agreement between and among the ISO and the PTOs, as amended and restated from time to time.

Transmission Owner means a PTO, MTO or OTO.

Transmission Provider is the ISO for Regional Network Service and Through or Out Service as provided under Section II.B and II.C of the OATT; Cross-Sound Cable, LLC for Merchant Transmission Service as provided under Schedule 18 of the OATT; the Schedule 20A Service Providers for Phase I/II HVDC-TF Service as provided under Schedule 20A of the OATT; the Schedule 20B Service Provider for NECEC Transmission Line Transmission Service as provided under Schedule 20B of the OATT; and the Participating Transmission Owners for Local Service as provided under Schedule 21 of the OATT.

Transmission Requirements are determined in accordance with Section III.A(iii) of the ISO New England Financial Assurance Policy.

Transmission Security Analysis Requirement shall be determined pursuant to Section III.12.2.1.2.

Transmission Service Agreement (TSA) is the initial agreement and any amendments or supplements thereto: (A) in the form specified in either Attachment A or B to the OATT, entered into by the Transmission Customer and the ISO for Regional Network Service or Through or Out Service; (B) entered into by the Transmission Customer with the ISO and PTO in the form specified in Attachment A to Schedule 21 of the OATT; (C) entered into by the Transmission Customer with an OTO or Schedule 20 Service Provider in the appropriate form specified under Schedule 20 of the OATT; or (D) entered into by the Transmission Customer with a MTO in the appropriate form specified under Schedule 18 of the OATT. A Transmission Service Agreement shall be required for Local Service, MTF Service and OTF Service, and shall be required for Regional Network Service and Through or Out Service if the Transmission Customer has not executed a MPSA.

Transmission Upgrade(s) means an upgrade, modification or addition to the PTF that becomes subject to the terms and conditions of the OATT governing rates and service on the PTF on or after January 1, 2004. This categorization and cost allocation of Transmission Upgrades shall be as provided for in Schedule 12 of the OATT.

Transitional Cluster Study has the meaning specified in Section I of Schedule 22, Section 1 of 23, and Section I of 25 of the OATT.

Transitional CNR Group Study has the meaning specified in Section I of Schedule 22, Section I of 23, and Section I of 25 of the OATT.

UDS is unit dispatch system software.

Unconstrained Export Transaction is defined in Section III.1.10.7(f)(iv) of Market Rule 1.

Uncovered Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Uncovered Transmission Default Amounts are defined in Section 3.4.f of the ISO New England Billing Policy.

Unrated means a Market Participant that is not a Rated Market Participant.

Unsecured Covered Entity is, collectively, an Unsecured Municipal Market Participant and an Unsecured Non-Municipal Covered Entity.

Unsecured Municipal Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Unsecured Municipal Market Participant is defined in Section 3.3(h) of the ISO New England Billing Policy.

Unsecured Municipal Transmission Default Amount is defined in Section 3.4.f of the ISO New England Billing Policy.

Unsecured Non-Municipal Covered Entity is a Covered Entity that is not a Municipal Market Participant or a Non-Market Participant Transmission Customer and has a Market Credit Limit or Transmission Credit Limit of greater than $0 under the ISO New England Financial Assurance Policy.

Unsecured Non-Municipal Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Unsecured Non-Municipal Transmission Default Amount is defined in Section 3.3(i) of the ISO New England Billing Policy.

Unsecured Transmission Default Amounts are, collectively, the Unsecured Municipal Transmission Default Amount and the Unsecured Non-Municipal Transmission Default Amount.

Unsettled FTR Financial Assurance is an amount of financial assurance required from a Designated FTR Participant as calculated pursuant to Section VI.B of the ISO New England Financial Assurance Policy.

Updated Measurement and Verification Plan is an optional Measurement and Verification Plan that may be submitted as part of a subsequent qualification process for a Forward Capacity Auction prior to the beginning of the Capacity Commitment Period of the On-Peak Demand Resource or Seasonal Peak Demand Response project. The Updated Measurement and Verification Plan may include updated project specifications, measurement and verification protocols, and performance data as described in Section III.13.1.4.3.1.2 of Market Rule 1, and the ISO New England Manuals.

VAR CC Rate is the CC rate paid to Qualified Reactive Resources for VAR Service capability under Section IV.A of Schedule 2 of the OATT.

VAR Payment is the payment made to Qualified Reactive Resources for VAR Service capability under Section IV.A of Schedule 2 of the OATT.

VAR Service is the provision of reactive power voltage support to the New England Transmission System by a Qualified Reactive Resource or by other generators that are dispatched by the ISO to provide dynamic reactive power as described in Schedule 2 of the OATT.

Virtual Cap is $2,000/MWh.

Virtual Requirements are determined in accordance with Section III.A(iv) of the ISO New England Financial Assurance Policy.

Volt Ampere Reactive (VAR) is a measurement of reactive power.

Volumetric Measure (VM) is a type of billing determinant under Schedule 2 of Section IV.A of the Tariff used to assess charges to Customers under Section IV.A of the Tariff.

Wind High Limit is the estimated power output (MW) of a wind Generator Asset given the Real-Time weather conditions, taking into account equipment outages, and absent any self-imposed reductions in power output or any reduction in power output as a result of a Dispatch Instruction, calculated in the manner described in the ISO Operating Documents.

Wind Plant Future Availability is the forecasted Real-Time High Operating Limit of a wind Generator Asset, calculated in the manner described in the ISO Operating Documents.

Winter ARA Qualified Capacity is described in Section III.13.4.2.1.2.1.1.2 of Market Rule 1.

Winter Capability Period means one of two time periods defined by the ISO for the purposes of rating and auditing resources pursuant to Section III.9. The time period associated with the Winter Capability Period is the period October 1 through May 31.

Winter Intermittent Reliability Hours are defined in Section III.13.1.2.2.2.2(c) or Section III.15.3.2.2(b) of Market Rule 1.

Year means a period of 365 or 366 days, whichever is appropriate, commencing on, or on the anniversary of March 1, 1997. Year One is the Year commencing on March 1, 1997, and Years Two and higher follow it in sequence.

Zonal Price is calculated in accordance with Section III.2.7 of Market Rule 1.

Zonal Capacity Obligation is calculated in accordance with Section III.13.7.5.2 and Section III.15.8.5.2 of Market Rule 1.

Zonal Reserve Requirement is the combined amount of TMSR, TMNSR, and TMOR required for a Reserve Zone as described in Section III.2.7A and ISO New England Operating Procedure No. 8.

Table of Contents

II.A. COMMON SERVICE PROVISIONS

- II.1 Definitions
- II.2 Purpose of This OATT
- II.3 Market Rule 1
- II.4 Ancillary Services
  - II.4.1 Scheduling, System Control and Dispatch Service
  - II.4.2 Reactive Supply and Voltage Control Service
  - II.4.3 Regulation and Frequency Response Service
  - II.4.4 Energy Imbalance Service
  - II.4.5 Ten Minute Spinning Reserve Service
  - II.4.6 Ten-Minute Non-Spinning Reserve Service
  - II.4.6A Thirty-Minute Operating Reserve Service
  - II.4.7 Blackstart Service
  - II.4.8 Generator Imbalance Service
  - II.4.9 Special Constraint Resource Service
- II.5 Open Access Same-Time Information System (OASIS)
- II.6 Local Furnishing and Other Tax-Exempt Bonds
  - II.6.1 Transmission Owners That Own Facilities Financed by Local Furnishing or Other Tax-Exempt Bonds
  - II.6.2 Alternative Procedures for Requesting Transmission Service -Local Furnishing Bonds
  - II.6.3 Alternative Procedures for Requesting Transmission Service – Other Tax-Exempt Bonds
- II.7 Reciprocity
- II.8 Billing and Invoicing; Accounting
  - II.8.1 Billing Procedure
  - II.8.2 Invoicing
- II.8.3 Interest on Unpaid Balances
- II.8.4 Customer Default
- II.8.5 Study Costs and Revenues
- II.8.6 Billing and Invoicing For Other Services and Transactions

II.8.7 Study Costs and Revenues of a Non-Incumbent Transmission Developer
II.8.8 Refund Obligations and Surcharge Rights Associated With Adjustments to Regional and Local Rates
II.8.9 Creditworthiness
II.9 Regulatory Filings
II.10 Stranded Costs
II.10.1 General
II.10.2 Commission Requirements
II.10.3 Wholesale Contracts
II.10.4 Right to Seek or Contest Recovery Unimpaired
II.B. REGIONAL NETWORK SERVICE
II.11 Nature of Regional Network Service
II.12 Availability of Regional Network Service
II.12.1 Provision of Regional Network Service
II.12.2 Eligibility to Receive Regional Network Service
II.13 [Reserved]
II.14 [Reserved]
II.15 Nature of Regional Network Service
II.15.1 Scope of Service
II.15.2 ISO and PTO Responsibilities
II.15.3 Real Power Losses
II.15.4 Restrictions on Use of Service
II.16 Initiating Service
II.16.1 Condition Precedent for Receiving Service
II.16.2 Application Procedures
II.16.3 Technical Arrangements to be Completed Prior to Commencement of Service
II.16.4 Network Customer Facilities
II.16.5 Filing of Transmission Service Agreement
II.17 Network Resources
II.17.1 Designation of Network Resources
II.17.2 Designation of New Network Resources
II.17.3 Termination of Network Resources
II.17.4 Network Customer Redispatch Obligation

II.17.5 Transmission Arrangements for Network Resources Not Physically Interconnected With The PTF
II.17.6 Limitation on Designation of Resources
II.17.7 Use of Interface Capacity by the Network Customer
II.18 Designation of Regional Network Load
II.18.1 Regional Network Load
II.18.2 Regional Network Load Located Within the New England Control Area
II.18.3 Regional Network Load Located Outside the New England Control Area
II.18.4 New Interconnection Points
II.18.5 Changes in Service Requests
II.18.6 Annual Load and Resource Information Updates
II.19 Study Procedures For Regional Network Service Requests
II.19.1 Notice of Need for System Impact Study
II.19.2 System Impact Study Agreement and Cost Reimbursement
II.19.3 System Impact Study Procedures
II.19.4 Facilities Study Procedures
II.19.5 Penalties for Failure to Meet Study Deadlines
II.19.6 Clustering of Regional Network Service Studies
II.20 Load Shedding and Curtailments
II.20.1 Procedures
II.20.2 Transmission Constraints
II.20.3 Cost Responsibility for Relieving Transmission Constraints
II.20.4 Curtailments of Scheduled Deliveries
II.20.5 Allocation of Curtailments
II.20.6 Load Shedding
II.20.7 System Reliability
II.21 Rates and Charges
II.21.1 Regional Network Service
II.21.2 Determination of Network Customer's Monthly Regional Network Load
II.21.3 Exception to Payment for Regional Network Service
II.22 Operating Arrangements
II.22.1 Network Customer Obligation
II.22.2 General Network Operating Terms and Conditions
II.22.3 Network Resource Obligations

II.22.4 Obligations for Delivery to Load

II.22.5 Default

II.23 Application of Part II.B to Transmission Customers

II.C. THROUGH OR OUT SERVICE; LOCAL SERVICE; MTF SERVICE; OTF SERVICE

II.24 Through or Out Service

II.24.1 Provision of Through or Out Service

II.24.2 Use of Through or Out Service

II.25 Payment and Rate for Through or Out Service

II.25.1 Payment for Through or Out Service

II.25.2 Rate for Through or Out Service ("TOUT Rate")

II.25.3 Exceptions to Payment for Through or Out Service

II.26 Reservation of Capacity for Through or Out Service

II.27 MTF Service

II.28 Local Service

II.29 OTF Service

II.30 Nature of Through or Out Service

II.30.1 Term

II.30.2 Transmission Priority

II.30.3 Use of Through or Out Service by the Transmission Owners or Schedule 20 Service Providers

II.30.4 Service Agreements

II.30.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs

II.30.6 Classification of Through or Out Service

II.31 Service Availability

II.31.1 General Conditions

II.31.2 Determination of Available Transmission Capability on MTF, non-PTF, OTF, and PTF

II.31.3 Initiating Service in the Absence of an Executed Transmission Service Agreement

II.31.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the New England Transmission System

II.31.5 Deferral of Service

II.31.6 Real Power Losses

II.31.7 Load Shedding

II.32 Transmission Customer Responsibilities
II.32.1 Conditions Required of Transmission Customers
II.32.2 Transmission Customer Responsibility for Third-Party Arrangements
II.33 Procedures for Arranging Through or Out Service
II.33.1 Application
II.33.2 Completed Application
II.33.3 Deposit
II.33.4 Notice of Deficient Application
II.33.5 Execution of Transmission Service Agreement
II.34 Study Procedures For Through or Out Service Requests
II.34.1 Notice of Need for System Impact Study
II.34.2 System Impact Study Agreement and Cost Reimbursement
II.34.3 System Impact Study Procedures
II.34.4 Facilities Study Procedures
II.34.5 Facilities Study Modifications
II.34.6 Due Diligence in Completing New Facilities
II.34.7 Expedited Procedures for New Facilities
II.34.8 Penalties for Failure to Meet Study Deadlines
II.35 New Transmission Facilities for Through or Out Service
II.35.1 Delays in Construction of New Facilities
II.35.2 Alternatives to the Original Facility Additions
II.35.3 Refund Obligation for Unfinished Facility Additions
II.36 Provisions Relating to the Systems of Other Utilities
II.36.1 Responsibility for Third Party System Additions
II.36.2 Coordination of Third Party System Additions
II.37 Metering and Power Factor at Points of Receipt and Delivery
II.37.1 Transmission Customer Obligations
II.37.2 ISO Access to Metering Data
II.37.3 Power Factor
II.38 Compensation for New Facilities and Redispatch Costs
II.D. TRANSITION PERIOD SERVICE; EXCEPTED TRANSACTIONS
II.39 Transition Arrangements
II.40 Excepted Transactions
II.E. CONGESTION MANAGEMENT ON THE NE TRANSMISSION SYSTEM

II.41 Congestion Costs and Congestion Revenue
II.42 Financial Transmission Rights
II.43 Auction Revenue Rights and Incremental ARRs
II.F. EXTERNAL TRANSACTIONS
II.44 Scheduling and Curtailment
II.45 Grandfathered Agreements
II.45.1 MEPCO Grandfathered Transmission Service Agreements (MGTSAs) over the New Brunswick/New England Interface
II.G. SYSTEM PLANNING, ADDITIONS AND MODIFICATIONS
II.46 General
II.47 Interconnection Procedures and Requirements
II.47.1 Interconnection of Generating Unit Under the Capacity Capability Interconnection Standard or the Network Capability Interconnection Standard
II.47.2 Generator Interconnection Proposal Review
II.47.3 Generator Right to Interconnection
II.47.4 Compliance with Schedule 11
II.47.5 Interconnection of Elective Transmission Upgrades
II.48 Interconnection Service Capabilities
II.48.1 Establishing CNR Capability and CNI Capability
II.48.2 Establishing NR Capability and NI Capability
II.48.3 Reductions to CNR Capability and CNI Capability
II.48.4 Reductions to NR Capability and NI Capability
II.H. OTHER TRANSMISSION PROVISIONS
II.49 Definition of PTF
II.50 Additions to or Upgrades of PTF
II.51 Treatment of SATOA
II.51.1 Evaluation and Selection of a SATOA
II.51.2 Operation of SATOAs
II.51.3 Transmission Service Associated with SATOA Operation
II.I. DEACTIVATION
II.52 Deactivation Notification Process
II.52.1 Deactivation Notification Deadline
II.52.2 Deactivations Requiring Deactivation Notification

II.52.3 Deactivation Notification Package
II.52.4 Publication of Deactivation Notifications
II.53 Deactivation Notification Review
II.53.1 Deactivation Notification Reliability Review
II.53.2. Resources Necessary for Reliability
II.54 Compensation of Resources Delaying Deactivation
II.54.1 Compensation Election of Resources Delaying Deactivation
II.54.2 Allocation of Costs Associated with Delayed Deactivation
II.54.3. Compensation for Delayed Deactivation of Stations Having Common Costs
II.54.4 Amended Obligations of a Cost of Service Agreement
II.54.5 Incremental Costs of Reliability Service for Resources Delaying Deactivation
II.55 Deactivation Acceptance
II.55.1 Notification to Lead Market Participant
II.55.2 Accepted Deactivation Notifications
II.55.3 Accelerated Deactivation

II.J TRANSMISSION SERVICES FOR LARGE LOADS
II.56 Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service
II.56.1 Provision of Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service
II.56.2 Eligibility to Receive Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service
II.57 Nature of Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service
II.57.1 Scope of Service
II.57.1.1 Firm Contract Demand Service
II.57.1.2 Interim Contract Demand Service
II.57.1.3 Non-Firm Contract Demand Service
II.57.1.4 Price-Based Redispatch of Non-Firm Large Loads
II.57.1.5 Compliance With Other Applicable OATT Requirements
II.57.2 ISO and PTO Responsibilities
II.57.3 Restrictions on Use of Service
II.58 Initiating Service

II.58.1 Conditions Precedent for Receiving Service
II.58.2 Application Procedures
II.58.3 OASIS Posting
II.58.4 Cost of Large Load Network Upgrades Posting
II.58.5 Technical Arrangements to be Completed Prior to Commencement of Service
II.58.6 Completion of Large Load Facilities
II.59 Large Load Designated Capacity
II.59.1 Designation of New Capacity for a Firm Contract Demand Service Large Load
II.60 Large Load Study Procedures
II.60.1 Large Load Scoping Meeting
II.60.2 Scope of Large Load System Impact Study
II.60.3 Large Load System Impact Study Procedures
II.60.4 Cluster and Other Study Coordination
II.60.5 Large Load System Impact Study Report Review Meeting
II.60.6 Large Load Facilities Study Procedures
II.60.7 Large Load Transmission Service Agreement Negotiation and Execution
II.60.8 Large Load Material Modification
II.60.9 Coordination of Studies to Support a Non-Firm Large Load Generator Arrangement
II.61 Redispatch and Load Shedding
II.61.1 Procedures
II.61.2 Transmission Constraints
II.61.3 Load Shedding
II.61.4 System Reliability
II.62 Determination of Large Load Transmission Customer's Demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service
II.62.1 Billing and Charges
II.62.2 Firm Contract Demand
II.62.3 Monthly Non-Firm Contract Demand
II.62.4 Monthly Interim Contract Demand
II.63 Operating Arrangements
II.63.1 Large Load Transmission Customer Obligation
II.63.2 General Network Operating Terms and Conditions

II.63.3 Default
SCHEDULE 1 SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE
SCHEDULE 1 IMPLEMENTATION RULE
APPENDIX A TO SCHEDULE 1 IMPLEMENTATION RULE NSTAR ELECTRIC COMPANY (EAST) SCADA
APPENDIX B TO SCHEDULE 1 IMPLEMENTATION RULE CENTRAL MAINE POWER COMPANY LOCAL CONTROL CENTER
APPENDIX C TO SCHEDULE 1 IMPLEMENTATION RULE CL&P DISPATCH REVENUE REQUIREMENT
APPENDIX D TO SCHEDULE 1 IMPLEMENTATION RULE – WORKSHEET 1 – ADIT WORKSHEET
APPENDIX D TO SCHEDULE 1 IMPLEMENTATION RULE – WORKSHEET – REMEASUREMENT WORKSHEETSCHEDULE 2 REACTIVE SUPPLY AND VOLTAGE CONTROL SERVICE
SCHEDULE 3 REGULATION AND FREQUENCY RESPONSE SERVICE
SCHEDULE 4 ENERGY IMBALANCE SERVICE
SCHEDULE 5 TEN-MINUTE SPINNING RESERVE SERVICE
SCHEDULE 6 TEN-MINUTE NON-SPINNING RESERVE SERVICE
SCHEDULE 7 THIRTY-MINUTE OPERATING RESERVE SERVICE
SCHEDULE 8 THROUGH OR OUT SERVICE
SCHEDULE 9 REGIONAL NETWORK SERVICE
SCHEDULE 9A LARGE LOAD TRANSMISSION SERVICES
SCHEDULE 10 GENERATOR IMBALANCE SERVICE
SCHEDULE 11 GENERATOR INTERCONNECTION RELATED UPGRADE COSTS AND ELECTIVE TRANSMISSION INTERCONNECTION RELATED UPGRADE COSTS
SCHEDULE 12 TRANSMISSION COST ALLOCATION ON AND AFTER JANUARY 1, 2004
SCHEDULE 12A NEMA UPGRADES
SCHEDULE 12B RTEP02 UPGRADES
SCHEDULE 12C DETERMINATION OF LOCALIZED COSTS ON AND AFTER JANUARY 1, 2004
SCHEDULE 13 RECOVERY OF PUBLIC POLICY COSTS BY NON-INCUMBENT TRANSMISSION DEVELOPERS
SCHEDULE 14 RECOVERY OF REGIONAL BENEFIT UPGRADE COSTS BY NON-INCUMBENT TRANSMISSION DEVELOPERS RELATED TO PHASE 2 SOLUTIONS FOR RELIABILITY TRANSMISSION UPGRADES

SCHEDULE 14A RECOVERY OF LONGER-TERM TRANSMISSION UPGRADE COSTS BY NON-INCUMBENT TRANSMISSION DEVELOPERS
SCHEDULE 14 B RECOVERY OF SYSTEM EFFICIENCY TRANSMISSION UPGRADE COSTS BY NON-INCUMBENT TRANSMISSION DEVELOPERS
SCHEDULE 15 NORTHEASTERN INTERREGIONAL COST ALLOCATION METHODOLOGY
SCHEDULE 16 BLACKSTART SERVICE
SCHEDULE 17 RECOVERY OF CRITICAL INFRASTRUCTURE PROTECTION COSTS BY FACILITIES CRITICAL TO THE DERIVATION OF INTERCONNECTION RELIABILITY OPERATING LIMITS
SCHEDULE 18 MTF; MTF SERVICE
SCHEDULE 18 IMPLEMENTATION RULE - CROSS-SOUND CABLE COMPANY, LLC PROCEDURES FOR THE REASSIGNMENT OF TRANSMISSION RIGHTS
SCHEDULE 18 ATTACHMENTS
SCHEDULE 19 SPECIAL CONSTRAINT RESOURCE SERVICE
SCHEDULE 20 OTHER TRANSMISSION FACILITIES AND SERVICE
SCHEDULE 20A POINT-TO-POINT SERVICE OVER THE PHASE I//II HVDC TRANSMISSION FACILITIES
SCHEDULE 20B RESALE OR REASSIGNMENT OF POINT-TO-POINT TRANSMISSION SERVICE OVER THE NEW ENGLAND CLEAN ENERGY CONNECT
SCHEDULE 21 LOCAL SERVICE
SCHEDULE 22 LARGE GENERATOR INTERCONNECTION PROCEDURES
SCHEDULE 23 SMALL GENERATOR INTERCONNECTION PROCEDURES
SCHEDULE 24 INCORPORATION BY REFERENCE OF NAESB STANDARDS
SCHEDULE 25 ELECTIVE TRANSMISSION UPGRADE INTERCONNECTION PROCEDURES
ATTACHMENT A SERVICE AGREEMENT FOR THROUGH OR OUT SERVICE
ATTACHMENT B SERVICE AGREEMENT FOR REGIONAL NETWORK SERVICE
ATTACHMENT C AVAILABLE TRANSFER CAPABILITY METHODOLOGY
ATTACHMENT D METHODOLOGY FOR COMPLETING A SYSTEM IMPACT STUDY
ATTACHMENT E LOCAL NETWORKS
ATTACHMENT F ANNUAL TRANSMISSION REVENUE REQUIREMENTS
ATTACHMENT F IMPLEMENTATION RULE
APPENDIX A TO ATTACHMENT F – ATRR TEMPLATE COVER
APPENDIX A TO ATTACHMENT F - ATRR TEMPLATE

APPENDIX B TO ATTACHMENT F – ALLOCATION CALCS, RS, LS & SCHEDULE 12C COVER
APPENDIX B TO ATTACHMENT F – ALLOCATION CALCS, RS, LS & SCHEDULE 12C
APPENDIX B-ATT 1 TO ATTACHMENT F – REGIONAL SERVICE REVENUE REQUIREMENTS
APPENDIX B-ATT 2 – LOCAL SERVICE ANNUAL TRANSMISSION REVENUE REQUIREMENTS
APPENDIX B-ATT 3 – SCHEDULE 12C COSTS ANNUAL TRANSMISSION REVENUE REQUIREMENTS
APPENDIX C TO ATTACHMENT F – INTERIM FORMULA RATE PROTOCOLS
APPENDIX D TO ATTACHMENT F – INDIVIDUAL PTO STATED DEPRECIATION AND AMORTIZATION RATES
APPENDIX E TO ATTACHMENT F – RULES FOR DETERMINING INVESTMENT TO BE INCLUDED IN PTF

ATTACHMENT G LIST OF EXCEPTED TRANSACTION AGREEMENTS
ATTACHMENT G-1 LIST OF EXCEPTED AGREEMENTS
ATTACHMENT G-2 LIST OF CERTAIN ARRANGEMENTS OVER EXTERNAL TIES
ADDENDUM TO ATTACHMENTS G
ATTACHMENT G-3 COMPLETE LIST OF EXCEPTED TRANSACTION (TRANSMISSION) AGREEMENTS OVER EXTERNAL TIES
ATTACHMENT H MEPCO GRANDFATHERED TRANSMISSION SERVICE AGREEMENTS ("MGTSAs")
ATTACHMENT H-1 FORM OF SERVICE AGREEMENT FOR THE RESALE, REASSIGNMENT OR TRANSFER OF MEPCO GRANDFATHERED TRANSMISSION SERVICE AGREEMENT (MGTSA)
ATTACHMENT I SYSTEM IMPACT STUDY AGREEMENT
EXHIBIT 1 INFORMATION FOR SYSTEM IMPACT STUDY
EXHIBIT 2 STUDY TIMETABLE
EXHIBIT 3 PREPAYMENT SCHEDULE
ATTACHMENT J FACILITIES STUDY AGREEMENT
EXHIBIT 1 SCOPE OF WORK
EXHIBIT 2 STUDY TIMETABLE
EXHIBIT 3 PREPAYMENT SCHEDULE
ATTACHMENT K REGIONAL SYSTEM PLANNING PROCESS

APPENDIX 1 TO ATTACHMENT K - LOCAL SYSTEM PLANNING PROCESS
APPENDIX 2 TO ATTACHMENT K – LIST OF ENTITIES ENROLLED IN THE TRANSMISSION PLANNING REGION
APPENDIX 3 TO ATTACHMENT K – LIST OF QUALIFIED TRANSMISSION PROJECT SPONSORS
ATTACHMENT L1 ISO NEW ENGLAND FINANCIAL ASSURANCE POLICY
ATTACHMENT L2 [Reserved.]
ATTACHMENT L3 [Reserved.]
ATTACHMENT L4 ISO NEW ENGLAND BILLING POLICY
ATTACHMENT M ROLE OF INDEPENDENT TRANSMISSION COMPANIES
ATTACHMENT N PROCEDURES FOR REGIONAL SYSTEM PLAN UPGRADES
ATTACHMENT O NON-INCUMBENT TRANSMISSION DEVELOPER OPERATING AGREEMENT
ATTACHMENT P SELECTED QUALIFIED TRANSMISSION PROJECT SPONSOR AGREEMENT
ATTACHMENT Q TRANSMISSION LINE RATINGS
ATTACHMENT R ASSET CONDITION REVIEW PROCESS
ATTACHMENT S LARGE LOAD TRANSMISSION SERVICE AGREEMENT
ATTACHMENT T LARGE LOAD SYSTEM IMPACT STUDY AGREEMENT
ATTACHMENT U LARGE LOAD FACILITIES STUDY AGREEMENT
ATTACHMENT V LARGE LOAD COST RECOVERY AGREEMENT

II.20 Load Shedding and Curtailments

II.20.1 Procedures: Prior to the Service Commencement Date, the ISO and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to Section II.22 of this OATT with the objective of responding to contingencies on the PTF. The parties will implement such programs during any period when the ISO determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The ISO will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

II.20.2 Transmission Constraints: During any period when the ISO determines that a transmission constraint exists on the PTF, MTF or OTF, and such constraint may impair the reliability of the New England Transmission System, the ISO will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the system. To the extent the ISO determines that the reliability of the system can be maintained by redispatching resources, the ISO will initiate procedures pursuant to Section II.22 of this OATT to redispatch the appropriate resources and the Transmission Customers' own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the PTO's use of the PTF on behalf of their Native Load Customers, any Large Load Transmission Customer's use of the PTF on behalf of its Large Loads, and any Network Customer's use of the PTF to serve its designated Regional Network Load.

II.20.3 Cost Responsibility for Relieving Transmission Constraints: Whenever the ISO implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Customers and Large Load Transmission Customers will bear the costs of such redispatch in accordance with ISO New England Operating Documents.

II.20.4 Curtailments of Scheduled Deliveries: If a transmission constraint on the PTF, MTF or OTF cannot be relieved through the implementation of least-cost redispatch procedures and the ISO determines that it is necessary to effect a Curtailment of scheduled deliveries, such schedule shall be curtailed in accordance with Section II.22 of this OATT.

II.20.5 Allocation of Curtailments: The ISO shall on a non-discriminatory basis, effect a Curtailment of the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the customers taking MTF Service, OTF

Service and/or Through or Out Service and Network Customers on a nondiscriminatory basis. The ISO shall not direct the Network Customer to effect a Curtailment of its schedules to an extent greater than the ISO would effect a Curtailment of the Transmission Owner's or Schedule 20 Service Provider's schedules under similar circumstances. Notwithstanding the preceding provisions of this Section, Real-Time External Transactions shall be scheduled and curtailed in accordance with Section II.44 of this OATT.

II.20.6 Load Shedding: To the extent that a system contingency exists on the PTF, OTF and/or MTF and the ISO determines that it is necessary for the customers taking MTF Service, OTF Service and/or Through or Out Service and Network Customers to shed load, the Parties shall shed load in accordance with the ISO New England Operating Documents.

II.20.7 System Reliability: Notwithstanding any other provisions of this OATT, the ISO reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to effect a Curtailment of Regional Network Service without liability on the part of the ISO or the Transmission Owners for the purpose of making necessary adjustments to, changes in, or repairs on the Transmission Owners' lines, substations and facilities, and in cases where the continuance of Regional Network Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the PTF or on any other system(s) directly or indirectly interconnected with the PTF, the ISO, consistent with Good Utility Practice, also may effect a Curtailment of Regional Network Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The ISO will give the Transmission Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Regional Network Service will be not unduly discriminatory relative to the Transmission Owners' or Schedule 20 Service Provider's use of the Transmission System on behalf of their Native Load Customers. Section II.22 of this OATT shall specify the rate treatment and all related terms and conditions applicable in the event that the Transmission Customer fails to respond to established Load Shedding and Curtailment procedures.

II.21 Rates and Charges

II.21.1 Regional Network Service: Each Transmission Customer which has a load in the New England Control Area and takes Regional Network Service for a month shall be subject to the applicable provisions of Part II.B. of this OATT and shall pay to the ISO for such month an amount equal to its Monthly Regional Network Load for the month times the applicable Local Network RNS Rate (except as provided for in Section II.21.3), and shall pay in addition any amount which it is required to pay for the service pursuant to Section II.18.3 and Schedules 13 and 14 of this OATT. It shall also be obligated to pay for any Direct Assignment Facilities and its share of any new facilities or upgrades required to provide the requested service including applicable study costs to the extent they are consistent with Commission policy and Schedules 11 and 12, and any ancillary service charges and other charges and/or costs required to be paid pursuant to the Transmission, Markets and Services Tariff. The applicable Local Network RNS Rate shall be the rate, determined in accordance with Schedule 9 to this OATT, which is applicable to (i) a delivery to load in the particular Local Network in which the load served by the Transmission Customer is located, or (ii) to the extent that the ISO, after consultation with the affected PTOs, at the request of a PTO who owns the Local Network where the Regional Network Load is located, recognizes Regional Network Load to be the responsibility of another PTO, the applicable Local Network RNS Rate shall be the Local Network RNS Rate of the PTO responsible for such Regional Network Load. In the event the Transmission Customer serves Regional Network Load located on more than one Local Network, the amount to be paid by it shall be separately computed for the Regional Network Load located on each Local Network.

II.21.2 Determination of Network Customer's Monthly Regional Network Load: Network Customer's "Monthly Regional Network Load" is its hourly load (including its designated Regional Network Load not physically interconnected with the PTF under Section II.18.3 of this OATT) coincident with the coincident aggregate load of all Network Customers and Large Load Transmission Customers served in each Local Network in the hour in which the coincident load is at its maximum for the month ("Monthly Peak"). Network Customer's Monthly Regional Network Load shall exclude (i) load offset by any resource that is not a Generator Asset, and (ii) load offset by the portion of the output of a Generator Asset that serves load located behind the same retail customer meter as the Generator Asset. For Regional Network Load located within the New England Control Area, the Monthly Regional Network Load of all Network Customers within a Local Network shall be calculated by the associated PTO. For Regional Network Load located outside of the New England Control Area, the Monthly Regional

Network Load of all Network Customers shall be calculated by the associated PTO (in consultation with the ISO and the associated Balancing Authority).

II.21.3 Exception to Payment for Regional Network Service: Regional Network Service charges associated with an Electric Storage Facility's charging load: The applicable Local Network RNS Rate shall be reduced to zero for monthly Regional Network Load associated with the charging load of an Electric Storage Facility. The reduction to zero of the applicable Local Network RNS Rate shall only apply to the Schedule 9 charges. This discount will only be applied to Electric Storage Facility charging load that (a) is reported under a separately identified Regional Network Load that does not include station service load or any other load and (b) is providing one or more of the following services to the ISO: reactive power voltage support, operating reserves, regulation and frequency response, balancing energy supply and demand, or addressing a reliability concern. Electric Storage Facilities shall be considered to be balancing energy supply and demand when they are responding to ISO dispatch instructions in the Real-Time Energy Market. The applicable Local Network RNS Rate will be applied to Electric Storage Facility charging load unless it is reported as described in (a) above and is providing one or more services as described in (b) above.

II.J TRANSMISSION SERVICES FOR LARGE LOADS

Capitalized terms used in this Part II.J but not defined in Section I.2.2 of the Tariff shall have the meanings ascribed to them in Schedule 22 to the OATT.

The MW value of exempt demand for a load in operation or determined by the ISO to be a Large Load Sufficiently Under Construction prior to June 18, 2026 shall be determined as the greater of: (i) its measured maximum observed hourly gross peak in the ten (10) years prior to June 18, 2026; or (ii) the MW value specified in a service or operational agreement with the applicable utility or ISO as of June 18, 2026. As of the effective date of this provision, exempt demand shall not be treated as a Large Load and shall not be subject to Part II.J of the OATT. An existing load or a Large Load Sufficiently Under Construction as of June 18, 2026 shall be defined as a Large Load when its gross peak demand increases by 50 MW or more relative to its exempt demand. Transmission service for the exempt demand shall transition to Firm Contract Demand Service and the load shall be subject to Section II.63 of the OATT, but shall be exempt from the application and study process in Part II.J of the OATT and the requirements of Section II.59 of the OATT. The increased demand relative to exempt demand shall be subject to all requirements in Part II.J of the OATT.

A load that is not in operation or is determined by the ISO to not be a Large Load Sufficiently Under Construction as of June 18, 2026 shall be treated as a Large Load if and when it meets the Large Load definition. A Large Load that is not in operation or is determined by the ISO to not be a Large Load Sufficiently Under Construction but has a system impact study agreement with the applicable Large Load Interconnecting Transmission Owner prior to June 1, 2027 shall not be subject to the study requirements of Part II.J of the OATT, but shall be subject to all other requirements of Part II.J of the OATT.

Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service shall be provided by the ISO pursuant to the applicable terms and conditions of this OATT starting on June 1, 2028. Such terms and conditions are not intended to supersede any applicable state or local laws or regulations nor do they authorize operations that would violate state or local laws and regulations.

II.56 Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service

II.56.1 Provision of Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service: A Large Load Eligible Customer may apply for the provision of Firm Contract Demand Service and Non-Firm Contract Demand Service. The ISO shall deem a Large Load Transmission Service Application for Firm Contract Demand Service sufficient to support a related need for Interim Contract Demand Service under Section II.57.1.2 of the OATT.

II.56.2 Eligibility to Receive Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service: Upon completion of the application, study and service agreement requirements set forth in Section II.58 of the OATT, Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service shall be taken and paid for by each Large Load Transmission Customer that obtains the service on behalf of a Large Load.

II.57 Nature of Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service

II.57.1 Scope of Service: Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service are the transmission services that the ISO provides to a Large Load Transmission Customer and allow a Large Load Transmission Customer to serve a Large Load located in the New England Control Area.

II.57.1.1 Firm Contract Demand Service is a firm transmission service provided to a Large Load Transmission Customer for a specific contracted MW value that can never be exceeded. All identified Large Load Network Upgrades shall be in service before a Large Load Transmission Customer can be provided Firm Contract Demand Service for a Large Load. Firm Contract Demand Service shall be provided after meeting the requirements of Section II.59 of the OATT.

II.57.1.2 Interim Contract Demand Service is a temporary, non-firm transmission service provided to a Large Load Transmission Customer requesting Firm Contract Demand Service before Large Load Network Upgrades are completed and placed into service, and before the Large Load Transmission Customer has designated, or has caused to be designated, sufficient

capacity resources to serve the Large Load pursuant to Section II.59 of the OATT. Interim Contract Demand Service shall be available for a term of no more than seven years, or the length of time required to place the required Large Load Network Upgrades in-service, whichever is longer.

II.57.1.3 Non-Firm Contract Demand Service is non-firm transmission service provided to Large Load Transmission Customers. Large Load Transmission Customers shall not be required to designate capacity resources for a Large Load that is provided Non-Firm Contract Demand Service.

II.57.1.4 Price-Based Redispatch of Non-Firm Large Loads: A Large Load Transmission Customer receiving Interim Contract Demand Service or Non-Firm Contract Demand Service for a Large Load shall be subject to the price-based redispatch provisions of Section III.1.10.5A of the Tariff.

II.57.1.5 Compliance With Other Applicable OATT Requirements: A Large Load Transmission Customer taking Firm Contract Demand Service, Interim Contract Demand Service, or Non-Firm Contract Demand Service shall: (i) obtain or provide Ancillary Services pursuant to Section II.4 of this OATT; (ii) comply with all applicable creditworthiness and financial assurance requirements set forth by the ISO and Large Load Interconnecting Transmission Owner, including but not limited to the ISO New England Financial Assurance Policy and the ISO New England Billing Policy; and (iii) pay for real power losses associated with its scheduled service as calculated and recovered through the Loss Component of the Locational Marginal Prices as further provided for in the ISO New England Operating Documents.

II.57.2 ISO and PTO Responsibilities: As provided in the TOA and this OATT, the ISO and the PTOs shall plan, construct, operate, and maintain the PTF in accordance with Good Utility Practice and their obligations in Attachment K in order to allow the ISO to provide Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service for the Large Load.

II.57.3 Restrictions on Use of Service: A Large Load Transmission Customer shall be entitled to use Firm Contract Demand Service, Interim Contract Demand Service, or Non-Firm Contract Demand Service for any of the uses specified in Part II.J of this OATT.

II.58 Initiating Service

The ISO shall begin accepting Large Load Transmission Service Applications under this Section II.58 of the OATT starting on June 1, 2027.

II.58.1 Conditions Precedent for Receiving Service: Subject to the terms and conditions of Part II.J of this OATT, Firm Contract Demand Service, Interim Contract Demand Service, or Non-Firm Contract Demand Service shall be provided where (i) the Large Load Eligible Customer completes a Large Load Transmission Service Application available on the ISO website, (ii) the Large Load Eligible Customer provides, or causes to be provided, the deposits required under Part II.J of this OATT; (iii) the ISO completes the study process described under Part II.J of this OATT; (iv) the Large Load Eligible Customer and the ISO complete the technical arrangements set forth in Sections II.58.5 and II.58.6 of this OATT; (v) the Large Load Eligible Customer executes a Large Load Transmission Service Agreement in the form of Attachment S to this OATT for service under Part II.J of this OATT or requests in writing that the ISO file a proposed unexecuted Large Load Transmission Service Agreement with the Commission; and (vi) the Large Load Eligible Customer executes a Large Load Cost Recovery Agreement in the form of Attachment V to the OATT. With the completion of each of these requirements, a Large Load Eligible Customer that has executed a Large Load Transmission Service Agreement shall be considered the Large Load Transmission Customer for purposes of the receipt of Firm Contract Demand Service, Interim Contract Demand Service, or Non-Firm Contract Demand Service, as applicable.

II.58.2 Application Procedures: A Large Load Eligible Customer requesting Firm Contract Demand Service or Non-Firm Contract Demand Service under this OATT shall submit to the ISO a Large Load Transmission Service Application. The Large Load Eligible Customer shall provide, or cause to be provided, the deposits described below. Completed Large Load Transmission Service Applications shall be assigned a Large Load Queue Position according to the date and time the Large Load Transmission Service Application is received in full and deemed complete by the ISO, with the earliest Large Load Transmission Service Application receiving the highest Large Load Queue Position. The Large Load Queue Position shall be used to determine: (i) the order of

performing the Large Load System Impact Studies; and (ii) the cost responsibility for the facilities and Large Load Network Upgrades necessary to accommodate the Large Load Transmission Service Application.

A Large Load Transmission Service Application shall include the following information:

(a) The identity, address, telephone number, and electronic mail address of the party requesting service.
(b) A statement that the party requesting service is, or will be upon commencement of service, a Large Load Transmission Customer under this OATT.
(c) The Large Load's gross peak demand (MW).
(d) The Large Load's requested transmission service level for each type of transmission service.
(e) The proposed Large Load Point of Delivery.
(f) Documentation demonstrating Large Load Site Control.
(g) Large Load Interconnecting Transmission Owner's interconnecting facilities study report for the Large Load.
(h) All technical data as required under Appendix 1 to the Large Load Transmission Service Application.
(i) All simulation models and accompanying model acceptance testing documentation, as required in applicable ISO New England Planning Procedures.
(j) An affidavit from the Large Load Eligible Customer (or Large Load Entity on its behalf) stating that there are no duplicative applications associated with the same proposed Large Load in the form of Appendix 2 to the Large Load Transmission Service Application.

For a Large Load Transmission Service Application to be complete, the Large Load Eligible Customer shall post or cause to be posted:

(a) An initial, non-refundable application fee of $50,000, in the form of an irrevocable letter of credit or cash;
(b) A study deposit of $150,000, in the form of an irrevocable letter of credit or cash; and

The ISO shall accept Large Load Transmission Service Applications on a rolling basis. If the Large Load Transmission Service Application is complete, then the ISO shall notify the Large Load Eligible Customer within twenty (20) days of receipt. The ISO shall tender a Large Load System Impact Study Agreement to the Large Load Eligible Customer with such notice. If a Large Load Transmission Service Application fails to meet the requirements of this section, including any deficiencies identified for the provided technical information, models or model acceptance testing documentation, the ISO shall notify the Large Load Eligible Customer requesting service within twenty (20) days of receipt and specify the reasons for such failure. The Large Load Eligible Customer shall have fifteen (15) days to cure the deficiency. If the Large Load Eligible Customer fails to cure the deficiency, then the ISO shall deem the Large Load Transmission Service Application withdrawn. A Large Load Eligible Customer may withdraw its Large Transmission Service Application at any time. A Large Load Transmission Service Application that is withdrawn or is deemed withdrawn will result in the loss of its Large Load Queue Position and the loss of the non-refundable application fee. The ISO shall update the OASIS to reflect Large Load Transmission Service Applications that are withdrawn or deemed withdrawn.

II.58.3 OASIS Posting:

The ISO shall maintain on its OASIS a list of all Large Load Transmission Service Applications in its Control Area. With the exception of any information that has been classified as Critical Energy Infrastructure Information or designated by the Large Load Eligible Customer as Confidential Business Information, the list shall identify, for each Large Load Interconnection Application: (i) the Large Load's gross peak demand; (ii) the Large Load location by county and state; (iii) the status of the Large Load Transmission Service Application, including Large Load Queue Position; (iv) the types of transmission service being requested (*i.e.*, Firm Contract Demand Service or Non-Firm Contract Demand Service); and (v) the date of the Large Load Transmission Service Application. The ISO shall post to its OASIS Large Load System Impact Study reports subsequent to the meeting between the ISO, Large Load Interconnecting Transmission Owner, and Large Load Eligible Customer to discuss the applicable study report.

II.58.4 Cost of Large Load Network Upgrades Posting:

The ISO shall develop, maintain and post on its website, in an easily accessible, searchable and fillable format: (1) a cumulative list reflecting the Large Load Network Upgrades identified for each Large Load, categorized by upgrade type; and (2) costs estimates for each identified Large Load Network Upgrade for each Large Load.

II.58.5 Technical Arrangements to be Completed Prior to Commencement of Service: Firm Contract Demand Service, Interim Contract Demand Service and Non-Firm Contract Demand Service to the Large Load Transmission Customer shall not commence until the Large Load Interconnecting Transmission Owner and Large Load Transmission Customer (or Large Load Entity on its behalf), consistent with Good Utility Practice, have completed installation of all equipment including direct connection facilities and protection systems necessary for the Large Load to reliably withdraw energy at the Point of Delivery and any additional requirements imposed under this OATT and the ISO New England Planning Procedures in order to ensure the reliable operation of the New England Transmission System. The ISO shall exercise reasonable efforts, in coordination with the Large Load Transmission Customer (or Large Load Entity on its behalf) and the Large Load Interconnecting Transmission Owner to complete such arrangements as soon as practicable taking into consideration the Large Load Service Commencement Date.

II.58.6 Completion of Large Load Facilities: The Large Load Transmission Customer shall construct, install, operate and maintain or shall cause to be constructed, installed, operated and maintained all facilities on the Large Load side of the Point of Delivery. The provision of Firm Contract Demand Service, Interim Contract Demand Service, and Non-Firm Contract Demand Service shall be conditioned upon the construction, installation, operation and maintenance of all facilities on the Large Load side of each Point of Delivery necessary to reliably deliver capacity and energy from the New England Transmission System to the Large Load.

II.59 Large Load Designated Capacity

II.59.1 Designation of New Capacity for a Firm Contract Demand Service Large Load: To receive the requested amount of Firm Contract Demand Service for a Large Load, the Large Load Eligible Customer shall designate, or cause to be designated, sufficient new capacity resources to meet the requested amount of Firm Contract Demand Service for the Large Load. Interim Contract Demand Service shall be provided for the amount of requested Firm Contract Demand Service until such sufficient capacity resources are designated and achieve commercial operation.

II.60 Large Load Study Procedures

II.60.1 Large Load Scoping Meeting

Within fifteen (15) days of the ISO's notice to the Large Load Eligible Customer that its Large Load Transmission Service Application is complete, the ISO shall hold a Large Load Scoping Meeting that includes the ISO, the Large Load Eligible Customer, the Large Load Interconnecting Transmission Owner, any Large Load Affected Party, and any Large Load Internal Affected Party as deemed appropriate by the ISO in accordance with applicable codes of conduct and confidentiality requirements.

The purposes of the Large Load Scoping Meeting shall be (i) to discuss the estimated timeline for completing the Large Load System Impact Study, (ii) to exchange pertinent information, (iii) to analyze such information, and (iv) to discuss any other information necessary to facilitate the administration of the Large Load System Impact Study procedures. The Parties will bring to the meeting personnel and other resources as may be reasonably required to accomplish the purposes of the meeting in the time allocated for the meeting. The duration of the meeting shall be sufficient to accomplish its purposes.

The Large Load Eligible Customer shall execute the Large Load System Impact Study Agreement within seven (7) days after the Large Load Scoping Meeting is held, or else the ISO shall deem the related Large Load Transmission Service Application withdrawn.

II.60.2 Scope of Large Load System Impact Study

The Large Load System Impact Study shall evaluate the impact of the proposed Large Load on the reliability and operation of the New England Transmission System. The Large Load System Impact Study shall consider the Large Load Base Cases as well as all Large Load facilities, any capacity designated under Section II.59 of the OATT that is available at the time of the Large Load System Impact Study, and any associated Large Load Co-Located Generators or Large Load Electrically Proximate Generators (and with respect to (iii) below, any identified Large Load Network Upgrades associated with such higher queued Large Load facilities) that, on the date the Large Load System Impact Study is commenced: (i) are directly interconnected to the

New England Transmission System; (ii) are interconnected to Large Load Affected Systems and may have an impact on the Large Load Transmission Service Application; (iii) have a pending higher queued Large Load Transmission Service Application to receive service from the New England Transmission System and may have an impact on the Large Load Transmission Service Application; and (iv) have no Queue Position but have executed a Large Load Transmission Service Agreement or requested that an unexecuted Large Load Transmission Service Agreement be filed with the Commission (the "Large Load Study Cases" for the Large Load System Impact Study).

The Large Load System Impact Study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, including thermal analysis and voltage analysis, a system protection and controls analysis, an electromagnetic transient screening, a Cluster and other study coordination screening, and any other analyses that the ISO deems necessary in consultation with the Large Load Interconnecting Transmission Owner. Analyses performed for the Large Load System Impact Study shall meet all Applicable Reliability Standards and other requirements contained in ISO New England Planning Procedures, including those related to ride-through, ramp rates and control technologies and/or protection schemes, as applicable. As described in ISO New England Planning Procedures, the Large Load System Impact Study shall recognize the unique operational characteristics of Large Loads associated with Non-Firm Contract Demand Service or Interim Contract Demand Service that are willing and able to limit their energy withdrawals under certain conditions, as well as any applicable Non-Firm Large Load Generator Arrangement, which may lessen or avoid the need for certain network upgrades. The Large Load System Impact Study report shall state the assumptions upon which it is based and the results of the analyses, and provide the requirements or potential impediments to providing the requested transmission service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the transmission service. The Large Load System Impact Study report shall provide (i) a list of facilities that are required as a result of the Large Load Transmission Service Application and a non-binding good faith estimate of cost responsibility; (ii) a non-binding good faith estimated time to construct; (iii) a protection and controls assessment to determine the required protection upgrades and controls; and may provide

(iv) identification of the likely permitting and siting process including easements and environmental work.

The Large Load System Impact Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. The ISO shall evaluate each identified alternative transmission technology and determine, in the manner described in the ISO New England Planning Procedures, whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. The ISO shall include an explanation of the results of its evaluation for each technology in the Large Load System Impact Study report.

II.60.3 Large Load System Impact Study Procedures

The ISO shall coordinate the Large Load System Impact Study with the Large Load Interconnecting Transmission Owner, any Large Load Affected Party, and any Large Load Internal Affected Party as deemed appropriate by the ISO. The ISO and Large Load Interconnecting Transmission Owner shall utilize existing studies to the extent practicable when they perform the study. The ISO and the Large Load Interconnecting Transmission Owner shall use reasonable efforts consistent with Good Utility Practice to complete the Large Load System Impact Study within ninety (90) days after the receipt of the Large Load Eligible Customer executed Large Load System Impact Study Agreement in the form of Attachment T to this OATT.

At the request of the Large Load Eligible Customer or at any time the ISO or Large Load Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Large Load System Impact Study, the ISO shall notify the Large Load Eligible Customer as to the schedule status of the Large Load System Impact Study. If the ISO and Large Load Interconnecting Transmission Owner are unable to complete the Large Load System Impact Study within the time period, the ISO shall notify the Large Load Eligible Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. In such circumstances, upon request, the ISO and Large Load Interconnecting

Transmission Owner shall provide all supporting documentation, workpapers and relevant Large Load Study Cases power flow, short circuit and stability databases that have been developed for the Large Load System Impact Study to any third-party consultant retained by the Large Load Eligible Customer. The recipient(s) of such information shall be subject to the confidentiality provisions of the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/disclosure requirements, such information may be provided directly to the Large Load Eligible Customer.

If the electromagnetic transient screening uncovers the need for additional electromagnetic transient analysis, the ISO shall publish a preliminary Large Load System Impact Study report within the 90-day timeline that includes the results of the stability analysis, steady state analysis, short circuit analysis, protection analysis, electromagnetic transient screening analysis, and Large Load Network Upgrades and preliminary cost estimates. The ISO shall use reasonable efforts consistent with Good Utility Practice to complete a full electromagnetic transient analysis and issue a final Large Load System Impact Study report within 120 days of publishing the preliminary Large Load System Impact Study report.

II.60.4 Cluster and Other Study Coordination

The 90-day Large Load System Impact Study period will include a Cluster and other study coordination screening to determine whether additional study is required to account for the combined impacts of a Cluster under study according to Schedules 22, 23 and 25 of the OATT, other studies as described in ISO New England Planning Procedures, and a Large Load System Impact Study. If the Cluster and other study coordination screening uncovers the need for additional analysis, then the ISO shall publish a preliminary Large Load System Impact Study report within the 90-day timeline that includes the results of the stability analysis, steady state analysis, short circuit analysis, protection analysis, electromagnetic transient screening analysis, and Large Load Network Upgrades and preliminary cost estimates If the Cluster and other study coordination screening determines that there are combined impacts that need to be studied in detail, then the ISO shall use reasonable efforts consistent with Good Utility Practice to complete

the additional Cluster and other study coordination analysis and publish a final Large Load System Impact Study report within 120 days of publishing the preliminary Large Load System Impact Study report.

II.60.5 Large Load System Impact Study Report Review Meeting

Within seven (7) days of the issuance of the final Large Load System Impact Study report (or a preliminary Large Load System Impact Study report if additional electromagnetic transient analysis or analysis of impacts of a Cluster or other study are needed), the ISO shall hold a Large Load System Impact Study report review meeting that includes the ISO, the Large Load Eligible Customer, the Large Load Interconnecting Transmission Owner, any Large Load Affected Party, and any Large Load Internal Affected Party as deemed appropriate by the ISO in accordance with applicable codes of conduct and confidentiality requirements. The Large Load Eligible Customer shall review the final Large Load System Impact Study report (or a draft Large Load System Impact Study report) within fifteen (15) days of the meeting.

II.60.6 Large Load Facilities Study Procedures

If a Large Load System Impact Study indicates that Large Load Network Upgrades to the New England Transmission System are needed to supply the Large Load Eligible Customer's service or to mitigate indirect impacts on MTF or OTF facilities, the ISO, within thirty (30) days of the issuance of the final Large Load System Impact Study report, shall tender to the Large Load Eligible Customer a Large Load Facilities Study Agreement in the form of Attachment U to this OATT, or in any other form that is mutually agreed to, which is to be entered into by the Large Load Eligible Customer and the ISO and, if deemed necessary by the ISO, by one or more affected PTO(s) and pursuant to which the Large Load Eligible Customer shall agree to reimburse (or cause to reimburse) the ISO and any affected PTO(s) for performing the required Large Load Facilities Study. For a Large Load Transmission Service Application to remain a Completed Application, within fifteen (15) days, the Large Load Eligible Customer shall execute the Large Load Facilities Study Agreement and return it to the ISO, or elect in writing to waive the Large Load Facilities Study. If the Large Load Eligible Customer neither elects to execute a Large Load Facilities Study Agreement nor waives the Large Load Facilities Study, then its Large Load Transmission Service Application shall be deemed withdrawn and its deposit, if any

(less the reasonable Administrative Costs incurred by the ISO and any affected entities), shall be returned with Interest. Upon receipt of an executed Large Load Facilities Study Agreement, the ISO and any affected PTO(s), will use reasonable efforts to complete the required Large Load Facilities Study within ninety (90) days. If the ISO and any affected PTO(s) are unable to complete the Large Load Facilities Study in the allotted time period, the ISO shall notify the Large Load Eligible Customer and provide an estimate of the time needed to reach a final determination and any resulting increase in the cost, along with an explanation of the reasons that additional time is required to complete the study. When completed, the Large Load Facilities Study report will include a +/- 20% good faith estimate of (i) the Large Load Eligible Customer's appropriate share of the cost of any required Large Load Network Upgrades, and (ii) the time required to complete such construction and initiate the requested service. The Large Load Eligible Customer shall provide a letter of credit or other reasonable form of security acceptable to the affected PTO(s) or other entities that will be responsible for the construction of the new facilities or upgrades equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code.

II.60.7 Large Load Transmission Service Agreement Negotiation and Execution

Within twenty (20) days of the ISO's issuance of the final Large Load System Impact Study report or final Large Load Facilities Study report, whichever is later, the ISO shall tender a Large Load Transmission Service Agreement to the Large Load Eligible Customer. The ISO, the Large Load Interconnecting Transmission Owner and the Large Load Eligible Customer shall have sixty (60) days to negotiate the Large Load Transmission Service Agreement. At the end of the sixty (60) day period, the Large Load Eligible Customer shall either request to execute the Large Load Transmission Service Agreement or request the filing of an unexecuted Large Load Transmission Service Agreement, otherwise the ISO shall deem the Large Load Transmission Service Application withdrawn.

II.60.8 Large Load Material Modification

The following shall constitute a Large Load Material Modification: (1) a decrease of more than 60% of the total transmission service; (2) any increase to the total level of transmission service requested, or any increase to the level of transmission service requested as Firm Contract

Demand Service; (3) any change to a Non-Firm Large Load Generator Arrangement that impacts the Large Load; (4) a modification to the Point of Delivery that is not agreed upon by the ISO, the Large Load Interconnecting Transmission Owner, and the Large Load Eligible Customer; (5) a commencement date for Firm Contract Demand Service or Non-Firm Contract Demand Service that extends for more than three (3) years from the original commencement date or a commencement date that is more than seven (7) years from the date of the Large Load Transmission Service Application, unless an extension request is made to the ISO and the ISO deems the extension to be non-material; (6) during the study period, a decrease of the total transmission service requested, or any modifications to the Large Load, Large Load Co-Located Generator, or Large Load Electrically Proximate Generator models that take more than fifteen (15) days to address; and (7) after the study period, any modifications that significantly alter the performance of the studied project. A Large Load Material Modification shall require a new Large Load Transmission Service Application.

II.60.9 Coordination of Studies to Support a Non-Firm Large Load Generator Arrangement

The ISO may perform studies to support the interconnection of a Large Load Co-Located Generator or a Large Load Electrically Proximate Generator to support a Non-Firm Large Load Generator Arrangement with a Co-Located Load or an Electrically Proximate Load concurrent with the applicable Large Load System Impact Study. Such studies shall meet the requirements for a Large Load Co-Located Generator or Large Load Electrically Proximate Generator of Schedule 22 and Schedule 23 of the OATT. The Large Load Eligible Customer shall identify the Large Load Co-Located Generator or Large Load Electrically Proximate Generator and specify the details of the Non-Firm Large Load Generator Arrangement in order to reflect the Large Load Co-Located Generator or Large Load Electrically Proximate Generator and the details of the Non-Firm Large Load Generator Arrangement in the studies performed to support Interim Contract Demand Service or Non-Firm Contract Demand Service. The Large Load Eligible Customer shall be responsible for 50% of all Large Load System Impact Study costs if the study includes a Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

II.61 Redispatch and Load Shedding

II.61.1 Procedures: Prior to the Large Load Service Commencement Date, the ISO and the Large Load Transmission Customer shall establish redispatch and Load Shedding procedures pursuant to Section II.63 of this OATT with the objective of responding to contingencies on the New England Transmission System. The parties shall implement such programs during any period when the ISO determines that a system contingency exists and such procedures are necessary to alleviate such contingency, up to and including the capability to coordinate the remote disconnection of the Large Load. The ISO shall notify all affected Large Load Transmission Customers in a timely manner of any scheduled reduction of service.

II.61.2 Transmission Constraints: During any period when the ISO determines that a transmission constraint exists on the New England Transmission System, and such constraint may impair the reliability of the New England Transmission System, the ISO shall take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the system. To the extent the ISO determines that the reliability of the system can be maintained by redispatch reduction of Interim Contract Demand Service or Non-Firm Contract Demand Service, the ISO will initiate procedures pursuant to Section II.63 of this OATT to redispatch Large Loads without regard to ownership.

II.61.3 Load Shedding: To the extent that a system contingency exists on the New England Transmission System and the ISO determines that it is necessary for Large Load Transmission Customers taking Firm Contract Demand Service to shed load, the parties shall shed load in accordance with the ISO New England Operating Documents.

II.61.4 System Reliability: Notwithstanding any other provisions of this OATT, the ISO reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to effect a redispatch reduction of Non-Firm Contract Demand Service and Interim Contract Demand Service, or reduction of Firm Contract Demand Service without liability on the part of the ISO or the Transmission Owners for the purpose of making necessary adjustments to, changes in, or repairs on the Large Load Interconnecting Transmission Owners' lines, substations

and facilities, and in cases where the continuance of Non-Firm Contract Demand Service, Interim Contract Demand Service, or Firm Contract Demand Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the New England Transmission System or on any other system(s) directly or indirectly interconnected with the New England Transmission System, the ISO, consistent with Good Utility Practice, also may effect a redispatch reduction of Non-Firm Contract Demand Service and Interim Contract Demand Service, or reduction of Firm Contract Demand Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The ISO shall give the Large Load Transmission Customer taking Firm Contract Demand Service as much advance notice as is practicable in the event of such reduction. Any redispatch reduction of Non-Firm Contract Demand Service and Interim Contract Demand Service, or reduction of Firm Contract Demand Service shall be not unduly discriminatory relative to the Large Load Transmission Customers' use of the Transmission System on behalf of its Large Loads.

II.62 Determination of Large Load Transmission Customer's Demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service

II.62.1 Billing and Charges: Each Large Load Transmission Customer which takes Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service for a month shall be subject to the applicable provisions of Part II.J of this OATT and shall pay to the ISO for such month an amount equal to its Firm Contract Demand, Monthly Non-Firm Contract Demand, and/or Monthly Interim Contract Demand, as defined below, for the month times the applicable rate as determined in accordance with Schedule 9A of this OATT, except that any exempt demand which transitions to Firm Contract Demand Service pursuant to the earlier provisions of this Part II.J and can be separately metered by the Large Load Interconnecting Transmission Owner from any additional demand above the exempt demand shall be billed at the rate established for such exempt demand as of June 18, 2026, as later amended or revised.

II.62.2 Firm Contract Demand: is the amount of Firm Contract Demand Service requested by the Large Load Eligible Customer on its Large Load Transmission Service Application.

II.62.3 Monthly Non-Firm Contract Demand: is the Large Load Transmission Customer's hourly load associated with the provision of Non-Firm Contract Demand Service coincident with the coincident aggregate load of all Network Customers and Large Load Transmission Customers served in each Local Network in the hour in which the coincident load is at its maximum for the month ("Monthly Peak"). Large Load Transmission Customer's Monthly Non-Firm Contract Demand shall include all load associated with the provision of Non-Firm Contract Demand Service to Large Loads, including load offset by any resources, regardless of whether the resources are registered as Generator Assets. The Monthly Non-Firm Contract Demand of all Large Load Transmission Customers within a Local Network shall be calculated by the associated PTO.

II.62.4 Monthly Interim Contract Demand: shall be calculated in the same manner as Monthly Non-Firm Contract Demand.

II.63 Operating Arrangements

II.63.1 Large Load Transmission Customer Obligation: The Large Load Transmission Customer shall plan, construct, operate and maintain, or shall cause to be planned, constructed, operated and maintained, all of its equipment and facilities connected to the New England Transmission System in a safe and efficient manner and in accordance with manufacturers' recommendations, Good Utility Practice, applicable regulations, the ISO New England Operating Documents and requirements of the Electric Reliability Organization (ERO) as defined in 18 C.F.R § 39.1 and NPCC.

II.63.2 General Network Operating Terms and Conditions: The terms and conditions under which the Large Load Transmission Customer shall (or shall cause to) operate its facilities and the technical and operational matters associated with the implementation of Part II.J of the OATT are specified in Section II.63 of this OATT, and in the ISO New England Operating Documents. The ISO, the applicable PTO(s) and the Large Load Transmission Customer shall (i) operate and maintain equipment necessary for integrating the Large Load Transmission Customer within the New England Transmission System (including, but not limited to, remote terminal units, metering, monitoring, communications equipment and relaying equipment), (ii) transfer data among the ISO, the PTO(s) and the Large Load Transmission Customer (including, but not limited to, operational characteristics ,demand schedules, demand consumption for redispatch required under Section II.61 of this OATT, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted demand necessary for near and long-term planning over specified time horizons, including hourly, and (v) address any other technical and operational considerations required for implementation of Part II.J of this OATT, including scheduling protocols. The Large Load Transmission Customer shall meet these requirements or cause them to be met. The Large Load Transmission Customer shall (or shall cause to) satisfy its Control Area requirements by contracting with the ISO and all the applicable PTOs. In the alternative, the Large Load Transmission Customer may (or may cause to) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, in a manner which satisfies ERO and NPCC requirements

and receives any necessary ERO and NPCC approvals, subject to applicable federal and state regulatory approvals and subject to the development and implementation of a reasonable transition plan that, inter alia, satisfies applicable established system reliability criteria.

(a) **Electrical Supply:** The electrical supply to the Point(s) of Delivery shall be in the form of three-phase sixty-hertz alternating current at a voltage class determined by mutual agreement of the ISO, the applicable PTO(s) and the Large Load Transmission Customer.

(b) **Ramp Rate:** The Large Load Transmission Customer shall (or shall cause to) comply with the ramp rate requirements specified in the ISO New England Operating Procedures.

(c) **Ride-Through:** The Large Load Transmission Customer shall (or shall cause to) comply with all ride-through requirements specified in ISO New England Planning Procedures and ISO New England Operating Procedures.

(d) Automatic Control Technologies Limiting Withdrawals: The Large Load Transmission Customer shall (or shall cause to) comply with all reequipments specified in the Large Load Transmission Service Agreement and all ISO New England Operating Procedures with regard to the operation and maintenance of necessary control technologies and/or protection systems to limit withdrawals from the transmission system.

(e) Maintenance Outage Procedures: The ISO and the applicable PTO(s) will utilize the ISO New England Operating Procedures with respect to the timing of scheduled maintenance of the New England Transmission System and Large Loads.

(f) **Reporting Obligations**: The Large Load Transmission Customer shall (or shall cause to) provide all information required by the ERO, NPCC, the applicable

PTO(s) or the ISO. The Large Load Transmission Customer shall (or shall cause to) respond promptly and completely to the ISO's and the applicable PTO(s)'reasonable requests for information, including but not limited to, data necessary for operations, maintenance, regulatory requirements and analysis. In particular, that information may include:

For Large Loads:

- Submission of hourly demand consumption forecasts as required
- Redispatch capability
- Load power factor or reactive power injection/withdrawal performance
- Underfrequency load shedding capability
- Block load shedding capability
- Disturbance/interruption reports
- Protection system setting conformance
- Protection system testing and maintenance conformance
- Planned changes to protection systems
- Metering testing and maintenance conformance
- Monitoring equipment testing and maintenance conformance
- Planned changes in transformation capability
- Conformance to induced sub-synchronous oscillations, harmonic, ride-through, ramp rate and voltage fluctuation limits
- Dead station tripping conformance

Failure by the Large Load Transmission Customer to do so may constitute default and permits the ISO to terminate the Large Load Transmission Service Agreement, in accordance with Commission requirements. Delinquency in responding shall result in a suspension of service as described in Section II.63.3 below.

The Large Load Transmission Customer shall (or shall cause to) supply accurate and reliable telemetered information to the system operators regarding metered values for MW, MVAR, volt, amp, frequency, breaker status indication, and all other information

deemed necessary by the ISO and the applicable PTO(s) for reliable operation. Information shall be gathered for electronic communication using a methodology acceptable to the ISO. All equipment used for metering, monitoring SCADA, RTU, RAPR, and communications must be approved by the ISO and the applicable PTO(s).

(g) **Operational Obligations:** The Large Load Transmission Customer (or the Large Load Entity on its behalf) and the Large Load Interconnecting Transmission Owner shall request permission from the ISO prior to opening and/or closing circuit breakers per applicable ISO New England Operating Procedures. The Large Load Transmission Customer shall (or shall cause to) carry out all switching orders from the ISO or the applicable PTO(s) in a timely manner.

The Large Load Transmission Customer shall (or shall cause to) balance the load at the Point(s) of Delivery such that the difference in the individual phase currents are acceptable to the ISO as specified in the ISO New England Operating Procedures.

The Large Load Transmission Customer's or Large Load Entity's equipment shall conform with any harmonic distortion and voltage fluctuation standards specified in ISO New England Operating Procedures. The Large Load Transmission Customer's equipment shall comply with all environmental requirements to the extent they impact the operation of the New England Transmission System. The Large Load Transmission Customer shall (or shall cause to) operate all of its equipment and facilities connected to the New England Transmission System in a safe and efficient manner and in accordance with manufacturers' recommendations, Good Utility Practice, applicable regulations, and requirements of the ISO, the applicable PTO(s) and NPCC.

(h) **Notice of Transmission Service Interruptions**: If at any time, in the reasonable exercise of the ISO's judgment, operation of the Large Load Transmission Customer's or Large Load Entity's equipment adversely affects the quality of

service or interferes with the safe and reliable operation of the New England Transmission System, the ISO may discontinue transmission service, consistent with Section II.61 of the OATT, until the condition has been corrected.

(i) **Access and Control:** Properly accredited representatives of the ISO shall at all reasonable times have access to the Large Load facilities to make reasonable inspections and obtain information required in connection with this OATT. Such representatives shall make themselves known to the applicable personnel, state the object of their visit, and conduct themselves in a manner that will not interfere with the construction or operation of the Large Load.

(j) **Point(s) of Delivery:** Firm Contract Demand Service, Interim Contract Demand Service, or Non-Firm Contract Demand Service shall be delivered by the ISO at the Point(s) of Delivery specified in the Large Load Transmission Customer's Large Load Transmission Service Agreement. Each Point of Delivery shall have a unique identifier, meter location, meter number, metered voltage, terms on meter compensation and, the actual, or if not currently in service, the projected in-service year.

(k) **Maintenance of Equipment:** The ISO may request that the Large Load Transmission Customer conduct or cause to be conducted testing, calibration, verification or validation of the data link, metering, monitoring, data acquisition, transmission, protective, or other equipment or software consistent with the routine obligation to maintain equipment and facilities or for the purposes of trouble shooting problems on the network facilities. The Large Load Transmission Customer shall be responsible for the cost to test, calibrate, verify or validate the equipment or software. The ISO shall have the right to inspect the tests, calibrations, verifications and validations of the data link, metering, monitoring, data acquisition, transmission, protective, or other equipment or other software connected to the New England Transmission System. The Large Load Transmission Customer, at the ISO's request, shall (or shall cause to) supply the

ISO with a copy of the installation, test, and calibration records of the data link, metering, monitoring, data acquisition, transmission, protective or other equipment or software connected to the New England Transmission System. The ISO shall have the right, at the Large Load Transmission Customer's expense, to monitor the factory acceptance test, the field acceptance test, and the installation of any metering, monitoring, data acquisition, transmission, protective or other equipment or software connected to the ISO's system.

(l) **Emergency System Operations**: The Large Load Transmission Customer's or Large Load Entity's equipment and facilities shall be subject to all applicable emergency operation standards required of and by the ISO to operate in an interconnected transmission network. The ISO reserves the right to take whatever actions or inactions it deems necessary during emergency operating conditions to: (i) preserve the integrity of the New England Transmission System, (ii) limit or prevent damage, (iii) expedite restoration of service, or (iv) preserve public safety.

(m) **Cost Responsibility:** The Large Load Transmission Customer shall be responsible for all costs incurred by the ISO relative to the Large Load Transmission Customer's Large Load.

II.63.3 Default: If the Large Load equipment fails to perform consistent with the obligations specified in this OATT, then the Large Load Transmission Customer shall be deemed to be in default and service may be suspended immediately and subject to a termination through an ISO filing with the Commission. If the information required in Section II.63.2 (f) is not provided in a timely manner, then the ISO shall issue a notice of such failure to the Large Load Transmission Customer. If the information is not provided or the issues related to providing the information are not resolved within the timeframe established by the ISO, then the ISO may suspend service until the information is provided or the issue is resolved.

SCHEDULE 2

REACTIVE SUPPLY AND VOLTAGE CONTROL SERVICE

In order to maintain transmission voltages on the New England Transmission System (for voltage constraints that are reflected in the ISO's systems for operating the New England Transmission System or in the ISO New England Operating Procedures) within acceptable limits, Qualified Reactive Resources are operated to produce (or absorb) reactive power. Thus, VAR Service must be provided to support Regional Network Service and Through or Out Service on the New England Transmission System (both of which services have a direct impact on voltage constraints that are reflected in the ISO's systems for operating the New England Transmission System or in the ISO New England Operating Procedures). The amount of VAR Service that must be supplied with respect to a Transmission Customer's Regional Network Service and Through or Out Service and Large Load Transmission Customer's Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service will be determined based on the degree of dynamic reactive power support necessary to maintain transmission voltages within limits that are consistently adhered to in the operation of the New England Transmission System. Additional detailed requirements regarding the processes used to collect data and calculate amounts due or payable under this Schedule 2 are described in the Ancillary Service Schedule 2 Business Procedure posted on the ISO website. Transmission Customers taking Local Service, MTF Service or OTF Service may also need to acquire voltage support services not otherwise provided under this Schedule 2 pursuant to Schedules 18, 20A or 21 to this OATT, as appropriate.

I. DEFINITIONS

Whenever used in this Schedule, in either the singular or plural number, capitalized terms shall have the meanings specified in Section I.2.2. of the Tariff.

II. ELIGIBILITY FOR PAYMENT UNDER SCHEDULE 2

A. Qualified Generator Reactive Resources

Qualified Generator Reactive Resources shall be eligible for VAR Payments under this Schedule 2. A Qualified Generator Reactive Resource shall be offered into the Real-Time Energy Market at a MW level of at least its Economic Min in all hours of the month whenever the resource is physically available, and

be eligible for commitment by the ISO for the purpose of providing reactive power voltage support to the New England Transmission System. Qualified Generator Reactive Resources are subject to the forced re-scheduling provisions for outages in accordance with the ISO New England Manuals and ISO New England Operating Procedures for the purpose of providing reactive power voltage support to the New England Transmission System. In addition, any generator that is dispatched by ISO for the purpose of providing voltage support to the New England Transmission System shall be eligible to recover its Lost Opportunity Costs ("LOC"), Cost of Energy Consumed ("CEC"), and Cost of Energy Produced ("CEP") pursuant to Sections IV.B-D of this Schedule 2.

A generator is eligible to be designated as a Qualified Generator Reactive Resource by the ISO if it meets the criteria listed below, and a Qualified Generator Reactive Resource designation may be retained as long as the criteria listed below continues to be met:

1. the entity owning or controlling the reactive power capability of the generator reactive resource is a Market Participant;

2. the generator is: (a) interconnected to the New England Transmission System or (b) interconnected to the distribution system but participating in the New England Markets and (c) is metered and dispatchable by the ISO or otherwise subject to operational control by the ISO;

3. the generator provides measurable dynamic reactive power voltage support to the New England Transmission System, as determined from time-to-time by the ISO, and has its automatic voltage regulating equipment status telemetered to the ISO and the applicable Local Control Center;

4. the generator meets the reactive power testing requirements applicable to generators, as determined from time-to-time by the ISO and specified in the ISO New England Operating Documents;

5. the installation of the generator shall have been approved in accordance with the requirements of Section I.3.9 of the Tariff or its predecessor or successor provisions under the New England regional transmission arrangements; and

6. the Market Participant provides accurate reactive capability data to the ISO as specified in ISO New England Operating Documents.

B. Qualified Non-Generator Reactive Resources

Qualified Non-Generator Reactive Resources shall be eligible for VAR Payments under this Schedule 2. However, to the extent that cost recovery for the dynamic reactive power capability of a non-generator resource could occur under the PTF cost recovery mechanism, it shall occur only under such cost recovery mechanism and not under this Schedule 2.

A non-generator is eligible to be designated as a Qualified Non-Generator Reactive Resource by the ISO if it meets the criteria listed below, and a Qualified Non-Generator Reactive Resource designation may be retained as long as the criteria listed below continues to be met:

1. the entity owning or controlling the reactive power capability of the non-generator reactive power resource is a Market Participant;

2. the non-generator reactive power equipment provides measurable dynamic reactive power voltage support to the New England Transmission System, as determined from time-to-time by the ISO;

3. the type of dynamic reactive power equipment is within a category of equipment that has been approved by the ISO, with advisory input from the Reliability Committee;

4. the dynamic reactive power equipment is subject to the Operating Authority of the ISO and all necessary operating protocols for provision of reactive power voltage support from such equipment are in place;

5. such equipment is interconnected to the New England Transmission System and metered and dispatchable by the ISO or otherwise subject to operational control by the ISO, and has its automatic voltage regulating equipment status telemetered to the ISO and the applicable Local Control Center;

6. the non-generator reactive resource meets the reactive power testing requirements applicable to such non-generators, as determined from time-to-time by the ISO and specified in the ISO New England Operating Documents;

7. the installation of such equipment shall have been approved in accordance with the requirements of Section I.3.9 of the Tariff or its predecessor provisions under the New England regional transmission arrangements; and

8. the Market Participant provides accurate reactive capability data to the ISO as specified in ISO New England Operating Documents.

C. Non-Dynamic Reactive Resources

Nothing in this Schedule 2 is intended to preclude, or provide support for, the cost recovery under a separate schedule to the Tariff, filed with the Commission pursuant to the requirements of Sections 205 or 206 of the Federal Power Act, for non-generator, non-dynamic reactive resources that are interconnected to and provide VAR Service to the New England Transmission System but do not meet the criteria to be deemed either Qualified Non-Generator Reactive Resources or PTF.

III. DETERMINATION AND ALLOCATION OF VAR SERVICE CHARGES

Transmission Customers and Large Load Transmission Customers must purchase VAR Service from the ISO for the support of transmission voltages on the New England Transmission System. With the exception of VAR Service charges related to high voltage conditions, the hourly charge for VAR Service shall be paid by each Transmission Customer that receives either Regional Network Service or Through or Out Service~~.~~ and each Large Load Transmission Customer that receives Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service. In the event that VAR Service charges for an hour are exclusively related to service provided to meet reliability criteria that address high voltage conditions in one or more Reliability Regions, then the VAR Service charges associated with high voltage conditions for that hour are allocated to each Transmission Customer within the affected Reliability Regions that receives Regional Network Service based on its pro rata share of Regional Network Load ~~within the affected Reliability Regions.~~and Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service within the affected Reliability Regions, and to each Large Load Transmission Customer that receives Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service based on its pro rata share of Regional Network Load and demand for Firm Contract Demand Service, Non-Firm Contract Demand

Service, and/or Interim Contract Demand Service within the affected Reliability Regions as determined in Section II.62 of the OATT. VAR Service charges are determined pursuant to the following formula:

$$CH = (CC + LOC_O + CEC_O + CEP_O) \left(\quad \right)$$

$$+ (LOC_{HV} + CEC_{HV} + CEP_{HV}) \left(\quad \right)$$

in which the inputs to the formula have the following meaning:

CH = the amount to be paid by the Transmission Customer and/or Large Load Transmission Customer for the hour;

CC = the Capacity Costs for the hour shall be the VAR Revenue Requirement determined as set forth herein divided by the number of hours in the month;

LOC_{HV} = the Lost Opportunity Costs for the hour to be paid for a dynamic reactive power resource that supplies VAR Service to meet reliability criteria in the Transmission Customer's and/or Large Load Transmission Customer's Reliability Region, provided the VAR Service is supplied exclusively to address high voltage conditions within one or more Reliability Regions;

LOC_O = the Lost Opportunity Costs for the hour to be paid for a dynamic reactive power resource that provides VAR Service to meet reliability criteria within one or more Reliability Regions excluding the costs for VAR Service that is supplied exclusively to address high voltage conditions;

CEP_{HV} = the Cost of Energy Produced which is the portion of the amount paid for the hour for Energy produced by a dynamic reactive power resource for VAR Service to meet reliability criteria in the Transmission Customer's and/or Large Load Transmission Customer's Reliability Region, provided the VAR Service is supplied exclusively to address high voltage conditions within one or more Reliability Regions;

CEP_O = the Cost of Energy Produced which is the portion of the amount paid for the hour for Energy produced by a dynamic reactive power resource for VAR Service to meet reliability criteria within one or more Reliability Regions excluding the costs for VAR Service supplied exclusively to address high voltage conditions;

CEC_{HV} = the Cost of Energy Consumed which is the cost of energy used in the hour by a dynamic reactive power resource in order to supply VAR Service to meet reliability criteria in the Transmission Customer's and/or Large Load Transmission Customer's Reliability Region, provided the VAR Service is supplied exclusively to address high voltage conditions within one or more Reliability Regions;

CEC_O = the Cost of Energy Consumed which is the cost of Energy used in the hour by a dynamic reactive power resource in order to provide VAR Service to meet reliability criteria within one or more Reliability Regions excluding the costs for VAR Service supplied exclusively to address high voltage conditions;

HL_l = the Regional Network Load of the Transmission Customer ~~for the hour;~~or demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service for the Large Load Transmission Customer as determined in Section II.62 of the OATT for the hour;

HL = the aggregate of the Regional Network Loads of all Transmission ~~Customer~~Customers and demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service for all Large Load Transmission Customers as determined in Section II.62 of the OATT for the hour;

HLR_l = that portion of the Regional Network Load of the Transmission Customer and demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service for the Large Load Transmission Customer as determined in Section II.62 of the OATT that is within a Reliability Region where VAR Service charges in the hour were a result of VAR Service provided exclusively to meet reliability criteria that address high voltage conditions;

HLR = the aggregate of all the Regional Network Loads of all Transmission ~~Customerswithin~~Customers and demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service for all Large Load Transmission Customers as determined in Section II.62 of the OATT within Reliability Regions where VAR Service charges in the hour were a result of VAR Service provided exclusively to meet reliability criteria that address high voltage conditions;

RC_I = the Reserved Capacity for Through or Out Service of the Transmission Customers for the hour, excluding any Coordinated External Transaction Reserved Capacity for Through or Out Service; and

RC = the aggregate Reserved Capacity for Through or Out Service of all Transmission Customers for the hour, excluding all Coordinated External Transaction Reserved Capacity for Through or Out Service.

IV. DETERMINING A QUALIFIED REACTIVE RESOURCE'S PAYMENT UNDER THIS SCHEDULE

The compensation to be paid to resources providing VAR Service shall be as set forth below.

A. Capacity Cost (CC)

1. A Qualified Reactive Resource shall be eligible to receive VAR Payments under the Capacity Cost component of this Schedule 2 for the capability to provide VAR Service.

2. Payment for VAR Service is intended to compensate a Qualified Generator or Non-Generator Reactive Resource for VAR Service at the resource's Point of Interconnection. For those resources interconnected under an agreement other than the Interconnection Agreement established pursuant to Schedules 22, 23, or 25 and without a defined Point of Interconnection, the resource will be compensated for VAR Service at the point where the resource interconnected to the existing Administered Transmission System.

3. Payment for VAR Service associated with lagging capability is not intended to compensate a Qualified Generator Reactive Resource for reactive power absorbed by the

generator step-up transformer. Payment for VAR Service associated with leading capability is intended to compensate a Qualified Generator Reactive Resource for reactive power absorbed by the generator step-up transformer.

4. The "VAR CC Rate" will be established each year as of January 1 on a prospective basis for that calendar year and shall be the Adjusted CC Rate * Min (1, (1.2*Forecast Peak Adjusted Reference Load for the year/(SUM of all Qualified Reactive Resources' Summer Seasonal Claimed Capability))).

5. The "Base CC Rate" shall be $2.19/kVAR-yr effective January 1, 2012.

6. The Adjusted CC Rate shall be a single rate applied over the full range of leading and lagging capability of a Qualified Reactive Resource and shall be determined as described below. The Base CC Rate shall be converted into an Adjusted CC Rate, expressed in the form of $/kVARyr, representing the amount to be paid for leading and lagging capability. The Adjusted CC Rate shall be calculated in accordance with the following formula: Adjusted CC Rate (CCRateadjusted) shall equal: (the Base CC Rate (CCRatebase) * Current Total Aggregate lagging VARs) / (Current Total Aggregate Lagging VARs + Current Total Aggregate Leading VARs). The basis of each such formula element and methodology for calculation is set forth in the Schedule 2 VAR Payment Implementation Rule. The details of the Schedule 2 VAR Payment Implementation Rule may be modified by the ISO without a filing under the Federal Power Act, provided that: (i) the modifications are consistent with the requirements of this Schedule 2; and (ii) the modifications receive the support of at least two-thirds of the voting percentage of the Transmission Committee members.

7. The "Forecast Peak Adjustment Reference Load" shall be the value published in the then-most recently published Forecast Report of Capacity, Energy, Loads and Transmission (the "CELT Report") at the time the VAR CC Rate is established for a year.

8. "Seasonal Claimed Capability" for Qualified Reactive Resources shall be determined as follows:

a. A "Qualified Generator Reactive Resource's Seasonal Claimed Capability" shall be the Seasonal Claimed Capability of each Qualified Generator applicable for the season in which the ISO Forecast Peak Adjusted Load is forecast to occur. The Seasonal Claimed Capability (SCC) represents the Summer (SCC-S) and Winter (SCC-W) Claimed Capability of a generating unit (or ISO approved combination of units in accordance with ISO New England Operating Procedures). Claimed Capability Ratings are the maximum dependable load carrying ability, in megawatts to three decimal places, of such unit or units, excluding capacity required for station use. SCC-S and SCC-W are the MW values of the Resource that will be used as billing determinants under this Tariff.

b. A "Qualified Non-Generator Reactive Resource's Seasonal Claimed Capability" shall be 2.5 times the maximum dynamic reactive power capability on a lagging basis demonstrated by the Qualified Non-Generator Reactive Resource during the testing of its VAR Service capability consistent with ISO Procedures for measurement of such capability in megawatts to three decimal places.

9. The "VAR Revenue Requirement" shall be the sum over a month of all Qualified Reactive Resources' VAR Payments.

10. A Qualified Reactive Resource's VAR Payment shall equal (1/12) * (VAR CC Rate*Qualified VARs).

11. Qualified Reactive Resources will be paid their VAR Payment under this Section for each month of a calendar year starting with the month in which the resource is approved as a Qualified Reactive Resource.

12. "Qualified VARs" shall be determined as follows:

(a) In accordance with the ISO New England Operating Procedures, the Qualified VARs of a Qualified Reactive Resource shall:

i. be determined through actual testing in accordance with the then-applicable VAR testing procedures set forth in the ISO New England Operating Procedures. At least every five (5) years after that initial test, an ongoing test of the capability of a

Qualified Reactive Resource to supply VAR Service in both leading and lagging capability shall be conducted.

ii. use the average value of the reactive output or absorption during the lagging or leading test respectively, except that if any recorded value is less than 75% of the average value, the Qualified VARs shall be based upon that minimum value.

iii. equal the sum total of the absolute values of the leading and lagging VAR capability of the resource determined pursuant to this section.

(b) Qualified VARs of a Qualified Generator Reactive Resource:

- The Qualified VARs of a Qualified Generator Reactive Resource that i) has not yet performed an initial Reactive Capability Audit; or ii) has been granted a waiver under the Ancillary Service Schedule 2 Business Procedure of the audit-based calculation of Qualified VARs shall be equal to the sum of the absolute values of the:
    - i) lagging VAR capability (adjusted downward for reactive power absorbed between the resource and its Point(s) of Interconnection):
        - a) At 90% of the Summer Network Resource Capability for Intermittent Power Resources, Continuous Storage Facilities, and Qualified Generator Reactive Resources without a Summer Seasonal Claimed Capability, or,
        - b) At the Summer Seasonal Claimed Capability for non-intermittent Generator Reactive Resources;

        -and-
    - ii) leading VAR capability (adjusted upward for reactive power absorbed between the resource and its Point(s) of Interconnection) at Economic Min with all generating units of the Qualified Generator Reactive Resource online.

(c) The Qualified VARs of a Qualified Non-Generator Reactive Resource that i) has not yet performed an initial Reactive Capability Audit; or ii) has been granted a waiver under the Ancillary Service Schedule 2 Business Procedure of the audit-based calculation of Qualified VARs shall be equal to the sum of the absolute values of the lagging VAR capability at the corresponding Summer Seasonal Claimed Capability or an equivalent point and the leading VAR capability at the corresponding Economic Min point or an

equivalent point as indicated on the Qualified Non-Generator Reactive Resource's reactive capability data, as required in ISO Operating Documents, that is submitted to and approved by the ISO and then in effect adjusted for reactive power absorbed between the resource and its Point(s) of Interconnection.

B. Lost Opportunity Cost (LOC)

1. The LOC for generators that are dispatched down by, or at the request of, the ISO, or a Local Control Center for the purpose of providing VAR Service will be calculated pursuant to Market Rule 1.

2. Qualified Non-Generator Reactive Resources shall be eligible for payment of the LOC for Qualified Non-Generator Reactive Resources that are dispatched down (pursuant to the authority established within written operating protocols developed under Section II.B.4) at the request of the ISO or a Local Control Center for the purpose of providing VAR Service. The LOC of such Qualified Non-Generator Reactive Resources will be calculated pursuant to procedures established at the time of approval of the equipment type pursuant to Section II.B and filed with the Commission pursuant to the requirements of Section 205 of the Federal Power Act.

C. Cost of Energy Consumed (CEC)

1. The CEC associated with resources that are producing or absorbing reactive power at zero real power output at the request of the ISO or a Local Control Center for the purpose of providing VAR Service will equal the cost of the additional Energy to produce the reactive power and will be calculated in each hour as follows: CEC = (MWhUnit * (LMP or actual Energy cost), where the MWh Unit are calculated pursuant to the Ancillary Service Schedule 2 Business Procedure. The actual Energy cost applies only if the Energy is purchased through a bilateral contract.

2. For the Chester SVC, or any other non-generator reactive resource, recovering its costs under another Tariff schedule, the CEC will be set to zero ($0), and the cost of Energy to supply reactive supply and voltage control from the resource will be treated as losses on the New England Transmission System.

D. Cost of Energy Produced (CEP)

1. The CEP associated with generating units that are brought on-line by the ISO or a Local Control Center for the purpose of providing VAR Service shall equal the portion of the total NCPC (as defined in Market Rule 1) to be paid that resource for a day that is attributed to the hour(s) during which the resource is run to provide VAR Service in accordance with Market Rule 1 and the ISO New England Operating Documents.

2. Qualified Non-Generator Reactive Resources shall be eligible for payment of the CEP incurred by Qualified Non-Generator Reactive Resources for the purpose of providing VAR Service (pursuant to the authority established within written operating protocols developed under Section II.B.4). The CEP of such Qualified Non-Generator Reactive Resources shall be measured pursuant to procedures established at the time of approval of the equipment type pursuant to Section II.B and filed with the Commission pursuant to the requirements of Section 205 of the Federal Power Act.

V. ALTERNATIVE PAYMENT FOR VAR SERVICE

Where a non-generator source of VAR Service (i) responds to identified needs for dynamic reactive power on the New England Transmission System, as identified in the Regional System Plan, and (ii) is confirmed by the ISO as a dynamic reactive power resource that will meet the identified need, and (iii) such non-generator source of VAR Service meets the criteria to be a Qualified Non-Generator Reactive Resource but cannot recover its costs of providing dynamic reactive power under Schedule 2, such non-generator may submit a separate schedule to the ISO OATT to be filed with the Commission pursuant to the requirements of Section 205 of the Federal Power Act for a rate to be paid to allow such resource to recover its costs related to providing VAR Service. In such case, it shall not be considered a Qualified Non-Generator Reactive Resource under this Schedule 2 and its provision of VAR Service and payment shall be governed solely by such separate schedule filed with the Commission.

SCHEDULE 2 VAR PAYMENT IMPLEMENTATION RULE

This rule describes the steps to be taken to calculate the VAR CC Rate in accordance with Section IV.A. of Schedule 2. On an annual basis, the Base CC Rate shall be converted into a VAR CC Rate, expressed in the form of $/kVAR-yr, representing the amount to be paid for leading and lagging capability.

The following calculations shall be done in December of each year to calculate the VAR CC Rate for the next year of VAR Payments for leading and lagging reactive power capability in the following year. As described below, the VAR CC Rate shall be updated on an annual basis utilizing the most current leading and lagging test results, and it is expected to take three years to test all of the Qualified Reactive Resources in leading mode.

1. Calculate the "Current Total Aggregate Lagging VARs", which shall equal the "Current Net Aggregate Tested Lagging VARs" plus the "Current Net Aggregate Non-Tested Lagging VARs"; Where:

   a. the Current Net Aggregate Tested Lagging VARs shall equal the total of Lagging Qualified VAR Capability for all Schedule 2 Qualified Reactive Resources that have completed a successful lagging VAR test, as reflected in the VAR Annual Capacity Cost Rate Report that is posted on the ISO website; this value will reflect the lagging kVARs of a Schedule 2 Qualified Reactive Resource as taken from its lagging VAR test results adjusted for losses incurred for such VARs to reach the Point(s) of Interconnection, (i.e., gross lagging VARs test results adjusted down for losses); and

   b. the Current Net Aggregate Non-Tested lagging VARs shall equal the total of Lagging Qualified VAR Capability for all Schedule 2 Qualified Reactive Resources that have not yet completed a successful lagging VAR test, as reflected in the VAR Annual Capacity Cost Rate Report that is posted on the ISO website; this value will reflect the lagging kVARs of a Schedule 2 Qualified Reactive Resource as taken from its reactive capability (and line and transformer impedance, where needed to calculate losses) data, submitted to and approved by the ISO, at the points defined in IV.12, adjusted for losses incurred for such VARs to reach the Point(s) of Interconnection (i.e., gross lagging VARs reactive capability data, as required in ISO Operating Documents, at SCC adjusted down for losses).

   c. Increase and decrease limiters shall be applied to potential increases or decreases in the Current Total Aggregate Lagging VARs as follows:

   i. Current Total Aggregate Lagging VARs Limiters for 2010:
   • The Current Total Aggregate Lagging VARs value shall not be limited for 2010.

ii. Current Total Aggregate Lagging VARs Limiters for 2011 and beyond:

• Current Total Aggregate Lagging VARs Increase Limiter for 2011 and beyond: the calculated Current Total Aggregate Lagging VARs will be limited to no greater than 130% of the Current Total Aggregate Lagging VARs value used in the determination of $CCRate_{adjusted}$ for 2010; and

• Current Total Aggregate Lagging VARs Decrease Limiter for 2011 and beyond: the calculated Current Total Aggregate Lagging VARs will be limited to no less than 70% of the Current Total Aggregate Lagging VARs value used in the determination of $CCRate_{adjusted}$ for 2010.

2. Calculate the Current Total Aggregate Leading VARs which shall equal the Current Net Aggregate Tested Leading VARs plus the Current Net Aggregate Non-Tested Leading VARs;

Where:

a. the Current Net Aggregate Tested Leading VARs shall equal the total of Leading Qualified VAR Capability for all Schedule 2 Qualified Reactive Resources that have completed a successful Leading VAR Test, as reflected in the VAR Annual Capacity Cost Rate Report that is posted on the ISO website; this value will reflect the Leading kVARs of Schedule 2 Qualified Reactive Resources as taken from its leading VAR test results adjusted for losses incurred for such VARs to reach the Point(s) of Interconnection (i.e., gross leading VARs test results adjusted up for losses);

b. the Current Net Aggregate Non-Tested Leading VARs: shall equal the total of Leading Qualified VAR Capability for all Schedule 2 Qualified Reactive Resources that have not yet completed a successful Leading VAR Test, as reflected in the VAR Annual Capacity Cost Rate Report that is posted on the ISO website. This value will reflect the Leading kVARs of Schedule 2 Qualified Reactive Resources as taken from its reactive capability data, as required in the ISO Operating Documents, (and line and transformer impedance, where needed to calculate losses) data at the points defined in IV.12, adjusted for losses incurred for such VARs to reach the Point(s) of Interconnection, (i.e., gross leading

VARs reactive capability data, as required in the ISO Operating Documents, at Economic Min adjusted up for losses).

c. Current Total Aggregate Leading VARs Limiters

i. Current Total Aggregate Leading VARs Limiters for 2010:
• The Current Total Aggregate Leading VARs value shall not be limited for 2010.

ii. Current Total Aggregate Leading VARs Limiters for 2011 and beyond:

• Current Total Aggregate Leading VARs Increase Limiter for 2011 and beyond: the calculated Current Total Aggregate Leading VARs will be limited to no greater than 130% of the Current Total Aggregate Leading VARs value used in the determination of $CCRate_{adjusted}$ for 2010; and

• Current Total Aggregate Leading VARs Decrease Limiter for 2011 and beyond: the calculated Current Total Aggregate Leading VARs will be limited to no less than 70% of the Current Total Aggregate Leading VARs value used in the determination of $CCRate_{adjusted}$ for 2010.

3. Calculate the Adjusted CC Rate ($CCRate_{adjusted}$): shall equal (the Base CC $Rate_e$ * Current Total Aggregate Lagging VARs) / (Current Total Aggregate Lagging VARs + Current Total Aggregate Leading VARs).

4. VAR CC Rate ("VARCCRate"): shall equal (the Adjusted CC Rate) * (the lesser of 1 or (1.2 * "Forecast Peak Adjusted Reference Load" for the year / the sum of the "Qualified Reactive Resources' Seasonal Claimed Capability"));

Where:

a. the "Forecast Peak Adjusted Reference Load" for the year shall equal the amount specified as "Adjusted Reference Load" for the applicable year in *Section I.1 -Summaries – Summer* from the most current *Forecast Report of Capability, Energy, Loads and Transmission (CELT Report)*;

b. The sum of the "Qualified Reactive Resources' Seasonal Claimed Capability" shall equal the Qualified Generator Reactive Resources' Seasonal Claimed Capability plus the Qualified Non-Generator Reactive Resources' Adjusted Seasonal Claimed Capability;

Where:

i. the Qualified Generator Reactive Resources' Seasonal Claimed Capability is reflected in the VAR Annual Capacity Cost Rate Report; and

ii. the Qualified Non-Generator Reactive Resources' Adjusted Seasonal Claimed Capability is reflected in the VAR Annual Capacity Cost Rate Report.

5. Monthly VAR Payment for a Qualified Reactive Resource in a particular month shall equal the (VARCCRate / 12 * (its Monthly Net Lagging VARs for that month + its Monthly Net Leading VARs for that month)), as reflected in the applicable monthly *VAR Status Summary Report* that is posted on the ISO website.

a. Monthly Net Lagging VARs: Qualified Reactive Resource's Monthly Net Lagging VARs value shall equal its VAR value based on (a) its most recent successful Lagging VAR test or (b) if it has not yet completed such a test, its VAR value at SCC, or equivalent point, based on its submitted and ISO accepted reactive capability data, as required in the ISO Operating Documents, and line and transformer impedance data. The Qualified VAR Resource's Monthly Net Lagging VARs value shall be reflected in the applicable monthly VAR Status Summary Report that is posted on the ISO website.

b. Monthly Net Leading VARs: a Qualified Reactive Resource's Monthly Net Leading VARs value shall equal its VAR value based on (a) its most recent successful Leading VAR test or (b) if it has not yet completed such a test, its VAR value at Economic Min, or equivalent point, based on its submitted and ISO accepted reactive capability data, as required in the ISO Operating Documents, and line and transformer impedance data. The Qualified Reactive Resource's Monthly Net Leading VARs value shall be reflected in the applicable monthly VAR Status Summary Report that is posted on the ISO website.

SCHEDULE 16

Blackstart Service

Introduction and Description of Service

Blackstart Service is necessary to facilitate a stable and orderly system restoration following a partial or complete shutdown of the New England Transmission System. Resources are offered by Blackstart Owners to provide Blackstart Service and, if selected by the ISO, are modified (if required), maintained, tested and operated by a Market Participant, or its designee, in accordance with this Schedule 16. The ISO shall select those resources whose locations and capabilities support the New England System Restoration Plan. Following agreement between the owner and the ISO, such selected resources ("Designated Blackstart Resources") shall provide and are eligible to receive compensation for providing Blackstart Service. Blackstart Service is provided by Blackstart Owners via Designated Blackstart Resources, arranged for through the ISO, and utilized by Transmission Customers~~.~~ and Large Load Transmission Customers. Transmission Customers are charged for Blackstart Service based on their pro-rata share of Monthly Regional Network Load~~.~~ and demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service as determined in Section II.62 of the OATT. Large Load Transmission Customers are charged for Blackstart Service based on their pro-rata share of Monthly Regional Network Load and demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service as determined in Section II.62 of the OATT.

1. Eligibility Requirements:

A resource must meet the eligibility requirements listed below, as detailed in ISO New England Operating Procedure No. 11 – Designated Blackstart Resource Administration (OP 11), to be considered for compensation as a Designated Blackstart Resource.

1.1. The Blackstart Owner offers the resource to provide Blackstart Service;

1.2. The offered resource must be selected by the ISO to provide Blackstart Service, based on the technical requirements to satisfy NERC, NPCC and ISO restoration criteria;

1.3. The ISO accepts the Blackstart Owner's offer to provide Blackstart Service;

1.4. The Blackstart Owner and resource meet the following Blackstart Service Minimum Criteria:

1.4.1. the resource is located within the ISO New England Reliability Coordinator Area;

1.4.2. the resource is metered and dispatchable by the ISO or otherwise subject to operational control by the ISO during the restoration of the New England Transmission System following a partial or complete shutdown of the New England Transmission System;

1.4.3. the resource is capable of starting and remaining energized without support from either offsite power or another Designated Blackstart Resource until such time as additional load is directed to be picked up pursuant to instruction from the ISO or Local Control Center;

1.4.4. the resource is capable of closing its output circuit breaker to a de-energized bus;

1.4.5. the resource is maintained and staffed in a manner that allows it to be brought online and available for loading by the ISO or Local Control Center within a specified time period, with such period being measured from the initiation of the startup instruction from the ISO or Local Control Center;

1.4.6. the resource has the ability to maintain frequency within a prescribed range and is able to operate in a mode with zero governor droop or the equivalent;

1.4.7. the resource has an automatic voltage regulator capable of being placed in automatic voltage control mode;

1.4.8. the resource has the ability to provide lead and lag power factor capability;

1.4.9. the resource has access to a fuel supply during a shutdown of the New England Transmission System that will allow it to, in accordance with ISO or Local Control Center dispatch instruction, run at full capacity for a specified minimum amount of time;

1.4.10. the Blackstart Owner maintains a communication capability from the resource to either the Local Control Center or the ISO, as directed by the ISO, that is independent of a public telephone or cellular phone communication network and is confirmed to be capable of operating during a shutdown of the New England Transmission System; and

1.5. A Blackstart Service Commitment is established between the Blackstart Owner and the ISO.

2. Term of Blackstart Service

2.1. Term of Blackstart Service Commitment:

The Designated Blackstart Resource's term of Blackstart Service Commitment, as established under OP 11, shall start on the effective date of the resource's Blackstart Service Commitment and, for a resource that:

2.1.1. does not establish a Specified-Term Blackstart Capital Payment, the Blackstart Service Commitment shall continue until terminated in accordance with Section 2.3. The Blackstart Owner and the ISO by mutual agreement may establish a minimum period for the open term, which shall not be greater than the number of years of the recovery period, as shown in Table 4a of Appendix A, that corresponds to the age of the Designated Blackstart Resource on the effective date of the Blackstart Service Commitment.

2.1.2. establishes a Specified-Term Blackstart Capital Payment, the term of Blackstart Service Commitment shall equal the number of years of the recovery period, as shown in Table 4a of Appendix A, that corresponds to the age of the Designated Blackstart Resource on the effective date of the Blackstart Service Commitment (i.e., the "specified term"). The age of the resource shall be calculated based on the "In-Service Date", as stated in the ISO's "Forecast Report of Capacity, Energy, Loads, and Transmission (CELT Report)."

At the expiration of the specified term of Blackstart Service Commitment and unless otherwise terminated in accordance with Section 2.3, a Designated Blackstart Resource will commence a new term of Blackstart Service Commitment in accordance with Section 2.1 and OP 11.

2.2 Termination:

2.2.1. Mutual Termination: The Blackstart Service Commitment may be terminated at any time by mutual agreement of the Blackstart Owner and ISO. If the Blackstart Service Commitment is terminated under this provision, then the Designated Blackstart Resource's Blackstart Standard Rate Payments or Blackstart Station-specific Rate Payments, as appropriate, will cease on the first day of the month following the day that the Blackstart Service Commitment is terminated and the Designated Blackstart Resource shall not recover any Lump Sum Blackstart Payments.

2.2.2. Unilateral Termination:

2.2.2.1. Either the Blackstart Owner or the ISO may terminate the Blackstart Service Commitment upon at least two (2) years' written notice to the other party following the effective date of the Blackstart Service Commitment. In the event of a Force Majeure, the two-year written notice requirement shall be waived.

2.2.2.1.1. If the Blackstart Owner terminates the Blackstart Service Commitment under this provision, then the Designated Blackstart Resource's Blackstart Standard Rate Payments or Blackstart Station-specific Rate Payments, as appropriate, will cease on the first day of the month following the day that the Blackstart Service Commitment is terminated and the Designated Blackstart Resource shall not recover any Lump Sum Blackstart Payments, except as provided for in Section 2.3.2.1.2.

2.2.2.1.2. A Blackstart Owner may terminate the Blackstart Service Commitment of a Designated Blackstart Resource that establishes a Specified-Term Blackstart Capital Payment in order to retire or deactivate the Designated Blackstart Resource if such retirement or deactivation has been approved or required under the Tariff. The payment of the Blackstart O&M Payment shall cease on the first day of the month following the day, as recognized by ISO, that the Designated Blackstart Resource stopped providing Blackstart Service.

If the Blackstart Resource is retired or deactivated in compliance with this Section, then it shall receive a single lump-sum payment in the month following the effective date of the retirement or deactivation that equals the Lump Sum Blackstart Capital Payment as determined in Section 5.4.

2.2.2.1.3. If the ISO terminates a Blackstart Service Commitment under this provision for reasons other than provided in Section 2.3.2.2, then:

2.2.2.1.3.1. the Designated Blackstart Resource's Blackstart O&M Payment will cease on the first day of the month following the day that the Blackstart Service Commitment is terminated; and

2.2.2.1.3.2. the Blackstart Resource shall receive a single lump-sum payment in the month following the effective date of the termination that equals the Lump Sum Blackstart Capital Payment as determined in Section 5.4.

2.2.2.2. Regardless of the term length, the ISO may terminate the Blackstart Service Commitment:

2.2.2.2.1. with ninety (90) days' notice to the Blackstart Owner following the issuance by the ISO to the Blackstart Owner of a Failure to Maintain Blackstart Capability notice. The ISO shall not terminate the Blackstart Service Commitment if the Blackstart Owner corrects the failure within this ninety-day notice period; or

2.2.2.2.2. with ninety (90) days notice to the Blackstart Owner following the issuance by the ISO to the Blackstart Owner of a Failure to Perform During a System Restoration notice. The

ISO shall not terminate the Blackstart Service Commitment if the Failure to Perform During a System Restoration was determined by the ISO to be due to an event of Force Majeure.

2.2.2.2.3. If the ISO terminates the Blackstart Service Commitment under either Section 2.2.2.2.1 or Section 2.2.2.2.2, then any remaining Designated Blackstart Resource Blackstart Standard Rate Payments or Blackstart Station-specific Rate Payments will cease on the first day of the month following the day that the Blackstart Service Commitment is terminated and the Designated Blackstart Resource shall not recover any Lump Sum Blackstart Payments.

3. Rights and Obligations

3.1. The Blackstart Owner shall follow ISO and Local Control Center operating dispatch instructions during the restoration of the New England Transmission System following a partial or complete shutdown of the New England Transmission System, in accordance with the Designated Blackstart Resource's Blackstart Service obligations, as stated in this Section 3, and Blackstart Service Minimum Criteria.

3.2. The Blackstart Owner shall not subject the Designated Blackstart Resource to any agreement, arrangement or procedure that conflicts with the resource's ability to provide Blackstart Service, including any agreement, arrangement or procedure that would prevent the resource from following ISO or Local Control Center dispatch instructions during the restoration of the New England Transmission System following a partial or complete shutdown of the New England Transmission System.

3.3. The Blackstart Owner shall maintain the ability of the Designated Blackstart Resource to perform in accordance with ISO New England Operating Documents.

3.4. The Blackstart Owner shall, at least once every 12 months, ensure that the Designated Blackstart Resource passes all Blackstart Capability Tests and complies with all reporting requirements, in accordance with OP 11.

3.5. The ISO shall have the right to be present during the performance of a Blackstart Capability Test and to inspect the Designated Blackstart Resource and the Blackstart Owner's procedures and records that pertain to the operation and maintenance of Blackstart Service to confirm the resource's ability to provide Blackstart Service and assess the accuracy of information provided to the ISO and Local Control Centers.

3.6. A Blackstart Owner that desires to submit a request to retire or deactivate or modify equipment that would diminish the ability of a Designated Blackstart Resource to provide

Blackstart Service may submit the request if it simultaneously submits a notice of Blackstart Service Commitment termination to the ISO in accordance with Section 2.3. The notice of Blackstart Service Commitment termination may be conditional on the ISO's approval of the request to retire, deactivate, or modify.

3.7. The terms and conditions of Schedule 16 shall apply to the Designated Blackstart Resource, whether or not it has a Capacity Supply Obligation, while the Designated Blackstart Resource is committed to provide Blackstart Service.

3.8. The Blackstart Owner shall be entitled to take the Designated Blackstart Resource out of operation in accordance with the schedule for planned outages as established by the ISO, provided that the ISO has the right, working with the Blackstart Owner and the Local Control Center, to reposition the outage for reliability reasons with respect to Blackstart Service when establishing the planned outage schedule.

3.9. The Blackstart Owner shall inform the ISO and Local Control Center of any planned outage of equipment under the Blackstart Owner's control that affects the Designated Blackstart Resource's ability to provide Blackstart Service.

3.10. The Blackstart Owner shall maintain documentation of its procedures and training for starting the resource, energizing a de-energized bus and maintaining voltage and frequency during restoration, and provide this documentation to the ISO, upon request.

4. Failure to Meet Blackstart Service Obligations

4.1. A Blackstart Owner shall notify the ISO and Local Control Center as soon as practicable and within 15 minutes of identifying a failure or inability of a Designated Blackstart Resource to meet the Blackstart Service Minimum Criteria and Blackstart Service obligations specified in Schedule 16 and in the ISO New England Operating Documents pertaining to Blackstart Service. Such conditions include any forced outage of equipment under the Blackstart Owner's control that affects the Designated Blackstart Resource's ability to provide Blackstart Service, or that might constitute a Failure to Maintain Blackstart Capability or a Failure to Perform During a System Restoration.

4.2. Upon receipt of the notice described in Section 4.1, the ISO shall assess all available information associated with a Designated Blackstart Resource's inability to meet its Blackstart Service Minimum Criteria and Blackstart Service obligations, and provide notice to the Blackstart Owner that a Failure to Maintain Blackstart Capability or a Failure to Perform During a System

Restoration event has occurred (collectively or individually, a "Failure") if the ISO determines based on that assessment that a Failure has occurred.

4.3. The Blackstart Owner shall exercise diligence to correct the condition that caused the Failure promptly and provide notice to the ISO when the Failure has been corrected. The ISO shall review and provide prompt acknowledgement of such notice. If the Blackstart Owner determines that the Failure will continue for a period greater than 30 days from the date of the Failure, the Blackstart Owner shall submit a correction plan for approval by the ISO.

4.4. Suspension of Payments as a result of a Failure to Maintain Blackstart Capability.

4.4.1. If a Failure to Maintain Blackstart Capability has not been corrected within 30 days from date of the Failure, regardless of whether an ISO-approved correction plan is in place, then the ISO shall set the Designated Blackstart Resource's Blackstart O&M Payment to zero effective on the date of the Failure.

4.4.2. If a Failure to Maintain Blackstart Capability has not been corrected within 60 days from the date of the Failure or on a date established by the ISO based on a Blackstart Owner's submitted correction plan (whichever is later), then the ISO shall set the Designated Blackstart Resource's Total Blackstart Capital Payment to zero beginning on the day following the date that the correction was to be completed.

4.5. Suspension of Payments as a result of a Failure to Perform During a System Restoration: Following a Failure to Perform During a System Restoration event, the ISO shall set the Designated Blackstart Resource's Blackstart O&M Payment and Total Blackstart Capital Payment to zero effective on the date of the Failure to Perform During a System Restoration. The ISO shall not suspend a Designated Blackstart Resource's Blackstart O&M Payment and Total Blackstart Capital Payment, if the Failure to Perform During a System Restoration was determined by the ISO to be due to an event of Force Majeure.

4.6. Resumption of Suspended Payments: Following the suspension of a Blackstart O&M Payment or Total Blackstart Capital Payment, the payment(s) shall resume upon the date, as recognized by the ISO, on which the Failure was corrected, *provided, however*, that the ISO retains its rights to terminate under the circumstances described in Section 2.3.2.2.

4.7. Suspension of Payments or a Resumption of Suspended Payments: A suspension of payments or a resumption of suspended payments under Section 4 shall result in a pro rata

adjustment of the resource's Blackstart Standard Rate Payments or Blackstart Station-specific Rate Payments, as appropriate, for the month(s) in which the suspension is applied or removed.

5. Blackstart Service Payments

A Blackstart Owner is eligible to receive payment for the provision of Blackstart Service from a Designated Blackstart Resource based on either the Blackstart Standard Rate Payment established in accordance with Section 5.1 or a Blackstart Station-specific Rate Payment established in accordance with Section 5.2. Unless stated otherwise, a Designated Blackstart Resource's Blackstart Standard Rate Payments or Blackstart Station-specific Rate Payments, as appropriate, shall start on the first day of the month following the effective day of the Blackstart Service Commitment, and shall cease on the first day of the month following the day that the Blackstart Service Commitment is terminated.

5.1. Blackstart Standard Rate Payment

5.1.1. General Provisions

The Blackstart Standard Rate Payment utilizes the payment parameters contained within Appendix A to Schedule 16 – Blackstart Standard Rate Components and Capital Recovery Factors ("Appendix A"). The ISO utilizes Appendix A, the ISO's CELT Report and documentation provided by the Blackstart Owner to determine the Blackstart Standard Rate Payment that a Designated Blackstart Resource is to receive for Blackstart Service.

5.1.1.1. Designated Blackstart Resources that the ISO recognizes as requiring the addition of Blackstart Equipment to meet Blackstart Service Minimum Criteria may elect to establish the Specified-Term Blackstart Capital Payment for a single term determined in accordance with Section 2.1.2.

5.1.1.2. Designated Blackstart Resources may establish one (and only one) of the following: Station-level Standard Blackstart Capital Payment, an individual Additional Resource Standard Blackstart Capital Payment, a Station-level Specified-Term Blackstart Capital Payment or an individual Additional Resource Specified-Term Blackstart Capital Payment.

5.1.1.3. The values in Tables 1, 2, 3, and 7 of Appendix A shall be adjusted on an annual basis in accordance with the most recent "Handy-Whitman Index of Public Utility Construction Costs" and then rounded to the nearest dollar. The annual adjustment calculation shall become effective on January 1 of the next year. The ISO shall post on its website the updated Appendix A.

The adjustment of the values in Table 1 and Table 7 shall be derived based on the Handy-Whitman index values for the North Atlantic Region for July for "Common Labor" at Table B-1, line 19 (or its successor).

The adjustment of the values in Table 2 and Table 3 shall be derived based on the Handy-Whitman index values for the North Atlantic Region for July for "Total Other Production Plant" at Table E-1, line 28 (or its successor).

5.1.2. A Designated Blackstart Resource at a Blackstart Station shall be entitled to Blackstart Service compensation in a month based on the following formula, Blackstart Owner-submitted data and values from Appendix A.

Blackstart Standard Rate Payment $_{individual}$ = (Blackstart O&M Payment $_{station}$ + Total Blackstart Capital Payment $_{station}$) / 12 * Designated Blackstart Resource $_{individual}$ nameplate MVA value / Σ Designated Blackstart Resource $_{individual}$ nameplate MVA values at the Blackstart Station

Where:

Total Blackstart Capital Payment $_{station}$ = Standard Blackstart Capital Payment $_{station}$ + Specified-Term Blackstart Capital Payment $_{station}$

5.1.2.1. Blackstart O&M Payment $_{station}$: The Blackstart O&M Payment provides compensation to Blackstart Stations for the operating and maintenance expenses associated with the provision of Blackstart Service from Designated Blackstart Resources located at the Blackstart Station, and is derived based on the following formula using data from Tables 1 and 5 of Appendix A.

Blackstart O&M Payment $_{station}$ = Station-level Blackstart O&M Payment + ΣAdditional Resource Blackstart O&M Payment for each additional Designated Blackstart Resource at the Blackstart Station.

Where:

The Station-level Blackstart O&M Payment is determined by selecting from Table 1 of Appendix A (based on the appropriate Designated Blackstart Resource type specified in Table 5 of Appendix A) the largest applicable Station-level Blackstart O&M Payment value for the Designated Blackstart Resource(s) located at the Blackstart Station; and

The Additional Resource Blackstart O&M Payment is determined by selecting from Table 1 of Appendix A (based on the appropriate Designated Blackstart Resource type specified in Table 5 of Appendix A) the applicable payment values associated with each additional Designated Blackstart Resource(s) located at the Blackstart Station and excludes the Designated Blackstart Resource used to determine the Station-level Blackstart O&M Payment.

5.1.2.2. Standard Blackstart Capital Payment $_{station}$ or Specified-Term Blackstart Capital Payment $_{station}$: The Standard Blackstart Capital Payment $_{station}$ or Specified-Term Blackstart Capital Payment $_{station}$, but not both, provides compensation to Blackstart Stations for the capital cost associated with the provision of Blackstart Service from Designated Blackstart Resources located at the Blackstart Station.

5.1.2.2.1. The Standard Blackstart Capital Payment $_{station}$ is derived based on the following formula using data from Tables 2 and 5 of Appendix A.

Standard Blackstart Capital Payment $_{station}$ = Station-level Standard Blackstart Capital Payment + Σ Additional Resource Standard Blackstart Capital Payment for each additional Designated Blackstart Resource at the Blackstart Station that is eligible to establish such a payment.

Where:

The Station-level Standard Blackstart Capital Payment is determined by selecting from Table 2 of Appendix A (based on the appropriate Designated Blackstart Resource type specified in Table 5 of Appendix A) the largest applicable Station-level Standard Blackstart Capital Payment value for the Designated Blackstart Resource(s) located at the Blackstart Station that are eligible to receive a Station-level Standard Blackstart Capital Payment. The Station-level Standard Blackstart Capital Payment shall be set to zero if any Designated Blackstart Resource located at the Blackstart Station is recovering a Station-level Specified-Term Blackstart Capital Payment.

The Additional Resource Standard Blackstart Capital Payment is determined by selecting from Table 2 of Appendix A (based on the appropriate Designated Blackstart Resource type specified in Table 5 of Appendix A) the applicable payment value associated with each additional Designated Blackstart Resource (s) located at the Blackstart Station that establishes an Additional Resource Standard Blackstart Capital Payment and excludes (i) the Designated Blackstart Resource located at the Blackstart Station that is used to

establish the Station-level Standard Blackstart Capital Payment or Station-level Specified-Term Blackstart Capital Payment and (ii) the Designated Blackstart Resources located at the Blackstart Station that establish an Additional Resource Specified-Term Blackstart Capital Payment.

5.1.2.2.2. The Specified-Term Blackstart Capital Payment $_{station}$ is derived based on the following formula using data from Tables 3, 4a and 5.

Specified-Term Blackstart Capital Payment $_{station}$ = Station-level Specified-Term Blackstart Capital Cost * the appropriate capital recovery factor + Σ Additional Resource Specified-Term Blackstart Capital Cost * the appropriate capital recovery factor for each additional Designated Blackstart Resource at the Blackstart Station that is eligible to establish such a payment.

Where:

The Station-level Specified-Term Blackstart Capital Payment is determined by selecting, based on Tables 3 and 4a of Appendix A, the largest "Station-level Specified-Term Blackstart Capital Cost * the appropriate capital recovery factor" value for the Designated Blackstart Resource(s) located at the Blackstart Station that are eligible to receive a Station-level Specified-Term Blackstart Capital Payment.

The Additional Resource Specified-Term Blackstart Capital Payment is determined by selecting, based on Tables 3 and 4a of Appendix A, the "Additional Resource Specified-Term Blackstart Capital Cost* the appropriate capital recovery factor" associated with each additional Designated Blackstart Resource(s)located at the Blackstart Station that establishes an Additional Resource Specified-Term Blackstart Capital Payment and excludes (i) the Designated Blackstart Resource located at the Blackstart Station that is used to establish the Station-level Standard Blackstart Capital Payment or Station-level Specified-Term Blackstart Capital Payment and (ii) the Designated Blackstart Resources located at the Blackstart Station that establish an Additional Resource Standard Blackstart Capital Payment.

The capital recovery factor is based on Table 4a of Appendix A and reflects the age of the Designated Blackstart Resource that is recovering a Specified-Term Blackstart Capital Payment, where the age is determined by the resource's "In-Service Date", as stated in the CELT Report.

5.2. Blackstart Station-specific Rate Payment

The Blackstart Station-specific Rate Payment provides compensation to Blackstart Stations for the operation, maintenance and capital expenses associated with the provision of Blackstart Service from Designated Blackstart Resources located at the Blackstart Station, and is established by Commission acceptance of a Blackstart Owner's filing, under Section 205 of the Federal Power Act, to establish or revise Blackstart Station-specific Rate Payment reflecting cost-based Blackstart Service compensation.

5.2.1. The rate schedule shall specify two categories of Blackstart Service payments (Blackstart O&M Payment and Total Blackstart Capital Payment) of a Blackstart Station that are to be recovered annually for the provision of Blackstart Service.

5.2.2. The Blackstart Owner is responsible for making all appropriate filings with the Commission and Blackstart Service compensation shall be governed solely by the Commission-approved rate schedule.

5.2.3. A Designated Blackstart Resource shall be entitled to compensation in a month based on the following formula:

Blackstart Station-specific Rate Payment $_{individual}$ = (Blackstart O&M Payment $_{station}$ + Total Blackstart Capital Payment $_{station}$) / 12 * Designated Blackstart Resource $_{individual}$ nameplate MVA value / Σ Designated Blackstart Resource $_{individual}$ nameplate MVA values at the Blackstart Station.

Where:

Blackstart O&M Payment $_{station}$ = the Commission-accepted annual Blackstart O&M Payment for the Blackstart Station, which shall include operations and maintenance compensation for the provisions of Blackstart Service and for compliance with all associated NERC Critical Infrastructure Protection Reliability Standards.

Total Blackstart Capital Payment $_{station}$ = the Commission-accepted annual Blackstart Capital Payment for the Blackstart Station.

5.3. Non-Designated Blackstart Resource Study Cost Payments

If a Market Participant undertakes, at the direction of the ISO, a study to assess the viability of converting an offered resource to a Designated Blackstart Resource and the ISO issues a final determination not accepting a resource as a Designated Blackstart Resource, then the Market

Participant(s) with Ownership Shares in the resource shall be reimbursed for either (i) the Non-Designated Blackstart Resource Study Cost Payment in Table 7 to Appendix A or (ii) Commission-accepted compensation for study costs. This payment provides compensation for study costs that were incurred after the date that the Blackstart Owner and ISO agreed that studies to determine the technical feasibility of the resource to provide Blackstart Service should be undertaken through the date of the final determination, including expenses incurred to fulfill information requests. Such study cost compensation shall be made within a single monthly payment and charged to Transmission Customers based upon their pro-rata Monthly Regional Network Load share in the month in which the compensation is paid.

5.4. Lump Sum Blackstart Payment

A Lump Sum Blackstart Payment provides compensation for Designated Blackstart Resources that are retired, deactivated, or terminated under Section 2.3.2.1.2 or Section 2.3.2.1.3, respectively, and shall be paid to the retired, deactivated, or terminated Designated Blackstart Resource as a single lump-sum payment in the month following the effective date of the retirement, deactivation, or termination. A Lump Sum Blackstart Payment reflects the present value of the remaining Standard Blackstart Capital Payments due the eligible, retiring or terminated Designated Blackstart Resource(s).

5.4.1. The Lump Sum Blackstart Payment $_{individual}$ is derived based on the following formula.

Lump Sum Blackstart Payment $_{individual}$ = (Lump Sum Blackstart Capital Payment $_{station}$) * Designated Blackstart Resource $_{individual}$ nameplate MVA value of the retiring or terminated Designated Blackstart Resource / Σ all the retiring or terminated Designated Blackstart Resource $_{individual}$ nameplate MVA values at the Blackstart Station.

5.4.1.1. For eligible retiring or terminated Designated Blackstart Resource(s) receiving Blackstart Standard Rate Payment under Section 5.1, the Lump Sum Blackstart Payment $_{station}$ is derived based on the following formula using data from Tables 2, 3, 4a, 4b, and 5 of Appendix A that is in effect on the retirement, deactivation, or termination date.

5.4.1.1.1. At a Blackstart Station where (i) one of the Designated Blackstart Resources being retired, deactivated, or terminated establishes a Station-level Standard Blackstart Capital Payment, (ii) has a minimum period associated with its open-term Blackstart Service Commitment and (iii) the effective date of retirement, deactivation, or termination is within the

minimum period, the Lump Sum Blackstart Capital Payment $_{station}$ shall equal the present value of the monthly Station-level Standard Blackstart Capital Payment, using data from Tables 2, 4a, 4b and 5, for the remaining months of the minimum period associated with the open-term Blackstart Service Commitment.

5.4.1.1.2. At a Blackstart Station comprised of more than one Designated Blackstart Resource, where one of the Designated Blackstart Resources being retired, deactivated, or terminated establishes a Specified-Term Blackstart Capital Payment $_{station}$, the Lump Sum Blackstart Capital Payment station shall equal the present value of the monthly Specified-Term Blackstart Capital Payment, using data from Tables 3, 4a, 4b and 5, for the remaining months of the term of Blackstart Service Commitment.

5.4.1.1.3. The Lump Sum Blackstart Capital Payment $_{station}$ that is calculated pursuant to Section 5.4.1.1.1 or Section 5.4.1.1.2 shall be adjusted by: (a) adding, if any and as applicable, for any other Designated Blackstart Resources are being retired, deactivated, or terminated and that have a minimum period associated with the open-term Blackstart Service Commitment, the present value of the Additional Resource Standard Blackstart Capital Payment(s), using data from Tables 2, 4a, 4b and 5, for the remaining months of the applicable minimum period of Blackstart Service Commitment; (b) adding, if any and as applicable, for any other Designated Blackstart Resources are being retired, deactivated, or terminated and that have a specified-term associated with their Blackstart Service Commitment, the present value of the Additional Resource Specified-Term Blackstart Capital Cost(s), using data from Tables 3, 4a, 4b and 5, for the remaining months of the applicable specified-term Blackstart Service Commitment; (c) subtracting, if any and as applicable, for any Designated Blackstart Resources are continuing in service and that have a minimum periods associated with their open-term Blackstart Service Commitments, the present value of the new Station-level Standard Blackstart Capital Payment, using data from Tables 2, 4a, 4b and 5, for the remaining months of the applicable minimum period; and (d) subtracting, if any and as applicable, for any Designated Blackstart Resources are continuing in service and that have a specified-term Blackstart Service Commitment, the present value of the new Station-level Specified-Term Blackstart Capital Cost, using data from Tables 3, 4a, 4b and 5, for the remaining months of the applicable specified-term of Blackstart Service Commitment.

5.4.1.2. For eligible, retiring or terminated Designated Blackstart Resource(s) receiving Blackstart Station-specific Rate Payment under Section 5.2, the Lump Sum Blackstart Payment $_{individual}$, Lump Sum Blackstart Capital and Payment $_{station}$ is derived in accordance with the Lump

Sum Blackstart Payment provisions included in the applicable Blackstart Owner's Section 205 Blackstart Station-specific Rate Payment filing, as approved by FERC.

5.5. Equipment Damage Reimbursement

Blackstart Owners are eligible for Equipment Damage Reimbursement under Schedule 16 for equipment damage to a Designated Blackstart Resource: (1) that resulted from operating such equipment in response to operating dispatch instructions from the ISO during the restoration of the New England Transmission System, (2) for which reasonably available and customary insurance was sought and not available for the damages incurred and (3) that would not have occurred but for the Blackstart Owner's provision of Blackstart Service from that Designated Blackstart Resource. The burden of making such showings will be upon the Blackstart Owners and it is the responsibility of the Blackstart Owners to seek Commission approval under Section 205 of the Federal Power Act for any reimbursement under this Section. Equipment Damage Reimbursement $_{individual}$ shall equal the Commission-approved Equipment Damage Reimbursement for a Designated Blackstart Resource.

5.6. Total Blackstart Service Payments

The Total Blackstart Service Payments in a month shall be based on the following formula:

Total Blackstart Service Payments $_{month}$ = Σ Blackstart Standard Rate Payment $_{individual}$ + Σ Blackstart Station-specific Rate Payment $_{individual}$ + Σ Non-Designated Blackstart Resource Study Cost Payments for the month + Σ Lump Sum Blackstart Payments $_{individual}$ + Σ Equipment Damage Reimbursement $_{individual}$.

6. Monthly Blackstart Service Charge

Each Transmission Customer and Large Load Transmission Customer shall pay a charge for Blackstart Service in a month, which is calculated using the following formula:

Blackstart Service Charge $_{month}$ for Transmission Customer = Blackstart Service Payments $_{month}$ * (Transmission Customer's Monthly Regional Network Load for the month~~.~~ / (Sum of all Transmission Customer's Monthly Regional Network Load for the month~~.~~ plus the sum of all Large Load Transmission Customer demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service as determined in Section II.62 of the OATT for the month).

Blackstart Service Charge $_{month}$ for Large Load Transmission Customer = Blackstart Service Payments $_{month}$ * (Large Load Transmission Customer demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service as determined in Section II.62 of the OATT for the month / (Sum of all Transmission Customer's Monthly Regional Network Load for the month plus the sum of all Large Load Transmission Customer demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service as determined in Section II.62 of the OATT for the month).

Appendix A to Schedule 16

Blackstart Standard Rate Components and Capital Recovery Factors

Table 1 - Blackstart O&M Payments

Designated Blackstart Resource ("DBR") Type	Station-level Blackstart O&M Payment ($/year for the first DBR)	Additional Resource Blackstart O&M Payment ($/year for each additional DBR)
Fossil Resources:		
MVA <= 10	$71,100	$11,050
10 < MVA <= 60	$77,700	$11,950
60 < MVA <= 90	$80,200	$12,750
90 < MVA <= 300, Small Starting Requirement (Simple Cycle)	$113,900	$15,450
90 < MVA <= 300, Small Starting Requirement (Combined cycle)	$416,300	$25,150
90 < MVA <= 300, Medium Starting Requirement	$672,400	$34,050
90 < MVA <= 300, Large Starting Requirement	$676,400	$34,150
300 < MVA, Large Starting Requirement	$819,700	$50,250
Hydroelectric Resources:		
10 < MVA <= 60	$77,700	$11,950
60 < MVA <= 90	$80,200	$12,750

Table 2 - Standard Blackstart Capital Payments

Designated Blackstart Resource ("DBR") Type	Proxy Unit Type	Configuration	Station-level Blackstart Capital Payment ($/year for the first DBR)	Additional Resource Blackstart Capital Payment ($/year for each additional DBR)
Fossil Resources:				
MVA <= 10	Wartsilla 34DF	1 x SCGT	$239,400	$32,300
10 < MVA <= 60	LM2500	1 x SCGT	$253,200	$32,300
60 < MVA <= 90	LM6000	1 x SCGT	$253,200	$32,300
90 < MVA <= 300, Small Starting Requirement (Simple Cycle)	LMS100	1 x SCGT	$332,000	$32,300
90 < MVA <= 300, Small Starting Requirement (Combined cycle)	GE 7EA	2 x CCGT	$1,637,300	$32,700
90 < MVA <= 300, Medium Starting Requirement	Siemens 501F	2 x CCGT	$2,488,300	$32,700
90 < MVA <= 300, Large Starting Requirement	GE 7FA	2 x CCGT	$2,488,300	$32,700
300 < MVA, Large Starting Requirement	GE HA.02	2 x CCGT	$2,997,900	$32,700
Hydroelectric Resources:				
10 < MVA <= 60	LM2500	1 x SCGT	$253,200	$32,300
60 < MVA <= 90	LM6000	1 x SCGT	$253,200	$32,300

Note: Standard Blackstart Capital Payments are calculated using Specified-Term Blackstart Capital Costs from Table 3 and a 25 Year capital recovery factor from Table 4a., rounded to nearest $100.

Table 3 - Specified-Term Blackstart Capital Cost

Designated Blackstart Resource ("DBR") Type	Configuration	Station-level Specified-Term Blackstart Capital Cost ($ for the first DBR)	Additional Resource Specified-Term Blackstart Capital Cost ($ for each additional DBR)
Fossil Resources:			
MVA <= 10	1 x SCGT	$2,170,722	$292,700
10 < MVA <= 60	1 x SCGT	$2,295,886	$292,700
60 < MVA <= 90	1 x SCGT	$2,295,886	$292,700
90 < MVA <= 300, Small Starting Requirement (Simple Cycle)	1 x SCGT	$3,010,809	$292,700
90 < MVA <= 300, Small Starting Requirement (Combined cycle)	2 x CCGT	$14,847,052	$296,300
90 < MVA <= 300, Medium Starting Requirement	2 x CCGT	$22,564,862	$296,300
90 < MVA <= 300, Large Starting Requirement	2 x CCGT	$22,564,862	$296,300
300 < MVA, Large Starting Requirement	2 x CCGT	$27,186,123	$296,300
Hydroelectric Resources:			
10 < MVA <= 60	Multi-unit Plant	$2,295,886	$292,700
60 < MVA <= 90	Multi-unit Plant	$2,295,886	$292,700

Table 4a - Blackstart Capital Recovery Factors

Designated Blackstart Resource Age	Recovery Period (years)	Capital Recovery Factor
$X \leq 5$ years	25	0.1103
$5 < X \leq 10$ years	20	0.1199
$10 < X \leq 15$ years	15	0.1371
15 years $< X$	10	0.1626

Table 4b - Weighted Average Cost of Capital

Weighted Average Cost of Capital	10.01%	

Table 5 - Designated Blackstart Resource Classes

Designated Blackstart Resource Type	Proxy Generating Units
Fossil Resources:	
MVA <= 10	Diesels (Wartsila)
10 < MVA <= 60	LM2500
60 < MVA <= 90	LM6000
90 < MVA <= 300 Small Starting Requirement Simple Cycle	LMS100
90 < MVA <= 300 Small Starting Requirement Combined Cycle	GE 7EA
90 < MVA <= 300 Medium Starting Requirement	Siemans 501F
90 < MVA <= 300 Large Starting Requirement	GE 7FA
300 < MVA Large Starting Requirement	GE HA.02
Hydro Resources:	
10 < MVA <= 60	LM2500
60 < MVA <= 90	LM6000

Table 6 - Reserved

Table 7 - Non-Designated Blackstart Resource Study Payment

Non-Designated Blackstart Resource Study Payment ($)	$115,560

SCHEDULE 17

RECOVERY OF CRITICAL INFRASTRUCTURE PROTECTION COSTS BY FACILITIES CRITICAL TO THE DERIVATION OF INTERCONNECTION RELIABILITY OPERATING LIMITS

Introduction

NERC Reliability Standard CIP-002-5.1a – Cyber Security – BES Cyber System Categorization ("CIP-002-5.1") requires the identification, assessment and categorization of facilities that NERC defines as Bulk Electric System ("BES") Cyber Systems and associated BES Cyber Assets for the application of cyber security requirements commensurate with the adverse impact that their loss, compromise, or misuse could have on the reliable operation of the BES. Criterion 2.6 in Attachment 1 – Impact Rating Criteria to CIP-002-5.1 assigns a medium impact rating to generation and transmission facilities that the ISO identifies as critical to the derivation of Interconnection Reliability Operating Limits and their associated contingencies ("IROL-Critical Facilities"). In accordance with CIP-002-5.1, an owner of an IROL-Critical Facility ("IROL-Critical Facility Owner") must comply with the controls included in the NERC CIP Reliability Standards corresponding to the medium impact category.

This Schedule 17 provides for the recovery of an IROL-Critical Facility Owner's incremental capital, operation and maintenance, and associated administrative and regulatory costs paid to comply with the NERC CIP Reliability Standards corresponding to the medium impact category (collectively, "IROL-CIP Costs"), as approved by the Commission's acceptance of the IROL-Critical Facility Owner's filing pursuant to Section 205 of the Federal Power Act, at one or more IROL-Critical Facilities to the extent cost recovery for the IROL-CIP Costs is not provided for under another provision of the Tariff or a contractual arrangement to which the IROL-Critical Facility Owner is a party. Eligible IROL-CIP Costs are above and beyond the costs paid by the IROL-Critical Facility Owner to comply with NERC CIP Reliability Standards corresponding to low impact requirements. Nothing in this Schedule 17 shall restrict or limit the rights of an IROL-Critical Facility Owner to make a filing with the Commission pursuant to Section 205 of the Federal Power Act to recover IROL-CIP Costs through a means other than this Schedule 17.

Under this Schedule 17, the ISO will act as the billing and collection agent on behalf of the IROL-Critical Facility Owners for recovery of their Commission-approved IROL-CIP Costs. The ISO will allocate to, invoice, and collect from Transmission Customers that receive Regional Network Service and/or Through or Out Service IROL-CIP Costs and Large Load Transmission Customers that receive Firm Contract

Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service, approved by the Commission and, upon collection of such costs, will pay equivalent amounts to the pertinent IROL-Critical Facility Owner(s), in the manner specified in this Schedule 17.

1. IROL-Critical Facility Designation and Notification

The ISO shall designate a generation facility or transmission facility as an IROL-Critical Facility in accordance with applicable NERC Reliability Standards. When the ISO identifies a generator or transmission facility as IROL-Critical, the ISO shall provide written notification of the designation to the IROL-Critical Facility Owner or its Lead Market Participant, as applicable. The notice shall specify: (a) the facility by name and asset identification if applicable, and (b) the effective date for the IROL-Critical Facility designation.

The ISO reviews IROL-Critical Facility designations annually or more frequently based on New England Transmission System changes. If, based on this review, the ISO determines that an IROL-Critical Facility no longer meets applicable NERC criteria for designation as an IROL-Critical Facility, the ISO shall provide written notice to the IROL-Critical Facility Owner or its Lead Market Participant, as applicable, of the effective date of such termination.

2. Requirements for Recovery of IROL-CIP Costs

2.1 Pre-Filing Obligations of an IROL-Critical Facility Owner

To recover IROL-CIP Costs under this Schedule 17, in accordance with Section 2.2 below, an IROL-Critical Facility Owner must submit a filing to the Commission pursuant to Section 205 of the Federal Power Act requesting approval of IROL-CIP Costs proposed to be recovered. An IROL-Critical Facility Owner that intends to make a Section 205 filing for the recovery of IROL-CIP Costs pursuant to this Schedule 17 shall comply with the following pre-filing requirements:

(A) Prior to submitting a Section 205 filing for recovery of IROL-CIP Costs, the IROL-Critical Facility Owner shall provide to the ISO a summary description of the proposed filing, including the incremental medium impact IROL-CIP Costs and the supporting data, calculations, and workpapers for those costs, with any confidential or proprietary information redacted, and contact information for the IROL-Critical Facility Owner. The ISO shall post on its website all materials provided to the ISO by the

IROL-Critical Facility Owner. To receive automated notification of the ISO's postings of the materials provided by the IROL-Critical Facility Owner, entities may self-subscribe to the ISO's Schedule 17 distribution list. Any entity that wishes to participate as an interested party ("Interested Party") in the pre-filing review process described in Sections 2.1(B) and (C) below shall contact the IROL-Critical Facility Owner to request Interested Party status by no later than the tenth day following the interactive session described in Section 2.1(B) below.

(B) No sooner than fifteen (15) days following the ISO's posting of the materials provided by the IROL-Critical Facility Owner on the ISO website, the IROL-Critical Facility Owner shall host, either in-person or on-line, an interactive briefing session to review the summary materials and examine the IROL-CIP Costs proposed for recovery.

(C) Following the interactive briefing session described in Section 2.1(B) above, the IROL-Critical Facility Owner shall provide an additional sixty (60) days for: (i) Interested Parties to raise issues and/or request further information from the IROL-Critical Facility Owner, and (ii) the IROL-Critical Facility Owner to provide the requested information and seek to address any issues presented by Interested Parties. An IROL-Critical Facility Owner may extend the 60-day period at its discretion. The IROL-Critical Facility Owner shall be free to submit its Section 205 filing for recovery of IROL-CIP Costs under this Schedule 17 no sooner than the earlier of: (i) the conclusion of the 60-day period, (ii) the eleventh day following the interactive briefing session described in Section 2.1(B) above, if no entity contacted the IROL-Critical Facility Owner seeking to participate in the pre-filing review process as an Interested Party, or (iii) the date by which all Interested Parties, as identified by the tenth day following the interactive session in accordance with Section 2.1(A) above, have informed the IROL-Critical Facility Owner that they no longer desire additional pre-filing time to review the IROL-Critical Facility Owner's IROL-CIP Cost information. The IROL-Critical Facility Owner shall provide notice of its Section 205 filing to Interested Parties.

2.2 IROL-Critical Facility Owner's Section 205 Rate Filing

(A) IROL-CIP Costs, including capital, operation and maintenance, and associated administrative and regulatory costs, are recoverable only to the extent they (i) are incurred by the IROL-Critical Facility Owner during the period in which the subject facility is designated as an IROL-Critical Facility; (ii) are paid by the IROL-Critical Facility Owner during the cost recovery period specified by the IROL-Critical Facility Owner in the Table 1 provided in Attachment to this Schedule 17; (iii) are presented by the IROL-Critical Facility Owner in a Section 205 filing and approved by the Commission; and (iv) satisfy all other conditions for recovery, as set forth in this Schedule 17. It is the responsibility of

the IROL-Critical Facility Owner to notify the ISO of the Commission's approval of its filings to recover IROL-CIP Costs under this Schedule 17.

(B) Information supporting IROL-CIP Costs proposed for recovery under this Schedule 17 shall conform to the data requirements set forth in the Table 1 provided in Attachment A to this Schedule 17, including identification of the specific IROL-Critical Facility associated with the claimed IROL-CIP Costs; categorization of costs by function and subject matter; and specification of the cost recovery period in which the costs were paid. The IROL-Critical Facility Owner bears all responsibility for supporting claimed IROL-CIP Costs, for satisfying the requirements of Section 205, and for demonstrating eligibility for recovery under this Schedule 17.

(C) An IROL-Critical Facility Owner may submit a Section 205 filing to recover IROL-CIP Costs under this Schedule 17 no more frequently than once every twelve (12) months. However, the time-period for which IROL-CIP Costs are claimed (and reflected in such Section 205 filings) is not limited to twelve (12) months.

3. Invoicing and Collection of IROL-CIP Costs by ISO

The ISO acts as the billing and collection agent on behalf of the IROL-Critical Facility Owner for recovery of IROL-CIP Costs approved by the Commission's acceptance of the IROL-Critical Facility Owner's filing pursuant to Section 205 of the Federal Power Act. Upon notification from the IROL-Critical Facility Owner that a Commission Order approving IROL-CIP Costs for recovery under this Schedule 17 has been issued, the ISO shall initiate payment of such costs to the IROL-Critical Facility Owners, and allocation and invoicing of such costs to Transmission Customers and Large Load Transmission Customers in the manner set forth in Sections 3.1 and 3.2 below.

3.1 Monthly Payment to IROL-Critical Facility Owner

The ISO shall remit Commission-approved IROL-CIP Costs collected by the ISO in monthly payments of equal amounts over twelve (12) consecutive months to the applicable Market Participants based on their respective ownership shares in an associated IROL-Critical Facility. The ISO shall commence monthly payment of IROL-CIP Costs in the Monthly Statement issued for the first month immediately following the ISO's receipt of the IROL-Critical Facility Owner's notification of the Commission Order approving IROL-CIP Costs for recovery.

3.2 IROL-CIP Charges

The ISO shall invoice the total of Commission-approved IROL-CIP Cost in a given month to Transmission Customers receiving Regional Network Service or Through or Out Service on a monthly basis. ~~Each~~ and Large Load Transmission Customers receiving Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service. Each Transmission Customer and Large Load Transmission Customer shall pay a charge for IROL-CIP Costs ("IROL-CIP Charge") in each month, which charge shall be calculated using the following formula:

$$\textit{IROL-CIP Charge}_{month} = CIP_{month} \times \frac{[MRNL_{month,c} + AVETOUT_{month,c} \pm LL_{month,c}]}{\left[\sum_{c=1}^{customers} MRNL_{month,c} + \sum_{c=1}^{customers} AVETOUT_{month,c} \pm \sum_{c=1}^{customers} LL_{month,c}\right]}$$

Where:

CIP_{month} = *Total IROL-CIP Costs$_m$ payments made to IROL-Critical Facility Owners in month m.*

$MRNL_{month,c}$ = *Regional Network Load in the month for customer c*

$AVETOUT_{month,c}$ = *Average across the hours in the month of Reserved Capacity for Through or Out Service (excluding any Coordinated External Transaction Reserved Capacity for Through or Out Service) for customer c*

$LL_{month,c}$ = *Demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service as determined in Section II.62 of the OATT for in the month for customer c*

ATTACHMENT A TO SCHEDULE 17

Table 1 - Incremental CIP Compliance Costs for a Facility Designated as IROL-Critical

Required Information

General Information

Facility Name	
Asset ID	
Date of IROL-Critical Designation (mm/yyyy)	
Summer Claimed Capability (MW)	
Winter Claimed Capability (MW)	
Original In-Service Date	
Interconnection Voltage	
Primary Fuel	
Dual Fuel Capable? (y/n)	
Facility includes External Routable Connectivity (y/n)	
Part of a Multi-unit Station? (y/n)	
If yes, number of units at the station	

Cost Recovery Period during which CIP Costs were Paid

Starting Date of Cost Recovery Period	
Ending Date of Cost Recovery Period	

	Total Incremental CIP Compliance Costs for IROL-Critical Facility
Actual Paid Incremental Costs for the Specified Period	
Labor	$ -
Equipment & Hardware	$ -
Software/Application Licenses, Maintenance and Support, and Upgrade Costs	$ -
Outside Services and Fees	$ -
Physical Improvements	$ -
Production, Printing, and Shipping Costs	$ -
Other, including Associated Administrative and Regulatory Costs	$ -
Total Actual Paid Incremental Costs for the Specified Period	**$ -**

SCHEDULE 22

LARGE GENERATOR INTERCONNECTION PROCEDURES

TABLE OF CONTENTS

SECTION 1. DEFINITIONS

SECTION 2. SCOPE, APPLICATION AND TIME REQUIREMENTS.

2.1 Application of Standard Large Generator Interconnection Procedures.

2.2 Comparability

2.3 Base Case Data

2.4 No Applicability to Transmission Service

2.5 Time Requirements

SECTION 3. INTERCONNECTION REQUESTS

3.1 General

3.2 Type of Interconnection Services

3.3 Utilization of Surplus Interconnection Service

3.4 Valid Interconnection Request

3.5 OASIS Posting

3.6 Coordination with Internal Affected Systems

3.7 Withdrawal

3.8 Identification of Contingent Facilities

3.9 Penalties for Failure to Meet Study Deadlines

SECTION 4. INTERCONNECTION REQUEST EVALUATION PROCESS

4.1 Queue Position

4.2 General Study Process

4.3 Transferability of Queue Position

4.4 Modifications

SECTION 5. PROCEDURES FOR TRANSITION

5.1 Procedures for Transitioning to the Cluster Study Process

5.2 Grandfathering

5.3 New System Operator or Interconnecting Transmission Owner

SECTION 6. INTERCONNECTION INFORMATION ACCESS

6.1 Publicly Posted Interconnection Information

SECTION 7. CLUSTER STUDY

7.1 Cluster Study Agreement

7.2 Execution of Cluster Study Agreement
7.3 Scope of Cluster Study
7.4 Cluster Study Procedures
7.5 Cluster Study Restudies
7.6 Operational Readiness
SECTION 8. INTERCONNECTION FACILITIES STUDY
8.1 Interconnection Facilities Study Agreement
8.2 Scope of Interconnection Facilities Study
8.3 Interconnection Facilities Study Procedures
8.4 Meeting with Parties
8.5 Re-Study
SECTION 9. AFFECTED SYSTEM STUDY
9.1 Applicability
9.2 Response to Notifications
9.3 Affected System Queue Position
9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement
9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement
9.6 Scope of Affected System Study
9.7 Affected System Study Procedures
9.8 Results Meeting
9.9 Affected System Cost Allocation
9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement
9.11 Restudy
SECTION 10. OPTIONAL INTERCONNECTION STUDY
10.1 Optional Interconnection Study Agreement
10.2 Scope of Optional Interconnection Study
10.3 Optional Interconnection Study Procedures
10.4 Meeting with Parties
10.5 Interconnection Agreement Developed Based on Optional Interconnection Study
SECTION 11. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

11.1 Tender
11.2 Negotiation
11.3 Evidence to be Provided by Interconnection Customer; Execution and Filing of LGIA
11.4 Commencement of Interconnection Activities
SECTION 12. CONSTRUCTION OF INTERCONNECTING TRANSMISSION OWNER INTERCONNECTION FACILITIES AND NETWORK UPGRADES
12.1 Schedule
12.2 Construction Sequencing
SECTION 13. MISCELLANEOUS
13.1 Confidentiality
13.2 Delegation of Responsibility
13.3 Obligation for Study Costs
13.4 Third Parties Conducting Studies
13.5 Disputes
13.6 Local Furnishing Bonds
13.7 Engineering & Procurement ("E&P") Agreement
SECTION 14. LARGE LOAD CO-LOCATED GENERATORS AND LARGE LOAD ELECTRICALLY PROXIMATE GENERATORS
14.1 Application of LGIP
14.2 Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Process
14.3 OASIS Posting
14.4 Modifications
14.5 Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA

APPENDICES TO LGIP

APPENDIX 1 INTERCONNECTION REQUEST

APPENDIX 2 CLUSTER STUDY AGREEMENT

APPENDIX 3 INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 4 OPTIONAL INTERCONNECTION STUDY AGREEMENT

APPENDIX 5 TRANSITIONAL CLUSTER STUDY AGREEMENT

APPENDIX 6 TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 7 TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 8 MULTI-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 9 TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 10 MULTI-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 11 LARGE GENERATOR INTERCONNECTION AGREEMENT

APPENDIX 12 INTERCONNECTION PROCEDURES FOR WIND GENERATION

APPENDIX 13 LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR LGIA (LLCELGIA)

SECTION I. DEFINITIONS

The definitions contained in this section are intended to apply in the context of the generator interconnection process provided for in this Schedule 22 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under this Schedule 22. Capitalized terms in Schedule 22 that are not defined in this Section I shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this LGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England-Transmission System.

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

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this LGIP that is made between System Operator and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.7 of this LGIP.

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Parties.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if Interconnection Customer were to withdraw the Interconnection Request for the

Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3.

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

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

Capacity Capability Interconnection Standard ("CC Interconnection Standard") shall mean the criteria required to permit Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service 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 seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource ("CNR") shall mean 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") shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study ("CNR Group Study") shall mean 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") shall mean the Interconnection Service selected by 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.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade ("CETU") shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section II of the Tariff. The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study ("CRPS") shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study ("CFAC") shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study ("CSIS") shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this LGIP.

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

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 5.1.1.3, 7.5, and 8.1 of this LGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position, Large Load Network Upgrades, or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's (or Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application's) costs, timing, and study findings are dependent, and

if delayed or not built, could cause a need for restudies of the Interconnection Request (or the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application) or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

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

Distribution System shall mean 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 shall mean 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 Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) or its successor organization.

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, 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 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 Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

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

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

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities and shall not include a SATOA as defined in Section I of the Tariff.

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

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

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

In-Service Date shall mean the date upon which 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 shall mean a Transmission Owner that owns, leases or otherwise possesses an interest in, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner, that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Standard Large Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such

facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this LGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean Interconnecting Transmission Owner's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the 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 shall mean a study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for Interconnection Customer to determine a list of facilities (including Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades as identified in the Cluster Study, Cluster Restudy, or the Cluster 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 8 of this LGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of this LGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this LGIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this LGIP, 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) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generation Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service for all or part of a Generating Facility's capability. Interconnection Request shall not include 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 shall mean 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 LGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: the Cluster Interconnection System Impact Study, the Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, the Optional Interconnection Study, Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Study, and the Material Modification assessment, described in this LGIP.

Interconnection Study Agreement shall mean any of the following agreements: the Affected System Study Agreement, the Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to this LGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Large Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more than 20 MW.

Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Studies shall mean the studies conducted to evaluate the impacts of a proposed or modified Large Load Co-Located Generator or Large Load Electrically Proximate Generator pursuant to Section 3.2A of this LGIP.

Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA shall mean the form of interconnection agreement applicable to a Large Load Co-Located Generator or Large Load Electrically Proximate Generator, that is included in this LGIP.

Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application shall mean a Co-Located Generator's or Electrically Proximate Generator's request, in the form of Attachment D to Appendix 1 of this LGIP, in accordance with the Tariff to interconnect a new Large Load Co-Located Generator or Large Load Electrically Proximate Generator or make a Material Modification to a proposed or existing Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting that the LGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this LGIP.

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

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification shall mean: (i) except as expressly provided in Section 4.4.1, those modifications to the Interconnection Request, including any of the technical data provided by Interconnection Customer in Appendix 1, Attachment A (and Attachment A-1, if applicable) to the Interconnection Request or to the interconnection configuration, requested by Interconnection Customer, that either require significant additional study of the same Interconnection Request and could substantially change the interconnection design, or have a material impact (*i.e.*, an evaluation of the proposed modification cannot be completed in less than ten (10) Business Days) on the cost or timing of any Interconnection Studies or upgrades associated with an Interconnection Request with an equal or later Queue Position; (ii) a change to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; or (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond Interconnection Customer's control.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points,

including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 10 to this LGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this LGIP that is made among Interconnecting Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Network Capability Interconnection Standard ("NC Interconnection Standard") shall mean the minimum criteria required to permit Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service 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 seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource ("NR") shall mean 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") shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service ("NR Interconnection Service") shall mean the Interconnection Service selected by 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 requested pursuant to Section 3.1 of this LGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of this LGIP for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where Interconnection Customer's Interconnection Facilities connect to the Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection Service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and Interconnection Customer. This agreement shall take the form of the Standard Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean 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 for Generating Facilities, Elective Transmission Upgrades, and requests for transmission service.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large 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.

Regulatory Limitations shall mean a federal, state, Tribal, or local law that makes it practically infeasible to obtain Site Control within the time frame detailed in Section 3.4.2 of this LGIP.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining

information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and analyzing such information.

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide Interconnection Customer a written technical explanation outlining why System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Large Generator Interconnection Agreement ("LGIA") shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, that is included in this Schedule 22 to the Tariff.

Standard Large Generator Interconnection Procedures ("LGIP") shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in this Schedule 22 to the Tariff.

Study Case shall have the meaning specified in Sections 7.3 and 7.5 of this LGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions, and associated equipment that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for a Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection.

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

Transitional Capacity Network Resource Group Study ("Transitional CNR Group Study") shall mean the study performed by the System Operator under Section III.13.1.1.2.3A of the Tariff and Section 5.1.1.3 of this LGIP.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Agreement shall mean the agreement contained in Appendix 5 to this LGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Agreement shall mean the agreement contained in Appendix 6 to this LGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Transitional Withdrawal Penalty shall mean the penalty assessed by System Operator to Interconnection Customer that has entered the Transitional Cluster Study or Transitional Serial Interconnection Facilities Study and chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Transitional Withdrawal Penalty is set forth in Sections 5.1.1.1 and 5.1.1.2 of this LGIP.

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

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the LGIP), not to exceed the Generating Facility's

NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

SECTION 2. SCOPE, APPLICATION AND TIME REQUIREMENTS.

2.1 Application of Standard Large Generator Interconnection Procedures.

The LGIP and LGIA shall apply to Interconnection Requests pertaining to Large Generating Facilities. Except as expressly provided in the LGIP and LGIA, nothing in the LGIP or LGIA shall be construed to limit the authority or obligations that the Interconnecting Transmission Owner or System Operator, as applicable, has with regard to ISO New England Operating Documents.

2.2. Comparability.

The System Operator shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. The System Operator and Interconnecting Transmission Owner shall process and analyze Interconnection Requests from all Interconnection Customers, regardless of whether the Generating Facilities are owned by the Interconnecting Transmission Owner, its subsidiaries or Affiliates, or others.

2.3 Base Case Data.

System Operator shall maintain Base Case power flow, short circuit and stability databases, including all underlying assumptions, and contingency lists on a secured location on the System Operator's website. For the purposes of this provision, Base Case Data may include the electromagnetic transient network model that does not include proprietary electromagnetic transient equipment models. System Operator shall provide access to such information located on a secured location on the System Operator's website,

subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy as well as any other applicable requirement under Applicable Laws and Regulations regulating disclosure or confidentiality of such information. System Operator shall maintain network models and underlying assumptions on a secured location on the System Operator's website. Such network models and underlying assumptions should reasonably represent those used during the most recent Interconnection Study and be representative of current system conditions as of the most recent Interconnection Study. The databases and lists addressed in this Section 2.3, hereinafter referred to as Base Cases, shall include all generation projects and transmission projects that are proposed for the New England Transmission System and any Affected System or Internal Affected System and for which a transmission expansion plan has been submitted and approved by the applicable authority and which, in the sole judgment of the System Operator, may have an impact on the Interconnection Request. The Base Cases shall also include generation projects that are not participating in the System Operator's interconnection process, but are expected to achieve approval pursuant to Section I.3.9 of the Tariff within 90 days from the date of the creation of the Base Cases and for which steady state, short circuit, stability and electromagnetic transient network models for the generation projects and any associated system upgrades have been provided to the System Operator. Interconnection Customer, where applicable, shall provide Base Case Data to the Interconnecting Transmission Owner and System Operator to facilitate required Interconnection Studies.

System Operator shall provide a link to the secured location on its website that contains the information required under this Section 2.3 on System Operator's OASIS site. System Operator is permitted to require that Interconnection Customers or their third party consultants, OASIS site users, and users of the secured location on System Operator's website sign a confidentiality agreement before the release of information governed by Section 13.1 or the ISO New England Information Policy, or the release of any other information that is commercially sensitive or Critical Energy Infrastructure Information.

2.4 No Applicability to Transmission Service.

Nothing in this LGIP shall 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.

2.5 Time Requirements.

Parties that must perform a specific obligation under a provision of the Standard Large Generator Interconnection Procedure or Standard Large Generator Interconnection Agreement within a specified time period shall use Reasonable Efforts to complete such obligation within the applicable time period. A Party may, in the exercise of reasonable discretion and within the time period set forth by the applicable procedure or agreement, request that the relevant Party consent to a mutually agreeable alternative time schedule, such consent not to be unreasonably withheld.

SECTION 3. INTERCONNECTION REQUESTS.

3.1 General.

To initiate an Interconnection Request, an Interconnection Customer must comply with all of the requirements set forth in Section 3.4.1. Interconnection Customer shall submit a separate Interconnection Request for each site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request.

Within three (3) Business Days after the close of the Cluster Request Window, System Operator shall submit a copy of all valid Interconnection Requests received to Interconnecting Transmission Owner(s).

At Interconnection Customer's option, System Operator, Interconnection Customer, Interconnecting Transmission Owner, and any Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of Clustering of Interconnection Requests, System Operator, in its sole discretion, may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. System Operator shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement of the involved parties.

System Operator shall consider requests for Interconnection Service below the Large Generating Facility capability. An Interconnection Customer that submits an Interconnection Request for Interconnection Service below the Large Generating Facility capability shall include in the Interconnection Request the proposed control technologies to restrict the Large Generating Facility's output to the requested Interconnection Service levels. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of determining necessary Interconnection Facilities, Network Upgrades, and associated costs, and the requests shall be studied at the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system, with the study costs borne by Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed, or requested to be filed unexecuted, LGIA.

System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in ISO New England Planning Procedures.

Unless otherwise stated, all Commercial Readiness Deposits that must be submitted to the System Operator under this LGIP must be (a) delivered to the System Operator's bank account by electronic transfer, (b) through the provision and maintenance of an irrevocable letter of credit in a form and from a financial institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Letter of Credit Issuers, as described on the System Operator's public website, (c) a surety bond in a form and from an institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Surety Bond Issuers, as described on the System Operator's public website or (d) a combination thereof. Each letter of credit or surety bond must specify the Interconnection Request to which it corresponds. Further, notwithstanding Section 5 of this LGIP to the contrary, an Interconnection Customer may replace the acceptable forms of Commercial Readiness Deposits provided therein with a surety bond any time after such form is deemed acceptable by the System Operator. All costs associated with obtaining a letter of credit or surety bond shall be borne by Interconnection Customer. In the event that System Operator identifies an administrative deficiency with

a submitted letter of credit or surety bond, Interconnection Customer shall have ten (10) Business Days to cure the deficiency.

If the System Operator removes the financial institution from the list, Interconnection Customer shall have ten (10) Business Days from the date on which System Operator provides notice of such removal to replace the letter of credit or surety bond with a letter of credit or surety bond from a financial institution on the list. The System Operator may extend this cure period in its sole discretion. Failure to cure a deficiency within the periods prescribed in this Section 3.1 shall result in the withdrawal of the Interconnection Request pursuant to Section 3.7 of the LGIP without further opportunity to cure. System Operator shall only provide refunds and/or distribute funds held as part of a Commercial Readiness Deposit to the extent that there are sufficient funds available from the applicable form of financial security.

All other deposits that must be submitted to the System Operator under this LGIP must be paid in cash and delivered to the System Operator's bank account by electronic transfer within the period specified in the respective provision.

A deposit will not be considered received until it is in the System Operator's bank account or, in the case of a letter of credit, or surety bond, provided as a Commercial Readiness Deposit, the letter of credit or surety bond is accepted by System Operator. Deposits that must be submitted to the Interconnecting Transmission Owner shall be submitted in a form acceptable to the Interconnecting Transmission Owner.

3.2 Type of Interconnection Services

At the time the Interconnection Request is submitted, Interconnection Customer must request either CNR Interconnection Service or NR Interconnection Service, as described in Sections 3.2.1 and 3.2.2 below. An Interconnection Customer that meets the requirements to obtain CNR Interconnection Service shall obtain NR Interconnection Service up to the NR Capability upon completion of all requirements for NR Interconnection Service, including all necessary upgrades. Upon completion of all requirements for the CNR Interconnection Service, Interconnection Customer shall also receive CNR Interconnection Service for CNR Capability. An Interconnection Customer that meets the requirements to obtain NR Interconnection Service shall receive NR Interconnection Service for Interconnection Customer's NR Capability

3.2.1 Capacity Network Resource Interconnection Service

3.2.1.1 The Product.

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

3.2.1.2 The Studies.

All Interconnection Studies for CNR Interconnection Service shall assure that Interconnection Customer's Large Generating Facility satisfies the minimum characteristics required 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 unit. For Interconnection Requests seeking to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2025, the CNR Group Study shall assure that Interconnection Customer's Large Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other CNRs and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures. For all other Interconnection Requests, the intra-zonal deliverability analysis shall be performed as part of the Transitional Cluster Study or Cluster Study. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.1.3 Milestones for CNR Interconnection Service.

In addition to the requirements set forth in this LGIP, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service that seeks to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2025 shall complete the following milestones prior to receiving CNR Interconnection Service for the CNR Capability, such milestones to be specified in Appendix B of the LGIA, as either completed or to be completed: (i) submit the necessary requests for participation in the Forward Capacity Auction associated with the Generating Facility's requested Commercial Operation Date (except as modified pursuant to Sections 3.2.3 or 4.4 of this LGIP), in accordance with the provisions of Section III.13 of the Tariff; (ii) participate in a CNR Group Study for the Forward Capacity Auction associated with the requested Generating Facility's Commercial Operation Date; (iii) qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff; and (iv) complete a re-study of the applicable Interconnection Study and CNR Group Study after the Forward Capacity Auction, Reconfiguration Auction, or bilateral transaction through which Interconnection Customer received a Capacity Supply Obligation to determine the cost responsibility for facilities and upgrades necessary to accommodate the Interconnection Request. The re-study shall include those CNR Interconnection Service or CNI Interconnection Service Interconnection Requests with a higher Queue Position that cleared and shall exclude any upgrades that are no longer necessary as a result of existing capacity that will be retired as of the start of the Capacity Commitment Period for which the resource has received a Capacity Supply Obligation. With respect to (iv) above, if an Interconnection Study Agreement has been executed, the Interconnection Study associated with the Interconnection Study Agreement shall include the necessary analysis that would otherwise have been performed in a re-study. If the original Interconnection Study is complete and the final invoice has been issued, the re-study shall be performed under a new Interconnection Study Agreement. If an LGIA has been either executed or filed with the Commission in unexecuted form then the last Interconnection Study completed for Interconnection Customer under this LGIP shall be subject to re-study. The Appendices to the LGIA shall be amended (pursuant to Article 30 of the LGIA) to reflect CNR Capability and the results of the re-study.

After September 4, 2025, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service shall complete the requirements in this LGIP prior to receiving CNR Interconnection Service. Interconnection Customer shall complete the intra-zonal deliverability

assessment by electing to participate in the Transitional CNR Group Study, Transitional Cluster Study, or submit a new Interconnection Request for CNR Interconnection Service during the applicable Cluster Request Window to participate and complete a Cluster Study. Any Interconnection Customer with a valid Interconnection Request for CNR Interconnection Service that has a completed Interconnection System Impact Study on or before April 4, 2025, but that has not received a Capacity Supply Obligation through the eighteenth Forward Capacity Auction or an earlier auction may: 1) seek to complete the process for obtaining CNR Interconnection Service through the process described in Section III.13.1.1.2A of the Tariff or 2) seek to complete the process for obtaining CNR Interconnection Service through the Transitional Cluster Study. Notwithstanding any other provision of the Tariff, an Interconnection Customer may seek to participate in both the process described in Section III.13.1.1.2A of the Tariff and the Transitional Cluster Study simultaneously. If Interconnection Customer achieves CNR Interconnection Service through Section III.13.1.1.2A, it may withdraw from the Transitional Cluster Study without penalty and be refunded any remaining study deposits associated with the Transitional Cluster Study. If Interconnection Customer does not enter, or complete, the process described in either Section III.13.1.1.2A or the Transitional Cluster Study, the System Operator shall reduce Interconnection Customer's Interconnection Request to NR Interconnection Service.

3.2.2 Network Resource Interconnection Service

3.2.2.1 The Product.

The System Operator must conduct the necessary studies in conjunction with the Interconnecting Transmission Owner, and with other Affected Parties as appropriate and in accordance with applicable codes of conduct and confidentiality requirements, and the Interconnecting Transmission Owner and other Affected Parties as appropriate must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which Network Resources are interconnected under the NC Interconnection Standard. NR Interconnection Service allows Interconnection Customer's Large Generating Facility to participate in the New England Markets, in accordance with the provisions of Market Rule 1, Section III of the Tariff, up to the net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as other Network Resources. Notwithstanding the above, the portion of a Large 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.

3.2.2.2 The Studies.

The Interconnection Studies for an Network Resource shall assure that Interconnection Customer's Large Generating Facility satisfies the minimum characteristics required to interconnect in a manner that avoids any significant adverse effect on reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the unit, in accordance with the NC Interconnection Standard and as detailed in the ISO New England Planning Procedures. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.2.3 Milestones for NR Interconnection Service.

An Interconnection Customer with an Interconnection Request for NR Interconnection Service shall complete the requirements in this LGIP prior to receiving NR Interconnection Service.

3.3 Utilization of Surplus Interconnection Service.

Surplus Interconnection Service allows an existing Interconnection Customer to utilize or transfer Surplus Interconnection Service at the Generating Facility's Point of Interconnection once Interconnection Customer has executed the LGIA or requested that the Interconnection Agreement be filed unexecuted. For purposes of Surplus Interconnection Service, the existing Interconnection Customer is referred to as the "Original Interconnection Customer," and the entity requesting Surplus Interconnection Service is referred to as the "Surplus Interconnection Customer." The Original Interconnection Customer or, with written consent of the Original Interconnection Customer, one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the Original Interconnection Customer or one of its affiliates does not exercise this priority, then the Surplus Interconnection Service may be utilized by a third party of the Original Interconnection Customer's choosing and with the Original Interconnection Customer's written consent.

Surplus Interconnection Service may be available for any Unused Capability of Interconnection

Service established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for CNR Interconnection Service, any Surplus Interconnection Service may be for existing CNR Interconnection Service or NR Interconnection Service. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for NR Interconnection Service, any Surplus Interconnection Service shall be for NR Interconnection Service. Surplus Interconnection Service is not applicable when a new Interconnection Request for Interconnection Service or Network Upgrades would be required to implement the proposed change to the Original Interconnection Customer's Generating Facility. Surplus Interconnection Service cannot be used to replace a retiring or to repower an existing Generating Facility.

The Original Interconnection Customer shall specify the amount of Unused Capability that is available for use by the Surplus Interconnection Customer's Generating Facility. The total output of the Original Interconnection Customer's Generating Facility plus the Surplus Interconnection Customer's Generating Facility behind the same Point of Interconnection shall be limited to the maximum total amount of Interconnection Service granted to the Original Interconnection Customer as established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. Control technology to restrict the total output of the Original Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities shall be required in the case where the sum of the maximum output of the Original Interconnection Customer's Generating Facility plus the maximum output of the Surplus Interconnection Customer's Generating Facility exceeds the total amount of Interconnection Service established in the Original Interconnection Customer's Interconnection Agreement. Surplus Interconnection Service shall only be available at the existing Point of Interconnection of the Original Interconnection Customer's Generating Facility.

3.3.1 Surplus Interconnection Service Request

An Original Interconnection Customer or, with the consent of the Original Interconnection Customer, its affiliate or a third party of the Original Interconnection Customer's choosing may request Surplus Interconnection Service by submitting to the System Operator a completed Surplus Interconnection Service Request Application in the form contained in Attachment C to Appendix 1 of the LGIP. The Surplus Interconnection Service Request Application shall be

accompanied by the Original Interconnection Customer's written consent for the Surplus Interconnection Customer's use of Unused Capability for Surplus Interconnection Service, and the technical data called for in the form.

Studies for Surplus Interconnection Service may consist of reactive power, short circuit/fault duty, stability analyses, and/or other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. The study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the total output of the Original Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study report or Cluster Study Report is not available for Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary. Any analyses shall be performed at the Surplus Interconnection Customer's expense.
System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in System Operator's Planning Procedures.

The Interconnection Agreement for the Original Interconnection Customer's Generating Facility shall be replaced by a new agreement among the System Operator, Interconnecting Transmission Owner, Original Interconnection Customer, and Surplus Interconnection Customer. The agreement shall be in the form of the most currently effective LGIA, modified to reflect the Surplus Interconnection Customer's Generating Facility and the amount of, and the terms for the use of, the Surplus Interconnection Service. The agreement shall be developed and negotiated in accordance with Section 11 of the LGIP, at the Surplus Interconnection Customer's expense.

3.4 Valid Interconnection Request.

3.4.1 Cluster Request Window.

System Operator shall accept Interconnection Requests during a forty-five (45) Calendar Day period (the Cluster Request Window). The initial Cluster Request Window shall open for Interconnection Requests sixty (60) Calendar Days after the conclusion of the three hundred sixty (360) day transition process set out in Section 5.1 of this LGIP. All subsequent Cluster Request Windows shall open sixty (60) Calendar Days after the Cluster Study Results Meeting or Cluster Restudy Results Meeting (as appropriate). System Operator shall provide notice via posting on its public website at least thirty (30) Calendar Days, prior to each respective Cluster Request Window opening.

3.4.1.1 Study Deposits.

Interconnection Customer shall submit to System Operator, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP, a potentially non-refundable initial deposit of $50,000, and a refundable study deposit of $250,000 (for new requests for NR Interconnection Service or CNR Interconnection Service) or $100,000 (for Interconnection Requests for which Interconnection Studies for NR Interconnection Service have been completed but have not achieved CNR Interconnection Service or for Interconnection Requests seeking to change from existing NR Interconnection Service to CNR Interconnection Service). System Operator shall apply the initial deposit toward the costs incurred by the System Operator associated with the Interconnection Request, the cost of developing the study agreements and their attachments, and the cost of developing the LGIA. The study deposit shall be applied toward the cost of the Cluster Study.

3.4.2 Initiating an Interconnection Request.

An Interconnection Customer seeking to join a Cluster shall submit its Interconnection Request to System Operator within, and no later than the close of, the Cluster Request Window. Interconnection Requests submitted outside of the Cluster Request Window will not be considered. To initiate and establish a valid Interconnection Request, Interconnection Customer must submit all of the following to the System Operator in the manner specified in Appendix 1 Interconnection Request to this LGIP:

(i) A potentially non-refundable initial deposit of $50,000,

(ii) A completed application in the form of Appendix 1 and all information required under its Attachments,

(iii) All information and deposits required under this Section 3.4, and

(iv) In the case of a request for CNR Interconnection Service a demonstration of one-hundred percent (100%) Site Control;

(v) In the case of NR Interconnection Service, a demonstration of no less than one-hundred percent (100%) Site Control or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to Regulatory Limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such Regulatory Limitations, including a description of any conditions that must be met to satisfy the Regulatory Limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of $10,000 per MW, subject to a minimum of $500,000 and a maximum of $2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;

(vi) Generating Facility capability (MW) (and requested Interconnection Service level if the requested Interconnection Service is less than the Generating Facility capability),

(vii) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.4.1.1 of this LGIP in the form of an irrevocable letter of credit, cash, or a surety bond. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this LGIP,

(viii) A Point of Interconnection, and;

(ix) Whether the Interconnection Request shall be studied for NR Interconnection Service or for CNR Interconnection Service, consistent with Section 3.2 of this LGIP. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated Regulatory Limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by System Operator until Interconnection Customer provides the required Site Control demonstration for its Generating Facility in the Cluster Study Process. Interconnection Customers facing qualifying Regulatory Limitations must demonstrate one hundred percent (100%) Site Control within one hundred eighty (180) Calendar Days of the effective date of the LGIA.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iv-v) of this LGIP. If System Operator determines, based on Interconnection Customer's information, that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to System Operator's approval. Absent such, System Operator shall deem the Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP without further opportunity to cure.

Interconnection Customer does not need to demonstrate Site Control where the Interconnection Request is for a modification to Interconnection Customer's existing Large Generating Facility and Interconnection Customer has certified in the Interconnection Request that it has Site Control and that the modification proposed in the Interconnection Request does not require additional real property. The portions of the deposit of $50,000 that have not been applied as provided in this Section 3.4.2 shall be refundable if Interconnection Customer executes an LGIA or where the Interconnection Request is withdrawn by Interconnection Customer within ten (10) Business Days of the Cluster Scoping Meeting. Otherwise, any unused balance of the deposit of $50,000 shall be non-refundable and applied on a pro-rata basis to offset costs incurred by Interconnection Customers that are subject to re-study, as determined by the System Operator in accordance with the provisions of this LGIP, as a result of the withdrawal of an Interconnection Request within the same Cluster

The expected Initial Synchronization Date of the new Large Generating Facility, of the increase in capacity of the existing Generating Facility, or of the implementation of the Material Modification to the existing Generating Facility shall not exceed seven (7) years from the date the Interconnection Request is

received by the System Operator, unless Interconnection Customer demonstrates that such time required to actively engineer, permit and construct the new Large Generating Facility or increase in capacity of the existing Generating Facility or implement the Material Modification to the existing Generating Facility will take longer than the seven year period. Upon such demonstration, the Initial Synchronization Date may succeed the date the Interconnection Request is received by the System Operator by a period of greater than seven (7) years so long as Interconnection Customer, System Operator, and Interconnecting Transmission Owner agree, such agreement shall not be unreasonably withheld.

3.4.3 Acknowledgment of Interconnection Request.

System Operator shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.4 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid Interconnection Request until all items in Section 3.4.2 of this LGIP have been received by the System Operator during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.2 of this LGIP, the System Operator shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide the System Operator the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. At any time, if System Operator finds that the technical data provided by Interconnection Customer is incomplete or contains errors, Interconnection Customer and System Operator shall work expeditiously and in good faith to remedy such issues. In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this LGIP, System Operator shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this LGIP), $5,000 of the application fee is forfeited to System Operator, and any unspent portion of the application fee, the study deposit, and Commercial Readiness Deposit shall be returned to Interconnection Customer.

3.4.5 Customer Engagement Window.

Upon the close of each Cluster Request Window, System Operator shall open a sixty (60) Calendar Day period (Customer Engagement Window). During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, all interested Interconnection Customers, and any identified Affected Parties, or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, System Operator may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, System Operator shall post on its OASIS a list of Interconnection Requests for that Cluster. The list shall identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the type of Interconnection Service requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The System Operator must ensure that project information is anonymized and does not reveal the identity or commercial information of Interconnection Customers with submitted requests. During the Customer Engagement Window, System Operator shall provide to Interconnection Customer a non-binding, updated good faith estimate of the cost and timeframe for completing the Cluster Study and a Cluster Study Agreement to be executed prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 2 to this LGIP shall be included in the Cluster Study. Any Interconnection Requests for which Interconnection Customer has not executed a Cluster Study Agreement shall be deemed withdrawn (without the cure period provided under Section 3.7 of this LGIP) by System Operator, the initial deposit shall be forfeited to the System Operator, and the System Operator shall return the study deposit and Commercial Readiness Deposit to Interconnection Customer. Immediately following the Customer Engagement Window, System Operator shall initiate the Cluster Study described in Section 7 of this LGIP.

3.4.6 Cluster Study Scoping Meeting.

During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, Interconnection Customers whose valid Interconnection Requests

were received in that Cluster Request Window, and any identified Affected Parties or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

The purpose of the Scoping Meeting shall be (i) to discuss alternative interconnection options, (ii) to exchange pertinent information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, (iii) to discuss Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, as applicable; (iv) to analyze such information, and (v) to discuss any other information necessary to facilitate the administration of the Interconnection Procedures.

The Parties will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) information regarding general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. The Parties will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer(s) shall designate its Point of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, System Operator shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement in the form specified by System Operator prior to a group Cluster Study Scoping Meeting, which will provide for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customer.

3.5 OASIS Posting.

3.5.1 OASIS Posting.

The System Operator will maintain on its OASIS a list of all Interconnection Requests in its Control Area. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the substation or transmission line or

lines where the interconnection will be made; (iv) the projected Initial Synchronization Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested (i.e., CNR Interconnection Service or NR Interconnection Service); (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed; and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that the System Operator and Interconnecting Transmission Owner jointly file an unexecuted LGIA with the Commission. Before participating in a Scoping Meeting with an Interconnection Customer that is also an Affiliate, the Interconnecting Transmission Owner shall post on OASIS an advance notice of its intent to do so. The System Operator shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to the System Operator's OASIS site subsequent to the meeting between the System Operator, Interconnecting Transmission Owner, and Interconnection Customer to discuss the applicable study results. The System Operator shall also post any known deviations in the Large Generating Facility's Initial Synchronization Date.

3.5.2 Requirements to Post Interconnection Study Metrics

The System Operator will maintain on its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If the System Operator posts this information on its website, a link to the information must be provided on the System Operator's OASIS site. For each calendar quarter, the System Operator must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.4 of this LGIP.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than two hundred and seventy (270) Calendar Days after the close of the Customer Engagement Window,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies where such Interconnection Requests had executed a Cluster Study Agreement received by System Operator more than two hundred and seventy (270) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter, from the commencement of the Cluster Study to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer,

(E) Mean time (in days), Cluster Studies were completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer,

(F) Percentage of Cluster Studies exceeding two hundred and seventy (270) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.1(B) plus Section 3.5.2.1(C) divided by the sum of Section 3.5.2.1(A) plus Section 3.5.2.1(C) of this LGIP.

3.5.2.2 Cluster Restudies Processing Time.

(A) Number of Interconnection Requests that had Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than (90) Calendar Days after System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Restudies where such System Operator notified Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this

LGIP more than ninety (90) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the date when System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP to the date when System Operator provided the completed Cluster Restudy to Interconnection Customer,

(E) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Restudy Report to Interconnection Customer,

(F) Percentage of Cluster Restudies exceeding ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.2(B) plus Section 3.5.2.2(C) divided by the sum of Section 3.5.2.2(A) plus Section 3.5.2.2(C) of this LGIP.

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate after receipt by System Operator of Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by System Operator more than

ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed for the System Operator's Administered Transmission System during the reporting quarter, calculated from the date when System Operator received the executed Interconnection Facilities Study Agreement to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer,

(E) Mean time (in days), Interconnection Facilities Study completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer,

(F) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.5.2.3(B) plus Section 3.5.2.3(C) divided by the sum of Section 3.5.2.3(A) plus Section 3.5.2.3(C) of this LGIP.

3.5.2.4 Interconnection Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of any Interconnection Studies or execution of any Interconnection Study Agreements,

(C) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of an Interconnection Facility Study,

(E) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after completion of an Interconnection Facilities Study or after completion of the Cluster Study if the Facilities Study was waived but before execution of an LGIA or Interconnection Customer requests the filing of an unexecuted LGIA,

(F) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after execution of an LGIA or Interconnection Customer requests the filing of an unexecuted, new LGIA,

(G) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when System Operator received the request to withdraw from the queue.

3.5.3 System Operator is required to post on its website the measures in Section 3.5.2.1(A) through Section3.5.2.4(G) for each calendar quarter within thirty (30) Calendar days of the end of the calendar quarter. System Operator will keep the quarterly measures posted on its website for three (3) calendar years with the first required report to be the first quarter of 2020. If System Operator retains this information on its website, a link to the information must be provided on System Operator's OASIS site.

3.5.4 In the event that any of the values calculated in Sections 3.5.2.1(F), 3.5.2.2(F) or 3.5.2.3(F) exceeds twenty-five percent (25%) for two (2) consecutive calendar quarters, System Operator will have to comply with the measures below for the next four (4) consecutive calendar quarters and must continue reporting this information until System Operator reports four consecutive calendar quarters without the values calculated in Sections 3.5.2.1(F), 3.5.2.2(F) or 3.5.2.3(F) exceeding twenty-five percent (25%) for two (2) consecutive calendar quarters:

> (i) System Operator must submit a report to the Commission describing the reason for each Cluster Study, Cluster Restudy, or individual Interconnection Facilities Study pursuant to one or more Interconnection Request(s) that exceeded its deadline (*i.e.*, 270, 90 or 180 Calendar Days) for completion. System Operator must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable,

prevent such delays in the future. The report must be filed at the Commission within forty-five (45) Calendar Days of the end of the calendar quarter.

(ii) System Operator shall aggregate the total number of employee hours and third party consultant hours expended towards Interconnection Studies for its Administered Transmission System that quarter and post on its website. If System Operator posts this information on its website, a link to the information must be provided on System Operator's OASIS site. This information is to be posted within thirty (30) Calendar Days of the end of the calendar quarter.

3.6 Coordination with Internal Affected Systems.

The System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Internal Affected Systems with Internal Affected Parties and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. The System Operator will include such Internal Affected Parties in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with the System Operator and Interconnecting Transmission Owner in all matters related to the conduct of studies and the determination of modifications to Internal Affected Systems. Interconnection Customer shall be responsible for the costs associated with the studies or portions of studies associated with the Internal Affected Systems, including costs associated with the requirements of Section I.3.9 of the Tariff. Payment and refunds associated with the costs of such studies will be coordinated between Interconnection Customer and the Internal Affected Party(ies) unless such costs are included in the costs of the Interconnection Study, in which case, the Internal Affected Party(ies) shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the respective Interconnection Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Studies.

The System Operator shall seek the cooperation of all Internal Affected Parties in all matters related to the conduct of studies and the determination of modifications to Internal Affected Systems. Nothing in the foregoing is intended to authorize Interconnection Customer to receive interconnection, related facilities

or other services on an Internal Affected System, and provision of such services must be handled through separate arrangements with Internal Affected Party(ies).

3.6A Coordination with Affected Systems Outside New England Control Area.

System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with System Operator and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

An Interconnecting Transmission Owner in the New England Control Area whose system may be impacted by a proposed interconnection on an Affected System shall cooperate with the System Operator and Affected System to whom a proposed interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Interconnecting Transmission Owner's portion of the New England Transmission System.

3.6A.1 Initial Notification.

System Operator must notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study.

At the time of initial notification, System Operator must provide Interconnection Customer with a list of potential Affected Systems, along with relevant contact information.

3.6A.2 Notification of Cluster Restudy.

System Operator must notify Affected System Operator of a Cluster Restudy concurrently with its notification of such Cluster Restudy to Interconnection Customers.

3.6A.3 Notification of Cluster Restudy Completion.

Upon the completion of System Operator's Cluster Restudy, System Operator will notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Restudy, regardless of whether that potential Affected System impact was previously identified. At the time of the notification of the completion of the

Cluster Restudy to the Affected System Operator, System Operator must provide Interconnection Customer with a list of potential Affected System Operators, along with relevant contact information.

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to System Operator, which System Operator will transmit to Interconnecting Transmission Owner and any Affected Parties. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), the System Operator shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Except as otherwise provided elsewhere in this LGIP, upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify the System Operator of its intent to pursue Dispute Resolution, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the System Operator may eliminate Interconnection Customer's Interconnection Request from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to System Operator, Interconnecting Transmission Owner, and any Affected Parties all costs prudently incurred with respect to that Interconnection Request prior to System Operator's receipt of notice described above. Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by System Operator under Section 3.7 of this LGIP, System Operator shall (i) update the OASIS Queue Position posting; and (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this LGIP. Except as otherwise provided elsewhere in this LGIP, the System Operator and the Interconnecting Transmission Owner shall refund to Interconnection Customer any refundable portion of Interconnection Customer's study deposit or study payments that exceeds the costs incurred, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations, or arrange to charge to

Interconnection Customer any amount of such costs incurred that exceed Interconnection Customer's deposit or study payments, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations. The System Operator and Interconnecting Transmission Owner shall refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of Site Control. In the event of such withdrawal, System Operator, subject to the confidentiality provisions of Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information, shall provide, at Interconnection Customer's request, all information developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.7.1 Withdrawal Penalty.

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.7.1.1 Calculation of the Withdrawal Penalty.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer shall not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) Interconnection Customer's study deposit required under Section 3.4.1.1 of this LGIP; or (2) as follows in (a)–(d):

(a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study if no Cluster Restudy is required, Interconnection Customer shall be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point in the Interconnection Study process.

(b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this LGIP, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer shall be charged five percent (5%) its estimated Network Upgrade costs.

(c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.3 of this LGIP, or after receipt of the draft LGIA but before Interconnection Customer has executed an LGIA or has requested that its LGIA be filed unexecuted, and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer shall be charged ten percent (10%) its estimated Network Upgrade costs.

(d) If Interconnection Customer has executed an LGIA or has requested that its LGIA be filed unexecuted and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty shall be twenty percent (20%) its estimated Network Upgrade costs.

3.7.1.2 Distribution of the Withdrawal Penalty.

3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster.

For a single Cluster, System Operator shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted. Any Withdrawal Penalty funds collected from the Cluster shall first be used to fund studies conducted under the Cluster Study Process for Interconnection Customers in the same Cluster that have executed the LGIA or requested the LGIA to be filed unexecuted. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, System Operator will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the *pro forma* LGIA attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4. The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their LGIA or requesting to have their LGIA filed unexecuted. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with the System Operator's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. System Operator shall post the balance of Withdrawal Penalty funds held by System Operator but not yet dispersed on its OASIS site and update this posting on a quarterly basis.

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its LGIA, System Operator shall first apply such Interconnection Customer's Withdrawal Penalty funds to any restudy costs required due to Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with the System Operator's method in Section 13.3 of this LGIP for allocating the costs of

Interconnection Studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

3.7.1.2.2 Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster.

If Withdrawal Penalty funds remain for the same Cluster after the Withdrawal Penalty funds are applied to relevant study costs, System Operator will determine if the withdrawn Interconnection Customers, at any point in the Cluster Study Process, shared cost assignment for one or more Network Upgrades with any remaining Interconnection Customers in the same Cluster based on the Cluster Study Report, Cluster Restudy Report(s), Interconnection Facilities Study Report, and any subsequent issued restudy report issued for the Cluster.

In Section 3.7.1.2 of this LGIP, shared cost assignments for Network Upgrades refers to the cost of Network Upgrades still needed for the same Cluster for which an Interconnection Customer, prior to withdrawing its Interconnection Request, shared the obligation to fund along with Interconnection Customers that have executed an LGIA, or requested the LGIA to filed unexecuted.

If System Operator's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, System Operator will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customer(s). Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this LGIP). System Operator must make such disbursement within sixty (60) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted. For the withdrawn Interconnection Customers that System Operator determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this LGIP, System Operator will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will

be applied toward net increases in Network Upgrade shared costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this LGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this LGIP).

If the System Operator's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, System Operator will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the LGIA (or filed unexecuted), as described in Section 3.7.1.2.3(a) of this LGIP, or after such execution (or filing unexecuted) of an LGIA, as described in Section 3.7.1.2.3(b) of this LGIP.

As discussed in Section 3.7.1.2.4 of this LGIP, System Operator will amend executed (or filed unexecuted) LGIAs of the remaining Interconnection Customers in the same Cluster to apply the remaining Withdrawal Penalty funds to reduce net increases in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the pro forma LGIA attributable to the impacts of withdrawn Interconnection Customers on Interconnection Customers remaining in the same Cluster that had a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customers.

3.7.1.2.3 Impact Calculations

3.7.1.2.3(a) Impact Calculation for Withdrawals During the Cluster Study Process

If an Interconnection Customer withdraws before it executes, or requests the unexecuted filing of, its LGIA, the System Operator will distribute in the following manner the Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment for a Network Upgrade with the withdrawn Interconnection Customer.

To calculate the reduction in the remaining Interconnection Customers' net increase in Network Upgrade costs and associated financial security requirements under Article 11.5 of the pro forma LGIA, the

System Operator will determine the financial impact of a withdrawing Interconnection Customer on other Interconnection Customers in the same Cluster that shared an obligation to fund the same Network Upgrade(s). System Operator shall calculate this financial impact once all Interconnection Customers in the same Cluster either: (1) have withdrawn or have been deemed withdrawn; (2) executed an LGIA; or (3) request an LGIA to be filed unexecuted. System Operator will perform the financial impact calculation using the following steps.

First, System Operator must determine which withdrawn Interconnection Customers shared an obligation to fund Network Upgrades with Interconnection Customers from the same Cluster that have LGIAs that are executed or have been requested to be filed unexecuted. Next, System Operator shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

(1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);

(2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);

(3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);

(4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution or filing of an unexecuted LGIA;

(5) The Interconnection Facilities Study reflected in the executed, or filed unexecuted, LGIA to any subsequent restudy conducted after the execution or filing of an unexecuted LGIA.

If, based on the above calculations, System Operator determines:

(i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and

(ii) after the impacted Interconnection Customer's LGIA was executed or filed unexecuted, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade,

then System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial impact by reducing, in the same Cluster, the remaining Interconnection Customer's Network Upgrade costs and associated financial security requirements under Article 11.5 of the *pro forma* LGIA.

If System Operator determines that more than one Interconnection Customer in the same Cluster was financially impacted by the same withdrawn Interconnection Customer, System Operator will apply the relevant withdrawn Interconnection Customer's Withdrawal Penalty funds that have not already been applied to study costs to reduce the financial impact to each Interconnection Customer based on each Interconnection Customer's proportional share of the financial impact, as determined by either the Proportional Impact Method if it is a System Network Upgrade or on a per capita basis if it is a Substation Network Upgrade, as described under Section 4.2.1 of this LGIP.

3.7.1.2.3(b) Impact Calculation for Withdrawals in the Same Cluster After the Cluster Study Process

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its LGIA, System Operator will distribute in the following manner the remaining Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment with the withdrawn Interconnection Customer for one or more Network Upgrades.

System Operator will determine the financial impact on the remaining Interconnection Customers in the same Cluster within thirty (30) Calendar Days after the withdrawal occurs. The System Operator will determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customer's shared with the withdrawn Interconnection Customer before the withdrawal of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's increased cost assignment, as determined by System Operator.

3.7.1.2.4 Amending LGIA to Apply Reductions to Interconnection Customer's Assigned Network Upgrade Costs and Associated Financial Security Requirement with Respect to Withdrawals in the Same Cluster

Within thirty (30) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; (2) executed an LGIA; or (3) requested an LGIA to be filed unexecuted, System Operator must perform the calculations described in Section 3.7.1.2.3(a) of this LGIP and provide such Interconnection Customers with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the pro forma LGIA, due from Interconnection Customer to the Interconnecting Transmission Owner.

Where an Interconnection Customer executes the LGIA (or requests the filing of an unexecuted LGIA) and is later withdrawn or its LGIA is terminated, System Operator must, within thirty (30) Calendar Days of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this LGIP and provide such Interconnection Customers in the same Cluster with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the pro forma LGIA, due from Interconnection Customer to Interconnecting Transmission Owner.

Any repayment by Interconnecting Transmission Owner to Interconnection Customer under Article 11.3 of the pro forma LGIA of amounts advanced for Network Upgrades after the Generating Facility achieves

Commercial Operation shall be limited to Interconnection Customer's total amount of Network Upgrade costs paid and associated financial security provided to Interconnecting Transmission Owner under Article 11.5 of the pro forma LGIA.

3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds

If Withdrawal Penalty funds remain for the Cluster after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, System Operator or Interconnecting Transmission Owner, as appropriate, will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

3.8 Identification of Contingent Facilities.

System Operator shall identify Contingent Facilities before the execution of the LGIA by reviewing the Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position, Large Load Network Upgrades, or the list of transmission projects planned or proposed for the New England Transmission System to identify those upgrades that are not yet in service but upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Planned or proposed upgrades will be identified as Contingent Facilities for an Interconnection Request if the absence of those upgrades would cause additional Adverse System Impacts to be identified in the Cluster Study, using the same conditions as those used in the Cluster Study. The thresholds for identification of Adverse System Impact for the purpose of identifying Contingent Facilities will be as follows: (i) an increase in the flow in an element by at least two percent of the element's rating and that causes that flow to exceed that element's appropriate thermal rating by more than two percent where the appropriate thermal rating is the normal rating with all lines in service and the long time emergency or short time emergency rating after a contingency; (ii) a change of at least one percent in a voltage that causes a voltage level that is higher or lower than the appropriate high or low rating by more than one percent; (iii) an increase of at least a one percent change in the short circuit current experienced by an element and that causes a short circuit stress that is higher than an element's interrupting or withstand capability; or (iv) the introduction of a violation

of stability criteria. Contingent Facilities that are identified during the evaluation of the Interconnection Request shall be documented in the Cluster Study report or the LGIA for the Large Generating Facility. System Operator shall also provide, upon request of Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time for each identified Contingent Facilities when this information is readily available and not commercially sensitive.

3.9 Penalties for Failure to Meet Study Deadlines.

(1) System Operator or Interconnecting Transmission Owner shall be subject to a penalty if it fails to complete a Cluster Study, Cluster Restudy, Interconnection Facilities Study, or Affected Systems Study by the applicable deadline set forth in this LGIP. The responsibilities of System Operator and Interconnecting Transmission Owner in the conduct of such studies are set forth in the Transmission Operating Agreement and ISO New England Planning Procedures. System Operator or Interconnecting Transmission Owner must pay the penalty for each late Cluster Study, Cluster Restudy, and Interconnection Facilities Study on a pro rata basis per Interconnection Request to all Interconnection Customer(s) included in the relevant study that did not withdraw, or were not deemed withdrawn, from System Operator's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. System Operator or Interconnecting Transmission Owner must pay the penalty for a late Affected Systems Study on a pro rata basis per interconnection request to all Affected System Interconnection Customer(s) included in the relevant Affected System Study that did not withdraw, or were not deemed withdrawn, from the host transmission provider's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. Except as provided below, the study delay penalty for each late study shall be distributed no later than forty-five (45) Calendar Days after the late study has been completed.

(2) For penalties assessed in accordance with this Section, the penalty amount will be equal to: $1,000 per Business Day for delays of Cluster Studies beyond the applicable deadline set forth in this LGIP; $2,000 per Business Day for delays of Cluster Restudies beyond the applicable deadline set forth in this LGIP; $2,000 per Business Day for delays of Affected System Studies beyond the applicable deadline set forth in this LGIP; and $2,500 per Business Day for delays of Interconnection Facilities Studies beyond the applicable deadline set forth in this LGIP. The total amount of a penalty assessed under this Section shall not exceed: (a) one hundred percent (100%) of the initial study deposit(s) received for all of the Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (b) one hundred

percent (100%) of the initial study deposit received for the single Interconnection Request in the study for Interconnection Facilities Studies; and (c) one hundred percent (100%) of the study deposit(s) that System Operator or Interconnecting Transmission Owner collects for conducting the Affected System Study.

(3) System Operator or Interconnecting Transmission Owner may appeal to the Commission any penalties imposed under this Section. Any such appeal must be filed no later than forty-five (45) Calendar Days after the late study has been completed. While an appeal to the Commission is pending, System Operator or Interconnecting Transmission Owner shall remain liable for the penalty, but need not distribute the penalty until forty-five (45) Calendar Days after (1) the deadline for filing a rehearing request has ended, if no requests for rehearing of the appeal have been filed, or (2) the date that any requests for rehearing of the Commission's decision on the appeal are no longer pending before the Commission. The Commission may excuse System Operator or Interconnecting Transmission Owner from penalties under this Section for good cause.

(4) No penalty will be assessed under this Section where a study is delayed by ten (10) Business Days or less. If the study is delayed by more than ten (10) Business Days, the penalty amount will be calculated from the first Business Day the System Operator or Interconnecting Transmission Owner misses the applicable study deadline.

(5) If (a) System Operator or Interconnecting Transmission Owner needs to extend the deadline for a particular study subject to penalties under this Section and (b) all Interconnection Customers or Affected System Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study shall be extended thirty (30) Business Days from the original deadline. In such a scenario, no penalty will be assessed for System Operator or Interconnecting Transmission Owner missing the original deadline.

(6) No penalties shall be assessed until the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after the Commission-approved effective date of System Operator's filing made in compliance with the Final Rule in Docket No. RM22-14-000.

(7) System Operator and Interconnecting Transmission Owner must maintain on its OASIS or its public website summary statistics related to penalties assessed under this Section, updated quarterly. For each calendar quarter, System Operator and Interconnecting Transmission Owner must calculate and post (1) the total amount of penalties assessed under this Section during the previous reporting quarter and (2) the highest penalty assessed under this Section paid to a single Interconnection Customer or Affected System Interconnection Customer during the previous reporting quarter. System Operator and Interconnecting Transmission Owner must post on their respective OASIS or website these penalty amounts for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. System Operator and Interconnecting Transmission Owner must maintain the quarterly measures posted on their respective OASIS or website for three (3) calendar years with the first required posting to be the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after System Operator transitions to the Cluster Study Process.

SECTION 4. INTERCONNECTION REQUEST EVALUATION PROCESS.

4.1 Queue Position.

4.1.1 Assignment of Queue Position.

System Operator shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request provided all items required pursuant to the provisions of Section 3.4 of this LGIP are received. A higher Queue Position assigned to an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of a Cluster initiated earlier in time than an instant Cluster shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant Cluster.

Any ongoing CSIS or CFAC as of June 13, 2024 shall include the Interconnection Requests that were identified as eligible to participate in the CSIS and CFAC and met the associated requirements for inclusion in said studies in accordance with Section 4.2 of this LGIP. Interconnection Requests included in such a CSIS or CFAC shall consider a higher queued Interconnection Requests not included in the

cluster. A lower queued Interconnection Request that is not included in such a CSIS or CFAC shall consider all of the higher queued Interconnection Requests that are part of the CSIS or CFAC.

4.1.2 Considerations Related to Achieving CNR Interconnection Service

Participation in a CNR Group Study was required to achieve CNR Interconnection Service and CNI Interconnection Service prior to September 4, 2025.

After September 4, 2025, the Transitional Cluster Study, Transitional CNR Group Study or Cluster Study processes shall be the only means for Generating Facilities subject to the Interconnection Procedures to achieve CNR Interconnection Service.

Interconnection Requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included Base Case for the Transitional Cluster Study or a Cluster Study in order of submission/approval (the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates) provided that such Section I.3.9 approval was received at least ninety (90) Calendar Days after the formation of the Base Case consistent with Section 2.3 of this LGIP.

4.2 General Study Process.

Interconnection Studies performed using clustering shall be conducted in such a manner to ensure the efficient implementation of the applicable Regional System Plan in light of the New England Transmission System's capabilities for the time period under study and consistent with Good Utility Practice.

The System Operator may use subgroups in the Cluster Study Process. If the System Operator elects to use subgroups in the Cluster Study Process, System Operator must publish the criteria used to define and determine subgroups on its OASIS or public website prior to the opening of a Cluster Request Window.

4.2.1 Triggers for CRPS.

The System Operator, at its discretion, may initiate a CRPS pursuant to Section 15 of Attachment K, Section II of the Tariff, when it identifies any of the following interconnection circumstances:

(1) the withdrawal from the Cluster Study Process of two (2) or more Interconnection Requests for resources in the same electrical part of the New England Control Area; or
(2) where procurements are underway for resources in the same electrical part of the New England Control Area;

and, none of the resources described in (1) or (2) above will be able to interconnect to the Administered Transmission System without the use of common significant new transmission line infrastructure rated at or above 115 kV AC or HVDC.

System Operator may also initiate a CRPS in an electrical part of the New England Control Area where System Operator previously identified the need for a CETU to interconnect new resources.

4.2.2 Notice of Initiation of CRPS.

When the System Operator identifies the interconnection circumstances in Section 4.2.1 of this LGIP, the System Operator will provide notice to the Planning Advisory Committee of the initiation of a CRPS in accordance with Section 15.1 of Attachment K, Section II of the Tariff. The System Operator will perform a CRPS to identify the CETU and associated system upgrades to enable the interconnection of potentially all of the resources for which the interconnection circumstances described in Section 4.2.1 of this LGIP were identified, consistent with Section 15.2 of Attachment K. The results of the CRPS performed under Attachment K will inform the Cluster entry process and requirements for Interconnection Requests for Generating Facilities that need the CETU to meet the interconnection standards in Schedules 22, 23, or 25 of the OATT.

The System Operator will provide notice to Interconnection Customers that have submitted an Interconnection Request during a Cluster Request Window that System Operator has identified as needing a CETU to meet the interconnection standards prior to the Cluster Scoping Meeting. System Operator shall determine whether 1) a CRPS has been completed in the relevant area of the system and the Interconnection Requests can enter the Cluster Study consistent with Section 4.2.3.2 of this LGIP or 2) a CRPS is currently underway, or may be initiated pursuant to Section 4.2.1 of this LGIP in the relevant

area of the system, in which case, System Operator will deem the Interconnection Requests withdrawn without the cure period described in Section 3.7 of this LGIP, notify the Interconnection Customers, and refund any remaining deposits.

4.2.3 Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1 Cluster Entry Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1.1 CRPS Completed Prior to Transitional Cluster Study For a CRPS that was completed prior to the start of the Transitional Cluster Study and for which a CSIS has not commenced, all Interconnection Requests identified in the final CRPS report, by Queue Position as assigned in accordance with Section 4.1 of this LGIP, shall be eligible to elect to enter the Transitional Cluster Study under Section 5.1.1.2 of this LGIP. By the deadline to return the Transitional Cluster Study Agreement, an Interconnection Customer with an Interconnection Request identified in the final CRPS report as eligible to elect to enter the Transitional Cluster Study must, in writing:

1. withdraw the Interconnection Request, pursuant to Section 3.7; or
2. request to be included in the Transitional Cluster Study, meet the requirements specified in Section 5.1.1.2 (except for the Commercial Readiness Deposit), and submit to the System Operator the initial CETU Participation Deposit specified in Section 4.2.3.2 of this LGIP. Such deposit shall be in cash.

If, by the deadline to submit the Transitional Cluster Study Agreement, Interconnection Customer fails to withdraw its Interconnection Request or request to be included in the Transitional Cluster Study and meet the requirements specified in this Section 4.2.3.1.1, then the Interconnection Request will be automatically withdrawn from the interconnection queue without further opportunity to cure. If Interconnection Customer elects option (2) above and does not meet all of the entry requirements specified in this Section 4.2.3.1.1 by the deadline to submit the Transitional Cluster Study Agreement, the Interconnection Request will be automatically withdrawn from the interconnection queue as of that date without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of an otherwise incomplete Transitional Cluster Study entry requirements submission, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

4.2.3.1.2 CRPS Completed or Initiated After the Transitional Cluster Study All Interconnection Requests that, based on a final CRPS report that the System Operator has completed pursuant to Attachment K after the Transitional Cluster Study, reasonably expect to, or have been notified by System Operator that they need, the CETU and associated system upgrades identified in that final CRPS report must request to be included in the Cluster Study, have a valid Interconnection Request pursuant to Section 3.4.2, and submit to the System Operator the CETU Participation Deposit specified in Section 4.2.3.2 of this LGIP by the close of the Customer Engagement Window. Such deposit shall be in cash. If Interconnection Customer does not meet all of the entry requirements specified in this Section 4.2.3.1.2 by the close of the Customer Engagement Window, the Interconnection Request will be automatically withdrawn from the interconnection queue as of the close of the Customer Engagement Window without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of the incomplete Interconnection Request, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

Where a CRPS under Attachment K has not been completed prior to the opening of a Cluster Request Window, Interconnection Requests in the electrical part of the system subject to the CRPS will be eligible to participate in the next Cluster Study following completion of the CRPS.

4.2.3.2. CETU Participation Deposit for CETU Eligible Interconnection Requests

For Interconnection Requests that are CETU eligible and System Operator has determined that a CRPS has been completed in the relevant area of the system, by the close of the Customer Engagement Window, Interconnection Customer must replace the Commercial Readiness Deposit submitted under Section 3.4.2 of this LGIP with a CETU Participation Deposit equal to five (5) percent of the Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CRPS report. If the System Operator subsequently identifies that an Internal ETU has met the requirements to take the place of a CETU, or portion thereof, pursuant to Sections 5.1.1.2 and 7.3 of this LGIP, the initial CETU Participation Deposit will be reduced to exclude the costs associated with the CETU, or portion thereof, that is being replaced by the Internal ETU, and Interconnection Customer shall be refunded the corresponding amount. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The initial CETU Participation Deposit will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this LGIP) to Interconnection Customer with an Interconnection Request that met the cluster entry requirements: (i) if the CETU is initially undersubscribed by more than ten (10) percent of the quantity of megawatts that the CETU developed through the CRPS was designed to enable and Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, before the Cluster Study starts, (ii) if the CETU is initially oversubscribed as described in Section 4.2.3.3. of this LGIP (e.g., the CETU developed through the CRPS is designed to enable 1,000 MW and more than 1,000 MW meet the Cluster Study or Transitional Cluster Study entry requirements), in which case the CETU Participation Deposit will be refunded to Interconnection Customers with Interconnection Requests corresponding to the oversubscribed megawatt quantities, (iii) if the cost estimates for the CETU and the associated system upgrades provided in the final CRPS report for the entire cluster have increased by twenty-five (25) percent or more when compared to the cost estimates provided in the draft Transitional Cluster Study Report, draft Cluster Study Report, or the draft Facilities Study Report and Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, within thirty (30) Calendar Days after receipt of the draft Transitional Cluster Study Report, draft Cluster Study Report or the draft Facilities Study Report in accordance with Sections 7.3 and 8.3 of this LGIP, respectively, (iv) if at the time Interconnection Customer with an Interconnection Request included in the CSIS provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this LGIP, or (v) if all Interconnection Requests included in the cluster withdraw from the interconnection queue.

Otherwise, the CETU Participation Deposit shall be non-refundable if Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue at any time after the Customer Engagement Window. The non-refundable CETU Participation Deposit shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.2.3.3 CETU Filling and Oversubscription

For purposes of the Transitional Cluster Study, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area that the System Operator previously identified as needing the CETU identified in the final CRPS report and that met the Transitional Cluster Study entry requirements by the Cluster Request Window up to the approximate megawatt quantity

identified in the final CRPS report as potentially enabled by the CETU. The Interconnection Requests will be included Transitional Cluster Study in queue order, based on the Queue Positions assigned in accordance with Section 4.1 of this LGIP, relative to other eligible Interconnection Requests. In the event that the CETU is filled and lower queued Interconnection Requests remain, such requests shall be withdrawn by System Operator, all remaining deposits will be refunded, and System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

For Cluster Studies, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area submitted during the next Cluster Request Window following the publication of the final CRPS report that the System Operator determines need the CETU identified in the final CRPS report and meet the Cluster Study entry requirements by the close of the Cluster Request Window up to the approximate megawatt quantity identified in the final CRPS as potentially enabled by the CETU. If the Interconnection Requests identified by the System Operator as needing the CETU identified in the final CRPS report that elect to enter the Cluster Study exceed the quantity of megawatts identified as potentially enabled by the CETU in the final CRPS report, the System Operator shall fill the CETU first with Interconnection Requests that have been selected in, or are contractually bound by, a state-sponsored request for proposals. In the event that the CETU is filled and additional Interconnection Requests are not able to be included, such requests will not proceed into the Cluster Study, all deposits will be refunded, and System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

4.2.4. Cluster Interconnection Facilities Study.

The following provisions shall only apply to Interconnection Customers that executed a CFAC prior to the effective date of this LGIP.

Notwithstanding any other provision in this LGIP, an Interconnection Customer with an Interconnection Request included in a completed CSIS will not be eligible to waive the, or request a separate, CFAC. All Interconnection Customers with an Interconnection Request included in a completed CSIS shall be studied together in the CFAC for the purpose of implementing the conclusions of the CSIS with respect to non-sole use facilities.

4.2.4.1 Cluster Interconnection Facilities Study Entry Requirements. An Interconnection Customer with an Interconnection Request that was included in a completed CSIS shall execute an Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator, together with the required technical data and refundable deposit for the Interconnection Facilities Study as specified in Section 8.1 of this LGIP.

4.2.4.2. Scope of Interconnection Facilities Study. The CFAC will be conducted in accordance with Sections 8.2 and 8.3 of this LGIP based on a +/- 20 percent good faith cost estimate.

4.2.4.3 Re-study of the Interconnection Facilities Study. In addition to the circumstances specified in Section 8.5 of this LGIP, a re-study of the CFAC is required due to the withdrawal of an Interconnection Request that had been included in the CFAC. A re-study of the CSIS and CFAC will be conducted to determine if there are any changes in the upgrades identified during the CSIS and CFAC with the exception of the CETU identified in the final CRPS report, which shall remain configured consistent with the megawatt quantity(ies) considered in the final CRPS report.

4.2.4.4 Additional CETU Participation Deposit. Within thirty (30) Calendar Days after receipt of the final CFAC report in accordance with Section 8.3 of this LGIP, an Interconnection Customer with an Interconnection Request included in the CFAC shall submit to the System Operator an additional CETU Participation Deposit equal to five (5) percent of the Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CFAC report. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The additional CETU Participation Deposit provided under this Section 4.2.4 will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this LGIP) to Interconnection Customer that submitted the additional CETU Participation Deposit (i) at the time Interconnection Customer with an Interconnection Request included in the CFAC provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this LGIP or (ii) if all Interconnection Requests included in the cluster withdraw from the interconnection queue.

Otherwise, the additional CETU Participation Deposit shall be non-refundable if Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue. The non-refundable additional CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change. Interconnection Customer must notify the System Operator, in writing, of any transfers of Queue Position and must provide the System Operator with the transferee's contact information, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

4.4 Modifications.

Interconnection Customer shall submit to System Operator and Interconnecting Transmission Owner, in writing, modifications to any information provided in the Interconnection Request, including its attachments. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.4, or 7.5 of this LGIP, or are determined not to be Material Modifications pursuant to Section 4.4.2 of this LGIP. The System Operator will notify the Interconnecting Transmission Owner, and, when System Operator deems it appropriate in accordance with applicable codes of conduct and confidentiality requirements, it will notify any Affected Party or Internal Affected Party of such modifications.

A new Interconnection Request shall be required to: (1) increase the energy capability or capacity capability output of a Generating Facility above that specified in an Interconnection Request, an existing Interconnection Agreement (whether executed or filed in unexecuted form with the Commission), or as established pursuant to Section 5.2 of this LGIP; or (2) change from NR Interconnection Service to CNR Interconnection Service, at any time.

During the course of the Interconnection Studies, the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes do not constitute a Material Modification and are acceptable to the Parties, such acceptance not to be unreasonably withheld, System Operator and the Interconnecting Transmission Owner shall modify the Point of Interconnection prior to the completion of a Cluster Study and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the Cluster Study Agreement or Transitional Cluster Study Agreement, modifications permitted under this Section shall include specifically: (a) a decrease of up to sixty percent (60%) of electrical output (MW) of the proposed Large Generating Facility, through either (1) a decrease in facility size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1 of this LGIP) accomplished by applying System Operator-approved injection-limiting equipment proposed by Interconnection Customer and subject to review in the ~~Interconnection System Impact~~Cluster Study; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

4.4.2 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.4, or 7.5 of this LGIP, Interconnection Customer may first request that the System Operator and Interconnecting Transmission Owner evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, the System Operator in consultation with the Interconnecting Transmission Owner, and in consultation with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall evaluate, at Interconnection Customer's cost, the proposed modifications prior to making them and the System Operator will inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1.2 or 4.4.1 of this LGIP or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then

withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.3 Interconnection Customer may request, and System Operator shall evaluate, the addition to the Interconnection Request of a Generating Facility with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Facility does not increase the requested Interconnection Service level. System Operator must evaluate such modifications prior to deeming them a Material Modification, but only if Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by Interconnection Customer to System Operator. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

4.4.4 Upon receipt of Interconnection Customer's request for modification that does not constitute a Material Modification and therefore is permitted under this Section 4.4 of this LGIP, the System Operator in consultation with the Interconnecting Transmission Owner and in consultation with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the System Operator, Interconnecting Transmission Owner, or Affected Party or Internal Affected Party commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost. Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to the Appendix 1 of this LGIP.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing, provided that the extension(s) do not exceed seven (7) years from the date the Interconnection Request was received by the System Operator. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an LGIA or requesting that the LGIA be filed unexecuted. After an LGIA is executed or requested to be filed unexecuted, the Commercial Operation Date reflected in the LGIA shall

be used to calculate the permissible extension. Each cumulative extension may not exceed three years including both extensions requested after execution of the LGIA by Interconnection Customer or the filing of an unexecuted LGIA by System Operator and those requested prior to execution of the LGIA by Interconnection Customer or the filing of an unexecuted LGIA by System Operator.

4.4.6 Extensions of three (3) or more cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Large Generating Facility to which the Interconnection Request relates or any extension of a duration that results in the Initial Synchronization Date exceeding the date the Interconnection Request was received by the System Operator by seven (7) or more years is a Material Modification unless Interconnection Customer demonstrates to the System Operator due diligence, including At-Risk Expenditures, in pursuit of permitting, licensing and construction of the Large Generating Facility to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in the Interconnection Request. Such demonstration shall be based on evidence to be provided by Interconnection Customer of accomplishments in permitting, licensing, and construction in an effort to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in this Interconnection Request. Such evidence may include filed documents, records of public hearings, governmental agency findings, documentation of actual construction progress or documentation acceptable to the System Operator showing At-Risk Expenditure made previously, including the previous four (4) months. If the evidence demonstrates that Interconnection Customer did not undertake reasonable efforts to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date specified in the Interconnection Request, or demonstrates that reasonable efforts were not undertaken until four (4) months prior to the request for extension, the request for extension shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed Material Modification or proceed with a new Interconnection Request for such modification.

SECTION 5. PROCEDURES FOR TRANSITION.

5.1 Procedures for Transitioning to the Cluster Study Process.

5.1.1 Any Interconnection Customer assigned a Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this LGIP) shall retain that Queue Position subject to the requirements in

Sections 5.1.1.1 and 5.1.1.2 of this LGIP. Any Interconnection Customer that fails to meet the entry requirements shall have its Interconnection Request deemed withdrawn by System Operator pursuant to Section 3.7 of this LGIP. In such case, System Operator shall not assess Interconnection Customer any Withdrawal Penalty.

Any Interconnection Customer that has received a final Interconnection Facilities Study Report before the commencement of the studies under the transition process set forth in this section shall be tendered an LGIA pursuant to Section 11 of this LGIP, and shall not be required to enter this transition process.

System Operator shall not accept Interconnection Requests submitted after the thirty (30) Calendar Day period described in this section until the first Cluster Request Window opens.

5.1.1.1 Transitional Serial Study. An Interconnection Customer that has been tendered an Interconnection Facilities Study Agreement (other than a CFAC Agreement) as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this LGIP) may opt to proceed with an Interconnection Facilities Study or proceed directly to LGIA negotiations. System Operator shall tender each eligible Interconnection Customer a Transitional Serial Interconnection Facilities Study Agreement, in the form of Appendix 6 to this LGIP, on August 11, 2025. System Operator shall proceed with the Interconnection Facilities Study, provided that Interconnection Customer: (1) meets each of the following requirements; and (2) executes the Transitional Serial Interconnection Facilities Study Agreement within sixty (60) Calendar Days of the August 11, 2025. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty. System Operator must commence the Transitional Serial Interconnection Facilities Study at the conclusion of this sixty (60) Calendar Day period. Transitional Serial Interconnection Facilities Study costs shall be allocated according to the method described in Section 13.3 of this LGIP.

All of the following must be included when an Interconnection Customer returns the Transitional Serial Interconnection Facilities Study Agreement:

(1) A deposit equal to one hundred percent (100%) of the costs identified for Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades in Interconnection Customer's system impact study report. If Interconnection Customer does not withdraw, the

deposit shall be trued up to actual costs once they are known and applied to future construction costs described in Interconnection Customer's eventual LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 12.2 of the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator shall refund the remaining deposit after the final invoice for study costs and Transitional Withdrawal Penalty is settled. The deposit shall be in the form of an irrevocable letter of credit or cash where cash deposits shall be treated according to Section 3.7 of this LGIP.

(2) Exclusive Site Control for 100% of the proposed Generating Facility.

(3) A study deposit in the amount of the greater of $250,000 (for new NR Interconnection Service or CNR Interconnection Service requests), $100,000 (for Interconnection Requests for which Interconnection Studies for NR Interconnection Service have been completed but have not achieved CNR Interconnection Service or for Interconnection Requests seeking to change from existing NR Interconnection Service to CNR Interconnection Service or changes from existing NR Interconnection Service to CNR Interconnection Service) or estimated study costs

Interconnecting Transmission Owner or System Operator shall conduct each Transitional Serial Interconnection Facilities Study and issue the associated Transitional Serial Interconnection Facilities Study Report within one hundred fifty (150) Calendar Days of August 11, 2025.

After System Operator issues each Transitional Interconnection Facilities Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Withdrawal Penalty shall be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).

5.1.1.2 Transitional Cluster Study

An Interconnection Customer with an assigned Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this LGIP) may opt to proceed with a Transitional Cluster Study. System Operator shall tender each eligible Interconnection Customer a Transitional Cluster Study Agreement, in the form of Appendix 5 to this LGIP, on August 11, 2025. System Operator shall proceed with the Transitional Cluster Study that includes each Interconnection Customer that: (1) meets each of the following requirements listed as (1) – (5) in this section; and (2) executes the Transitional Cluster Study Agreement within sixty (60) Calendar Days of August 11, 2025. All Interconnection Requests that enter the Transitional Cluster Study shall be considered to have an equal Queue Position that is lower than Interconnection Customer(s) proceeding with Transitional Serial Interconnection Facilities Study. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty and with no further opportunity to cure. System Operator must commence the Transitional Cluster Study at the conclusion of this sixty (60) Calendar Day period. All identified Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrade costs shall be allocated according to Schedule 11 to the OATT. Transitional Cluster Study costs shall be allocated according to the method described in Section 13.3 of this LGIP. If an Interconnection Customer accepted the results of its system impact study on or before April 4, 2025, the System Operator shall not include the Interconnection Request in the Transitional Cluster Study and instead tender a Large Generator Interconnection Agreement pursuant to Section 11 of this LGIP, and refund any deposits associated with participation in the Transitional Cluster Study.

Notwithstanding any other provision, an Interconnection Customer with a valid Queue Position prior to June 13, 2024 that includes a Commercial Operation Date earlier than April 28, 2028, may make a one-time extension to its requested Commercial Operation Date upon entry into the Transitional Cluster Study, where any such extension shall not result in a Commercial Operation Date later than April 28, 2028.

All of the following must be included when an Interconnection Customer returns the Transitional Cluster Study Agreement:

(1) A selection of either Network Resource Interconnection Service or Capacity Network Resource Interconnection Service. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection

Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.

(2) A deposit of five million dollars ($5,000,000) for Interconnection Requests seeking NR Interconnection Service or CNR Interconnection Service, and one million ($1,000,000) for Interconnection Requests for which Interconnection Studies for NR Interconnection Service have been completed but have not achieved CNR Interconnection Service or for Interconnection Requests seeking to change from existing NR Interconnection Service to CNR Interconnection Service. The deposit shall be in the form of an irrevocable letter of credit or cash where cash deposits shall be treated according to Section 3.7 of this LGIP. If Interconnection Customer does not withdraw, the deposit shall be reconciled with and applied towards future construction costs described in the LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 12.2 of the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator must refund the remaining deposit once the final invoice for study costs and Transitional Withdrawal Penalty is settled.

(3) Exclusive Site Control for 100% of the proposed Generating Facility.

(4) A study deposit in the amount of $250,000 for Interconnection Requests seeking NR Interconnection or CNR Interconnection Service, and one hundred thousand ($100,000) for Interconnection Requests for which Interconnection Studies for NR Interconnection Service have been completed but have not achieved CNR Interconnection Service or for Interconnection Requests seeking to change from existing NR Interconnection Service to CNR Interconnection Service. Any unused balance of the study deposit associated with the Interconnection Request shall be applied toward the study deposit associated with the Transitional Cluster Study

Agreement.

(5) All technical data required under Appendix 1, Attachment A and Attachment A-1 (if applicable) of this LGIP to the extent Interconnection Customer has not already provided such data.

System Operator shall conduct the Transitional Cluster Study and issue both an associated interim Transitional Cluster Study Report and an associated final Transitional Cluster Study Report. The Study Case for the Transitional Cluster Study shall include any CETU and associated system upgrades identified in a final CRPS Report prior to the opening of the Transitional Cluster Study, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from the Transitional Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Transitional Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated by the end of the deadline to submit the Transitional Cluster Study Agreement that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

The interim Transitional Cluster Study Report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of Contingent Facilities
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and

- Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

In addition to the information provided in the interim Transitional Cluster Study Report, the final Transitional Cluster Study Report shall provide a description of, estimated cost of, and schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades required to interconnect the Generating Facility to the Administered Transmission System that resolve issues identified in the interim Transitional Cluster Study Report.

The interim and final Transitional Cluster Study Reports shall be issued within three hundred (300) and three hundred sixty (360) Calendar Days of August 11, 2025, respectively, and shall be posted on System Operator's OASIS consistent with the posting of other study results pursuant to Section 3.5.1 of this LGIP. Interconnection Customer shall have thirty (30) Calendar Days to comment on the interim Transitional Cluster Study Report, once it has been received.

After System Operator issues the final Transitional Cluster Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Transitional Withdrawal Penalty will be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).

5.1.1.3 Transitional CNR Group Study

In accordance with Section III.13.1.1.2.3A, System Operator shall conduct a Transitional CNR Group Study following the effective date of this LGIP. An Interconnection Customer with an assigned Queue Position as of June 13, 2024 may participate in the Transitional CNR Group Study, and consistent with Section II.48 of the Tariff, achieve CNR Interconnection Service. Any Interconnection Customer seeking to establish CNR Interconnection Service through this study must (1) have a valid Interconnection Request seeking CNR Interconnection Service, (2) submit a New Capacity Show of Interest Form to participate in the interim reconfiguration auction qualification process, (3) have not secured a Capacity Supply Obligation prior to September 4, 2025, (4) have a completed System Impact Study or

Interconnection Agreement establishing NR Interconnection Service on or before April 4, 2025, and (5) have a Commercial Operation Date prior to June 1, 2028.

System Operator shall conduct the study by performing an overlapping impacts analysis in the manner used for CNR Group Studies conducted prior to the effective date of this LGIP and as described in ISO Section III.13.1.1.2.3A and the ISO New England Planning Procedures. The Transitional CNR Group Study shall assure that Interconnection Customer's Large Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures.

Interconnection Requests for CNR Interconnection Service and CNI Interconnection Service submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included in the Transitional CNR Group Study in order of submission/approval (the dates of submission shall be used for Interconnection Requests submitted to the System Operator and the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates). Interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates that have not yet received the System Operator's approval for their Proposed Plan Applications under Section I.3.9 of the Tariff at the commencement of the Transitional CNR Group Study shall be included in the Transitional CNR Group Study after all Interconnection Requests submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and all interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff have been included in the Transitional CNR Group Study in order of submission to the Interconnecting Transmission Owners or their distribution company affiliates.

Where an Interconnection Customer with a CNR or CNI Interconnection Service Interconnection Request submits a Show of Interest Form to participate in the Transitional CNR Group Study, and identifies in

that Show of Interest Form that one or more Elective Transmission Upgrade Interconnection Request(s) for an Internal ETU (with a completed Interconnection System Impact Study), that is not already included in the network model pursuant to Section III.12 of the Tariff supports its deliverability, the CNR or CNI Interconnection Request will be included in the Transitional CNR Group Study at the lowest of the CNR or CNI Interconnection Request's or its associated Elective Transmission Upgrade Interconnection Request(s) for the Internal ETU's Queue Position. Where multiple Interconnection Customers' CNR or CNI Interconnection Service Interconnection Requests are associated with the same lower Queue Position for an Elective Transmission Upgrade Interconnection Request for an Internal ETU in the CNR Group Study, the CNR Interconnection Request's Queue Position will be used as the tie breaker to dictate the relative order in which the CNR Interconnection Service Interconnection Request will be included in the CNR Group Study.

Any Interconnection Customer seeking to participate in the Transitional CNR Group Study that receives a qualification determination notification under Section III.13.1.1.2.8 of the Tariff, must provide, a Commercial Readiness Deposit of one million dollars ($1,000,000) in the form of an irrevocable letter of credit, cash, or a combination thereof prior to the opening of the window to elect critical path schedule monitoring. Such deposit shall be refunded to Interconnection Customer: upon the Generating Facility achieving Commercial Operation. If Interconnection Customer does not achieve Commercial Operation, System Operator shall refund the deposit to Interconnection Customer in accordance with Section 3.7 of this LGIP.

5.2 Grandfathering.

5.2.1 An Interconnection Customer's Generating Facility that is interconnected pursuant to an Interconnection Agreement executed or submitted to the Commission for approval prior to February 1, 2009, will maintain its status as a Network Resource with Network Resource Interconnection Service eligible to participate in the New England Markets, in accordance with the requirements of Market Rule 1, Section III of the Tariff, up to the megawatt amount specified in the Interconnection Agreement, subject to Interconnection Customer satisfying all requirements set forth in the Interconnection Agreement and this LGIP. If the Generating Facility does not meet the criteria set forth in Section 5.2.3 of this LGIP, Interconnection Customer will be eligible to make a one-time election, pursuant to Section 5.1.3, for Capacity Network Resource treatment without submitting a new Interconnection Request;

however, Interconnection Customer will be required to comply with the requirements for CNR Interconnection Service set forth in Section 3.2.1. Upon completion of the requirements to obtain CNR Interconnection Service, Interconnection Customer's Interconnection Agreement shall be amended to conform to the LGIA in Appendix 11 of this LGIP.

5.2.2 An Interconnection Customer's Generating Facility governed by an Interconnection Agreement either executed or filed with the Commission in unexecuted form prior to August 1, 2008, shall maintain the Queue Position assigned as of August 1, 2008, and be eligible to participate in the New England Markets, in accordance with the requirements in Market Rule 1, Section III of the Tariff, as in effect as of August 1, 2008, so long as Interconnection Customer complies with all of the requirements specified in the Interconnection Agreement, including achieving the milestones associated with At-Risk Expenditures, subject to Section 4.4 of this LGIP.

5.2.3 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a CNR and obtain CNR Interconnection Service, in accordance with this LGIP, up to the CNR Capability of the resource. The grandfathered CNR Capability for these resources shall be equal to the megawatt amount established pursuant to the following hierarchy:

(a) First, the megawatt amount specified in an Interconnection Agreement (whether executed or filed in unexecuted form with the Commission).

(b) Second, in the absence of an Interconnection Agreement with a specified megawatt amount, the megawatt amount specified in an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision).

(c) Third, in the absence of an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) with a specified megawatt amount, as determined by the System Operator based on documented historic capability of the Generating Facility.

Where a resource has both an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision), the lower megawatt amount will govern until the resource completes

the applicable process(es) under the Tariff for obtaining the higher megawatt amount. The absence of an Interconnection Agreement or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) specifying a megawatt amount shall be confirmed by an affidavit executed by a corporate officer of the resource attesting that the resource does not have an Interconnection Agreement and/or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) that specifies a megawatt amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) specifies a megawatt amount at an ambient temperature consistent with the definition of CNR Capability, the grandfathered CNR Capability shall be equal to that amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of CNR Capability.

Where the implementation of this Section 5.2.3 results in a CNR Capability that is different than previously had been identified, the revised CNR Capability will be applied commencing with the next Forward Capacity Auction qualification process (after the revised CNR Capability value is identified), which is initiated by the closing deadline of the Show of Interest Submission Window in accordance with Section III.13 of the Tariff. The revised CNR Capability will continue to govern until the resource completes the applicable process(es) for obtaining the higher megawatt amount.

5.2.4 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a NR and obtain NR Interconnection Service, in accordance with this LGIP, up to the NR Capability of the resource. The grandfathered NR Capability shall be determined pursuant to the hierarchy set forth in Section 5.2.3.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) of a resource for which a temperature-adjustment curve is used for the claimed capability verification, as set forth in the ISO New England Manuals, specifies a megawatt amount at an ambient temperature, the grandfathered NR Capability shall be equal to a temperature-adjusted value consistent with the definition of NR Capability.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of NR Capability.

5.3 New System Operator or Interconnecting Transmission Owner.

If the System Operator transfers operational control of the New England Transmission System to a successor System Operator during the period when an Interconnection Request is pending, the System Operator shall transfer to the successor System Operator any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to Interconnection Customer, as appropriate. The System Operator shall coordinate with the successor System Operator to complete any Interconnection Study, as appropriate, that the System Operator has begun but has not completed.

If the Interconnecting Transmission Owner transfers ownership of its transmission facilities to a successor transmission owner during the period when an Interconnection Request is pending, and System Operator in conjunction with Interconnecting Transmission Owner has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with the Commission, unless otherwise provided, Interconnection Customer must complete negotiations with the successor transmission owner.

SECTION 6. INTERCONNECTION INFORMATION ACCESS.

6.1 Publicly Posted Interconnection Information.

System Operator shall maintain and make publicly available: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each point of interconnection on the Administered Transmission System under N-1 conditions, and (2) a table of metrics concerning the estimated impact of a potential Generating Facility on the Administered Transmission System based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular point of interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the distribution factor; (2)

the megawatt impact (based on the megawatt values of the proposed Generating Facility and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the Administered Transmission System with the transfer simulated from each point of interconnection to the whole Administered Transmission System footprint (to approximate Capacity Network Resource Interconnection Service), and with the incremental capacity at each point of interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested interconnection service limit of the generation). These metrics must be updated within thirty (30) Calendar Days after the completion of each Cluster Study and Cluster Restudy. This information must be publicly posted, without a password or a fee. The website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

For Interconnection Requests that were identified for inclusion in a CRPS performed under Section 15 of Attachment K, Section II of the Tariff prior to the effective date of this LGIP,, the deposit also shall be applied toward the costs incurred by the Interconnecting Transmission Owner in developing the cost estimates in support of the CRPS. Any difference between the study deposit and the actual cost of the Interconnection Feasibility Study or the actual costs incurred by the Interconnecting Transmission Owner in developing the costs estimates in support of the CRPS shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3.

SECTION 7. CLUSTER STUDY.

7.1 Cluster Study Agreement.

No later than five (5) Business Days after the close of a Cluster Request Window, System Operator and Interconnecting Transmission Owner shall tender to each Interconnection Customer that submitted a valid Interconnection Request a Cluster Study Agreement in the form of Appendix 2 of this LGIP. The Cluster Study Agreement shall require t Interconnection Customer to compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Cluster Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the LGIA, pursuant to

Section 13.3 of this LGIP. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to Section 7.1 of this LGIP shall be subject to change by System Operator and Interconnecting Transmission Owner following the conclusion of the Scoping Meeting.

7.2 Execution of the Cluster Study Agreement.

Interconnection Customer shall execute the Cluster Study Agreement and deliver the executed Cluster Study Agreement to the System Operator no later than the close of the Customer Engagement Window In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the estimated costs of Cluster Study that are expected to be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Cluster Study, including the study agreement and its attachment(s) and the LGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Cluster Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Cluster Study. Costs of Cluster Studies shall be allocated to all Interconnection Customers on a 50% per capita, and 50% per MW basis. Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposit until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

If at any time during the Cluster Study, including during the Customer Engagement Window, System Operator determines that Interconnection Customer is required to provide additional technical data, or that the data provided is incomplete or contains errors, System Operator shall notify Interconnection Customer and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Cluster Study Agreement or required deposits.

7.3 Scope of Cluster Study.

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability and operation of the New England Transmission System. The Cluster Study will consider the Base Case as

well as all generating facilities and Elective Transmission Upgrades (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Cluster Study is commenced: (i) are directly interconnected to the New England Transmission System; (ii) are interconnected to Affected System or Internal Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the New England Transmission System and may have an impact on the Interconnection Request; and (iv) have no Queue Position but have executed an Interconnection Agreement or requested that an unexecuted Interconnection Agreement be filed with the Commission (the "Study Case" for the Cluster Study). The Study Case shall also include any CETU and associated system upgrades identified in a final CRPS report prior to the opening of the Cluster Request Window, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from a Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated by the end of the Customer Engagement Window that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall consider the level of Interconnection Service requested by Interconnection Customers in the Cluster. However, the Cluster Study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system.

The Cluster Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, such as electromagnetic transient analysis, including thermal analysis and voltage analysis, a system protection analysis and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner, the results of which are documented in a single Cluster Study

Report, as applicable. Interconnecting Transmission Owner(s) and Internal Affected Systems (if applicable) shall provide to System Operator, within thirty (30) Calendar Days of a request, and for purposes of inclusion in the Cluster Study Report, non-binding good faith estimates of cost responsibility for required upgrades, and a non-binding good faith estimated times to construct such upgrades.

At the conclusion of the Cluster Study, System Operator and Interconnecting Transmission Owner shall issue a Cluster Study Report. The Cluster Study Report will state the assumptions upon which it is based, state the results of the analyses, and provide the requirements or potential impediments to providing the requested Interconnection Service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Cluster Study report will provide (i) a list of Interconnection Facilities and Network Upgrades that are required to reliably interconnect the Generating Facilities in that Cluster Study and a non-binding good faith estimate of cost responsibility; (ii) a non-binding good faith estimated time to construct; (iii) a protection assessment to determine the required protection upgrades; and may provide (iv) an evaluation of the siting of the Interconnection Facilities and Network Upgrades; and (v) identification of the likely permitting and siting process including easements and environmental work. The Cluster Report shall identify each Interconnection Customer's estimated allocated costs for Interconnection Facilities and Network Upgrades pursuant to the method in Schedule 11, Section II of the Tariff. System Operator shall hold an open stakeholder meeting pursuant to Section 7.4 of this LGIP.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in the ISO New England Planning Procedures.

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. System Operator shall evaluate each identified alternative transmission technology and determine, in the manner described in the ISO New England Planning Procedures, whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. System Operator shall

include an explanation of the results of the System Operator's evaluation for each technology in the Cluster Study Report.

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

7.4 Cluster Study Procedures.

The System Operator shall coordinate the Cluster Study with the Interconnecting Transmission Owner, and with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, that is affected by the Interconnection Request pursuant to Section 3.6 of this LGIP. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and System Operator and Interconnecting Transmission Owner shall initiate the Cluster Study process pursuant to Section 7 of this LGIP.

The System Operator and Interconnecting Transmission Owner shall complete the Cluster Study within two hundred and seventy (270) Calendar Days of the close of the Customer Engagement Window.

Within ten (10) Business Days of simultaneously issuing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on OASIS, the System Operator shall convene a Cluster Study Report Meeting.

At the request of Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Cluster Study, the System Operator shall notify Interconnection Customer as to the schedule status of the Cluster Study. If the System Operator and Interconnecting Transmission Owner are unable to complete the Cluster Study within the time period, the System Operator shall notify Interconnection Customers and provide an estimated start date if the study has not commenced and completion date with an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customers all supporting

documentation, workpapers and relevant Study Case power flow, short circuit and stability databases that have been developed for the Cluster Study to any third party consultant retained by Interconnection Customers. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to Interconnection Customers.

7.5 Cluster Study Restudies.

(1) Within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer must provide the following:

(a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this LGIP; and

(b) An additional deposit that brings the total Commercial Readiness Deposit submitted to System Operator five percent (5%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this LGIP. System Operator shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon System Operator determining that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to System Operator's approval, not to be unreasonably withheld. Absent such demonstration, System Operator shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP (without the cure period provided under Section 3.7 of this LGIP).

At the same time that Interconnection Customer submits the information required under this Section 7.5(1)(a) and (b), an Interconnection Customer may also request a decrease in the size of the Large

Generating Facility, provided that the Cluster Study identified that the Large Generating Facility proposed in Interconnection Customer's Interconnection Request does not share any Network Upgrades with a Generating Facility or Elective Transmission Upgrade proposed in a separate Interconnection Request. If System Operator determines that a Cluster Restudy is required under this Section 7.5 of this LGIP, within ten (10) Business Days of that determination Interconnection Customer shall provide all required updated modeling and data associated with the requested decrease in the size of the Large Generating Facility for use in the Cluster Restudy. If the System Operator determines that a Cluster Restudy is not required, Interconnection Customer's request to decrease the size of the Large Generating Facility shall constitute a Material Modification pursuant to Section 4 of this LGIP.

(2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.7 of this LGIP after completion of the Cluster Study or Cluster Restudy, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.

(3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.7 of this LGIP, System Operator and Interconnecting Transmission Owner shall determine if a Cluster Restudy is necessary within thirty (30) Calendar Days after the Cluster Study Report Meeting. If System Operator and Interconnecting Transmission Owner determine a Cluster Restudy is not necessary, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and System Operator shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination.

(4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this LGIP, and System Operator and Interconnecting Transmission Owner determine a Cluster Restudy is necessary as a result, System Operator shall notify Interconnection Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. System Operator and Interconnecting Transmission Owner shall continue with such restudies until System Operator and Interconnecting Transmission Owner determine that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this LGIP during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, or requested that unexecuted

LGIAs be filed, and System Operator and Interconnecting Transmission Owner determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project subject to Section 4.4 of this LGIP, System Operator shall so notify affected Interconnection Customers in writing. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.

(5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this LGIP. System Operator and Interconnecting Transmission Owner shall complete the Cluster Restudy within ninety (90) Calendar Days of the System Operator informing Interconnection Customers in the Cluster that restudy is needed. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). System Operator shall hold a meeting with Interconnection Customers in the Cluster, Interconnecting Transmission Owners, and any Affected Party or Internal Affected party as deemed appropriate by the System Operator (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on OASIS.

If additional restudies are required, Interconnection Customer and System Operator and Interconnecting Transmission Owner shall follow the procedures of this Section 7.5 of this LGIP until such time that System Operator and Interconnecting Transmission Owner determine that no further restudies are required. System Operator shall notify each Interconnection Customer within the Cluster when no further restudies are required.

Within twenty (20) Calendar Days following the Cluster Study Results Meeting, or Cluster Restudy Results Meeting (as appropriate) study results meeting, Interconnection Customer shall provide to the System Operator written notice that it will either pursue the Interconnection Facilities Study or waive the Interconnection Facilities Study and elect an expedited interconnection.
Notwithstanding the foregoing sentence, the option to waive the Interconnection Facilities Study is not available for Interconnection Customers that share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy unless each Interconnection Customers agrees in writing to waiver the Interconnection Facilities Study. In a case where Interconnection Customers share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy and do not

agree to waive the Interconnection Facilities Study, such study shall be performed at a level of +/- 20 percent. Once Interconnection Customer notifies the System Operator of its election, such election is not subject to change. If Interconnection Customer elects to pursue the Facilities Study it must proceed with the study. If Interconnection Customer waives the Facilities Study, it shall commit to the following milestones in the LGIA: (i) Siting approval for the Generating Facility and Interconnection Facilities; (ii) Engineering of Interconnection Facilities approved by Interconnecting Transmission Owner; (iii) Ordering of long lead time material for Interconnection Facilities and system upgrades; (iv) Initial Synchronization Date; and (v) Commercial Operation Date.

7.6 Operational Readiness.

The System Operator shall, as close to Interconnection Customer's actual Synchronization Date as reasonably possible, ensure that operational analysis, including current stability analyses, power flow analyses, and any other analyses deemed necessary by the System Operator, are performed, and that procedures are developed or updated to address the operation of the New England Transmission System with the addition of Interconnection Customer's Generating Facility. The operational analysis will also include tests of system performance with selected facilities out of service. Such studies shall be performed at the expense of Interconnection Customer.

The System Operator is not obligated to perform the operational analyses described in this Section 7.7 if, in the exercise of reasonable discretion, the System Operator in consultation with Interconnecting Transmission Owner determines that interconnection of Interconnection Customer's Generating Facility to the Administered Transmission System is remote and speculative.

SECTION 8. INTERCONNECTION FACILITIES STUDY.

8.1 Interconnection Facilities Study Agreement.

Except as otherwise provided in Section 4.2.4 and 7.5 of this LGIP, Interconnection Customer may waive the Interconnection Facilities Study and instead elect expedited interconnection, which means that Interconnection Customer may enter into E&P Agreements under Section 13.7 if it had not already done so, and shall enter into an LGIA in accordance with the requirements specified in Section 11.

If Interconnection Customer waives the Interconnection Facilities Study, Interconnection Customer, subject to the specific terms of the E&P Agreements, assumes all risks and shall pay all costs associated with equipment, engineering, procurement and construction work covered by the Interconnection Facilities Study as described in Section 8.2 below.

Within five (5) Business Days following System Operator notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this LGIP), the System Operator shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 3 to this LGIP.

Interconnection Customer shall compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Interconnection Facilities Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the LGIA. Within five (5) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a non-binding good faith estimate of the cost for completing the Interconnection Facilities Study in accordance with requirements specified in Section 8.3 of this LGIP. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator within thirty (30) Calendar Days after its receipt, together with :

(1) any required technical data;

(2) Demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to the System Operator in accordance with Section 3.4.2 of this LGIP;

(3) An additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this LGIP. In the case of a CETU-enabled Interconnection Request, such deposit shall be made in cash.

System Operator shall refund the Commercial Readiness Deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

In accordance with Section 8.3, Interconnection Customer shall specify in Attachment A to the Interconnection Facilities Study Agreement whether it wants no more than a +/- twenty percent (20%) or a +/- ten percent (10%) good faith cost estimate contained in the report. The deposit for the study shall be the greater of twenty-five percent of the estimated cost of the study or $250,000

Any difference between the study deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the cost of the Interconnection Facilities Studies that will be or have been incurred by the System Operator and/or the Interconnecting Transmission Owner for the Interconnection Facilities Study, the study agreement and its attachment(s) and the LGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Interconnection Facilities Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Facilities Study. For a CFAC that began before May 31, 2024, costs that are associated with an individual Interconnection Request assessed within the CFAC will be charged directly to that Interconnection Customer. CFAC costs that are associated with the CFAC as a whole will be divided equally, on a per-project basis, among Interconnection Customers in the cluster. The System Operator and the Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposit until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall be specific to each Interconnection Request and performed on an individual, i.e., non-clustered basis. The Interconnection Facilities Study shall specify and provide a

non-binding estimate of the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study Report (and any associated restudies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Administered Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study shall also identify any potential control technology for (1) requests for Interconnection Service at a level that is lower than the nameplate capability of the facility, and/or (2) for Generating Facilities that include at least one electric storage resource, where study of the charging mode of the electric storage resource(s), was done using net shoulder system load as defined in ISO New England Planning Procedures. The scope and cost of the Interconnection Facilities Study shall include completion of any engineering work limited to what is reasonably required to (i) estimate such aforementioned cost to the accuracy specified by Interconnection Customer pursuant to Section 8.3, (ii) identify, configurations of required facilities and (iii) identify time requirements for construction and installation of required facilities.

8.3 Interconnection Facilities Study Procedures.

The System Operator shall coordinate the Interconnection Facilities Study with Interconnecting Transmission Owner, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, pursuant to Section 3.6 of this LGIP. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The System Operator and Interconnecting Transmission Owner shall complete the study and the System Operator shall issue a draft Interconnection Facilities Study report to Interconnection Customer, Interconnecting Transmission Owner, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- twenty percent (20%) good faith cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection

Customer requests a +/- ten percent (10%) good faith cost estimate. Such cost estimates either individually or in the aggregate will be provided in the final study report.

At the request of Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Interconnection Facilities Study, System Operator shall notify Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, as to the schedule status of the Interconnection Facilities Study. If the System Operator is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report within the time required, the System Operator shall notify Interconnection Customer, Interconnecting Transmission Owner and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer and appropriate Affected Parties and Internal Affected Parties may, within thirty (30) Calendar Days after receipt of the draft Interconnection Facilities Study Report, provide written comments to the System Operator and Interconnecting Transmission Owner, which the System Operator shall include in the final Interconnection Facilities Study Report. The System Operator shall issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. The System Operator may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require the System Operator or Interconnecting Transmission Owner to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Study Report. Upon request, the System Operator and Interconnecting Transmission Owner shall provide Interconnection Customer and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, or any third party consultant retained by Interconnection Customer supporting documentation, with workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable

Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to Interconnection Customer.

8.4 Meeting with Parties.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study Report to Interconnection Customer, the System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Interconnection Facilities Study.

8.5 Restudy.

If restudy of the Interconnection Facilities Study is required due to (i) a higher or equally queued project withdrawing from the queue, (ii) a modification of a higher of equally queued project subject to Section 4.4 of this LGIP, or (iii) a modification to a transmission project included in the Base Case, the System Operator shall notify Interconnection Customer and Interconnecting Transmission Owner in writing. Each restudy shall be conducted serially based on the Queue Position of each Interconnection Customer, and each restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customer, any cost of restudy shall be borne by Interconnection Customer being restudied. If the original Interconnection Facilities Study is complete and the final invoice has been issued, the restudy shall be performed under a new Interconnection Facilities Study Agreement.

SECTION 9 AFFECTED SYSTEM STUDY.

9.1 Applicability.

This Section 9 outlines the duties of System Operator and Interconnecting Transmission Owner when they receive notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System.

9.2 Response to Notifications

9.2.1 Response to Initial Notification

When System Operator receives initial notification either following the Cluster Study or a Cluster Restudy that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System, System Operator must respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study.

By fifteen (15) Business Days after the System Operator responds with its affirmative intent to conduct an Affected System Study, System Operator shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

9.2.2 Response to Notification of Cluster Restudy.

Within five (5) Business Days of receipt of notification of Cluster Restudy, System Operator will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that System Operator intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If System Operator decides to delay the Affected System Study, it is not required to meet its obligations under Section 9 of this LGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If System Operator decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 9 of this LGIP.

9.3 Affected System Queue Position.

System Operator must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the System Operator's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet received its Cluster Study Report and shall be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 9.7 of this LGIP, System Operator and Interconnecting Transmission Owner shall study the Affected System

Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this LGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this LGIP.

9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement.
Unless otherwise agreed, System Operator shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 7 or Appendix 8 to this LGIP, as applicable, within ten (10) Business Days of System Operator sharing the schedule for the Affected System Study per Section 9.2.1 of this LGIP.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate System Operator and Interconnecting Transmission Owner for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it shall lose its Affected System Queue Position. System Operator shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement.
Affected System Interconnection Customer(s) shall execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to System Operator, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If System Operator notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 9.2.2 of this LGIP, Affected System Interconnection Customer(s) are neither required to execute and

return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, System Operator shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer shall cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer shall lose its Affected System Queue Position.

9.6 Scope of Affected System Study.

The Affected System Study shall evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the New England Transmission System. The Affected System Study shall consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected the New England Transmission System; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to Transmission Provider's Transmission System; and (iv) have no queue position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. System Operator and Interconnecting Transmission Owner has no obligation to study impacts of Affected System Interconnection Customers of which it is not notified.

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

9.7 Affected System Study Procedures.

System Operator shall use Clustering in conducting the Affected System Study and shall use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. System Operator and Interconnecting Transmission Owner shall complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s) and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) Calendar Days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, System Operator and Interconnecting Transmission Owner shall notify Affected System Interconnection Customer as to the status of the Affected System Study. If System Operator and Interconnecting Transmission Owner are unable to complete the Affected System Study within the requisite time period, it shall notify Affected System Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and shall provide an estimated completion date with an explanation of the reasons why additional time is required. If System Operator and Interconnecting Transmission Owner do not meet the deadlines in this Section, System Operator and Interconnecting

Transmission Owner shall be subject to the financial penalties as described in Section 3.9 of this LGIP. Upon request, System Operator shall provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

System Operator and Interconnecting Transmission Owner must study an Affected System Interconnection Customer using the Network Resource Interconnection Service modeling standard used for Interconnection Requests on the New England Transmission System, regardless of the level of interconnection service that Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

9.8 Results Meeting.

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), System Operator, Interconnecting Transmission Owner and Affected System Interconnection Customer(s) shall meet to discuss the results of the Affected System Study.

9.9 Affected System Cost Allocation.

System Operator shall allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a Proportional Impact Method, consistent with Schedule 11 of the OATT.

9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement.

Interconnecting Transmission Owner shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 9 or 10 to this LGIP, within thirty (30) Calendar Days of System Operator providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. Interconnecting Transmission Owner shall execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving

direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, shall result in the loss of its Affected System Queue Position.

9.11 Restudy.

If restudy of the Affected System Study is required, System Operator shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. Such restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied.

SECTION 10. OPTIONAL INTERCONNECTION STUDY.

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Cluster Study Report and no later than five (5) Business Days after the study results meeting to review the report, Interconnection Customer may request in writing, and the System Operator in coordination with the Interconnecting Transmission Owner shall perform, an Optional Interconnection Study. The request shall describe the assumptions that Interconnection Customer wishes the System Operator to study within the scope described in Section 10.2 of this LGIP. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, the System Operator shall provide to the Interconnecting Transmission Owner and Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 4.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case, and (iii) specify the System Operator's and Interconnecting Transmission Owner's estimate of the cost of the Optional Interconnection Study. To the extent known by the System Operator, such estimate shall include any costs expected to be incurred by any Affected System or Internal Affected System whose participation is necessary to complete the Optional Interconnection Study. The Optional Interconnection Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Optional Interconnection Study,

including the cost of developing the study agreement and its attachment(s). Notwithstanding the above, the System Operator and Interconnecting Transmission Owner shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the required technical data and the refundable deposit for the Optional Interconnection Study to the System Operator. The deposit for the study shall be 100 percent of the estimated cost of the study. Any difference between the study deposit and the actual cost of the Optional Interconnection Study shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the costs of the Optional Interconnection Study that have been, or will be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Optional Interconnection Study and the study agreement and its attachments(s). Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposits until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The System Operator shall use Reasonable Efforts to coordinate the study with any Affected Systems and Internal Affected Systems that may be affected by the types of Interconnection Services that are being studied. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

The Optional Interconnection Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, including thermal analysis and voltage analysis, a system protection analysis, and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to the System Operator and Interconnecting Transmission Owner within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. The System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed-upon time period specified within the Optional Interconnection Study Agreement. If the System Operator and Interconnecting Transmission Owner are unable to complete the Optional Interconnection Study within such time period, the System Operator shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study to any third party consultant retained by Interconnection Customer. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/disclosure requirements, such information may be provided directly to Interconnection Customer.

10.4 Meeting with Parties.

Within ten (10) Business Days of providing an Optional Interconnection Study report to Interconnection Customer, System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Optional Interconnection Study.

10.5 Interconnection Agreement Developed Based on Optional Interconnection Study.

If the LGIA for a Large Generating Facility is based on the results of an Optional Interconnection Study, the LGIA shall reflect the conditions studied and any obligations that may involve: (i) additional studies if such conditions change, (ii) operational limits, or (iii) financial support for transmission upgrades.

SECTION 11. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA).

11.1 Tender.

Interconnection Customer shall tender comments or provide notice, in writing, to the System Operator and Interconnecting Transmission Owner that Interconnection Customer has no comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Except as provided in the E&P Agreement or any mutual agreement by the entities that would be Parties to the LGIA, the System Operator shall initiate the development of the LGIA process within fifteen (15) Calendar Days after the comments are submitted or waived, or within fifteen (15) Calendar Days of notifying System Operator that it will waive the Interconnection Facilities Study, by tendering to Interconnection Customer a draft LGIA, together with draft appendices completed by the System Operator, in conjunction with the Interconnecting Transmission Owner to the extent practicable. The draft LGIA shall be in the form of the System Operator's Commission-approved standard form LGIA, which is in Appendix 11 to Schedule 22. Interconnection Customer shall return Interconnection Customer specific information required to complete the form of LGIA, including the appendices, in Appendix 11 of Schedule 22 that Interconnection Customer is willing to execute within thirty (30) Calendar Days after receipt of the draft from the System Operator, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this LGIP has commenced, or (2) LGIA execution, or filing unexecuted, has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this LGIP.

11.2 Negotiation.

Notwithstanding Section 11.1 of this LGIP, at the request of Interconnection Customer, the System Operator and Interconnecting Transmission Owner shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement or after the Cluster Study and/or Cluster Restudy is complete if Interconnection Customer intends to waive the Interconnection Facilities Study. In the event that

Interconnection Customer waives the Interconnection Facilities Study and proceeds directly from the Cluster Study or Cluster Restudy to LGIA negotiation, Interconnection Customer shall provide an additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%), as required by Section 8.1 of this LGIP, within thirty (30) Calendar Days of the Cluster Study Report Meeting or Cluster Restudy Report meeting (as applicable). The System Operator, Interconnection Customer, and Interconnecting Transmission Owner shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender by the System Operator of the draft LGIA pursuant to Section 11 of this LGIP. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 of this LGIP and request submission of the unexecuted LGIA with the Commission or initiate Dispute Resolution procedures pursuant to Section 13.5 of this LGIP. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 of this LGIP within sixty (60) Calendar Days of tender of by the System Operator of the draft LGIA pursuant to Section 11.1, it shall be deemed to have withdrawn its Interconnection Request. The System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the mutually agreed completion of the negotiation process.

11.2.1 Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report.

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its LGIA (or request that its LGIA be filed unexecuted) pursuant to Section 11.1 of this LGIP, System Operator shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying LGIA execution, or requesting unexecuted filing, to await Affected System Study Report, decides to proceed to LGIA execution, or request unexecuted filing, without those results, it may notify System Operator of its intent to proceed with LGIA execution (or request that its LGIA be filed unexecuted) pursuant to Section 11.1 of this LGIP. If System Operator determines that further delay to the LGIA

execution date would cause a material impact on the cost or timing of an equal- or lower-queued Interconnection Customer, System Operator must notify Interconnection Customer of such impacts and set the deadline to execute the LGIA (or request that the LGIA be filed unexecuted) to thirty (30) Calendar Days after such notice is provided.

11.3 Evidence to be Provided by Interconnection Customer; Execution and Filing of LGIA.

11.3.1 Evidence to be Provided by Interconnection Customer.

11.3.1.1 Site Control and LGIA Deposit. Simultaneously with submitting the executed LGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer request that the LGIA be filed unexecuted at the Commission, Interconnection Customer shall provide (A) to the System Operator demonstration of continued Site Control pursuant to Section 8.1(2) of this LGIP; and (B) to the Interconnecting Transmission Owner, in a form acceptable to the Interconnecting Transmission Owner, the LGIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft LGIA minus the total amount of Commercial Readiness Deposit that Interconnection Customer has provided to the System Operator for its Interconnection Request. Interconnecting Transmission Owner shall use LGIA Deposits as (or as a portion of) Interconnection Customer's security required under Article 11.5 of the LGIA. Interconnection Customer may not request to suspend its LGIA under Article 5.16 of the LGIA until Interconnection Customer has provided (A) to the System Operator and (B) to the Interconnecting Transmission Owner. If Interconnection Customer fails to provide (A) and (B) within the thirty (30) Calendar Days allowed for returning the executed LGIA and appendices under Section 11.1 of this LGIP, or within ten (10) Business Days after Interconnection Customer requests that the System Operator and Interconnecting Transmission Owner file the LGIA unexecuted at the Commission as allowed in this Section 11.3 of this LGIP, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this LGIP.

11.3.1.2 Development Milestones. Simultaneously with submitting the executed LGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer requests that the LGIA be filed unexecuted, Interconnection Customer also shall provide to the System Operator reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, to be elected by Interconnection Customer, has been achieved (unless such milestone is

inapplicable due to the characteristics of the Generating Facility): (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; (v) application for an air, water, or land use permit.

At the same time, Interconnection Customer with an Interconnection Request that was not studied using Clustering shall commit to a schedule for the payment of upgrades identified in the Interconnection Studies or an E&P Agreement.

Within fifteen (15) Business Days after receipt of the final LGIA, an Interconnection Customer with an Interconnection Request studied using the CSIS and CFAC processes where such studies were triggered prior to the effective date of this LGIP that provided the additional CETU Participation Deposit in accordance with Section 4.2.4.4 shall provide to the Interconnecting Transmission Owner, in cash, a potentially non-refundable deposit of twenty (20) percent of the total costs for the Interconnection Facilities and other upgrades, including any CETUs, identified in the CFAC, unless the Interconnecting Transmission Owner's expenditure schedule for the Interconnection Facilities and other upgrades calls for an initial payment of greater than twenty (20) percent of the total upgrade costs, in which case the scheduled initial payment must instead be made within the fifteenth Business Day after receipt of the final LGIA. If Interconnection Customer does not submit this deposit (or make the initial payment) by the fifteenth Business Day after receipt of the final LGIA, the Interconnection Request shall be automatically withdrawn from the interconnection queue without further opportunity to cure, and Interconnection Customer's initial and additional CETU Participation Deposits shall become non-refundable. The non-refundable initial and additional CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in the cluster at time the facilities proposed in the Interconnection Requests achieve Commercial Operation. If an Interconnection Request is withdrawn after Interconnection Customer's payment of twenty (20) percent of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner, then the payment shall be used to offset the costs of the CETU. Any unspent payments of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner will be refunded to the respective Interconnection Customers that executed the Interconnection Agreement and

provided to the Interconnecting Transmission Owner the twenty (20) percent deposit (or initial payment) if all the associated Interconnection Requests are withdrawn from the interconnection queue and the associated Interconnection Agreements are terminated.

11.3.2 Execution and Filing of LGIA. Within fifteen (15) Business Days after receipt of the final LGIA, (i) Interconnection Customer and Interconnecting Transmission Owner shall execute three (3) originals of the tendered LGIA and return them to the System Operator, who will send an original to Interconnecting Transmission Owner and Interconnection Customer; or (ii) Interconnection Customer shall request in writing that the System Operator and the Interconnecting Transmission Owner jointly file with the Commission an LGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the executed originals of the tendered LGIA (if it does not conform with a Commission-approved Standard Large Generator Interconnection Agreement) or the request to file an unexecuted LGIA, the System Operator and Interconnecting Transmission Owner, in accordance with Section 11.3.3 or Section 11.3.4, as appropriate, shall jointly file the LGIA with the Commission, together with its explanation of any matters as to which the System Operator, Interconnection Customer or Interconnecting Transmission Owner disagree and support for the costs that the Interconnecting Transmission Owner proposes to charge to Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by the System Operator and Interconnecting Transmission Owner for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending Commission action.

With respect to the interconnection of an Interconnection Customer under Schedule 22, the LGIA shall be a three-party agreement among the Interconnecting Transmission Owner, the System Operator and Interconnection Customer. If Interconnecting Transmission Owner, System Operator and Interconnection Customer agree to the terms and conditions of a specific LGIA, or any amendments to such an LGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file the executed LGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act. To the extent the Interconnecting Transmission Owner, System Operator and Interconnection Customer cannot agree to proposed variations from the standard form of LGIA in Appendix 11 or cannot otherwise agree to the terms and conditions of the LGIA for such Large Generating Unit, or any amendments to such an LGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted LGIA,

or amendment thereto, with the Commission under Section 205 of the Federal Power Act and shall identify the areas of disagreement in such filing, provided that, in the event of disagreement on terms and conditions of the LGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of the Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets, then the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on such terms and conditions.

11.3.3 The Interconnecting Transmission Owner, acting on its own or jointly with the System Operator, may initiate a filing to amend this LGIP and the standard form of LGIA in Appendix 11 under Section 205 of the Federal Power Act and shall include in such filing the views of System Operator, provided that the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on any financial obligations of the Interconnecting Transmission Owner or Interconnection Customer(s), and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final LGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall perform their respective obligations in accordance with the terms of the LGIA, subject to modification by the Commission. Upon submission of an unexecuted LGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall promptly comply with the unexecuted LGIA, subject to modification by the Commission.

SECTION 12. CONSTRUCTION OF INTERCONNECTING TRANSMISSION OWNER INTERCONNECTION FACILITIES AND NETWORK UPGRADES.

12.1 Schedule.

Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party shall negotiate in good faith concerning a schedule for the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General. In general, the Initial Synchronization Date of an Interconnection Customer seeking interconnection to the Administered Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer. An Interconnection Customer with an executed or unexecuted, but filed with the Commission, LGIA, in order to maintain its Initial Synchronization Date, may request that the Interconnecting Transmission Owner or appropriate Internal Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such Initial Synchronization Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Administered Transmission System, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Internal Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party; (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party has not refunded to Interconnection Customer. Payment by that entity with a contractual obligation to construct such Network Upgrades shall be due on the date that it would have been due had there been no request for advance construction. The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. The Interconnecting Transmission Owner or appropriate

Affected Party then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of the Regional System Plan of the System Operator. An Interconnection Customer with an LGIA, in order to maintain its Initial Synchronization Date, may request that Interconnecting Transmission Owner or appropriate Internal Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such Initial Synchronization Date and (ii) would otherwise not be completed, pursuant to the Regional System Plan, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party any associated expediting costs.

12.2.4 Amended Cluster Study. A Cluster Study Report will be amended to determine the facilities necessary to support the requested Initial Synchronization Date. This amended report will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested Initial Synchronization Date. The LGIA will also be amended to reflect the results of the amended Cluster Study and any changes in obligations, including financial support, of the Parties.

SECTION 13. MISCELLANEOUS.

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information treated as confidential under the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by any of the Parties to the others prior to the execution of an LGIA or LLCELGIA.

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

Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by any Party, the other Party(ies) shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

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

13.1.2 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

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

13.1.4 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

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

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

13.1.7 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the

Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the LGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules, regulations and Section 13.1.

13.1.9 Subject to the exception in Section 13.1.8 of this LGIP, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party(ies) to any person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Party's(ies') Confidential Information under this subparagraph, or if

any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 The System Operator and Interconnecting Transmission Owner shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time when Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

The System Operator and Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. The Party using the services of a subcontractor shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay System Operator and Interconnecting Transmission Owner the actual costs of processing its Interconnection Request. In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, the System Operator and the Interconnecting Transmission Owner shall charge, and Interconnection Customer shall pay, the actual costs of the Interconnection Studies.

Any difference between the study deposit and the actual cost of the Interconnection Studies shall be paid by or refunded to, except as otherwise provided herein, Interconnection Customer. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each

Interconnection Study. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. If an Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this LGIP.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 7.4, 7.5 or 8.3 of this LGIP that the System Operator or Interconnecting Transmission Owner will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 7.4, 7.5 or 8.3 of this LGIP within the applicable timeframe for such Interconnection Study, then Interconnection Customer may request, which request will not be unreasonably denied, that the System Operator and Interconnecting Transmission Owner utilize a third party consultant reasonably acceptable to the System Operator, Interconnection Customer, Interconnecting Transmission Owner and any appropriate Affected Party or Internal Affected Party, to perform such Interconnection Study under the direction of the System Operator or Interconnecting Transmission Owner as applicable. At other times, System Operator or Interconnecting Transmission Owner may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where the System Operator or Interconnecting Transmission Owner determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with the System Operator and Interconnecting Transmission Owner's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer, System Operator and Interconnecting Transmission Owner shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. The System Operator and Interconnecting Transmission Owner shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon

Interconnection Customer's request subject to the confidentiality provision in Section 13.1 of this LGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. In any case, such third party contract may be entered into with the System Operator, Interconnection Customer, or Interconnecting Transmission Owner at the System Operator and Interconnecting Transmission Owner's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if the System Operator and Interconnecting Transmission Owner were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes.

The System Operator and Interconnecting Transmission Owner shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission. In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "Disputing Party") shall provide the other Party(ies) with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's(ies') receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, after thirty (30) Calendar Days, then (i) in the case of disputes arising out of or in conjunction with the LGIA, the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted LGIA, or amendment thereto, with the Commission in accordance with Section 11.3.4, or (ii) in the case of disputes arising out of or in connection with any other matter regarding the administration of the LGIP, the System Operator may terminate the

Interconnection Request and Interconnection Customer may seek relief pursuant to Section 206 of the Federal Power Act. Each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Schedule 22.

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

13.5.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons for such decision. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the

three-member panel and one-third of any associated arbitration costs; or (2) one-third the cost of the single arbitrator jointly chosen by the Parties and one-third of any associated arbitration costs.

13.5.5 Non-binding Dispute Resolution Procedures. If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1 of this LGIP, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that the other Parties engage in Non-binding Dispute Resolution pursuant to this Section 13.5.5 by providing written notice to the other Parties ("Request for Non-binding Dispute Resolution"). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section 13.5.5 without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in this Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, System Operator must within thirty (30) Calendar Days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with the Parties. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 13.5 arbitration, or in a Federal Power Act Section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.6 Local Furnishing Bonds.

13.6.1 Facilities Financed by Local Furnishing Bonds. This provision is applicable only to interconnections associated with facilities financed for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds").

Notwithstanding any other provision of this LGIA and LGIP, the Interconnecting Transmission Owner shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Interconnecting Transmission Owner's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service. If the Interconnecting Transmission Owner determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise Interconnection Customer within thirty (30) Calendar Days of receiving notice of the Interconnection Request. Interconnection Customer thereafter may renew its Interconnection Request using the process specified in the Tariff.

13.7 Engineering & Procurement ("E&P") Agreement

Prior to executing an LGIA, an Interconnection Customer may request, in order to advance the implementation of its interconnection, and the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party shall offer Interconnection Customer, an E&P Agreement that authorizes the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the Interconnecting Transmission Owner or any Affected Party or Internal Affected Party shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter Interconnection Customer's Queue Position or Initial Synchronization Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer, including a deposit of 100 percent of the estimated engineering and study costs, and to make advance payments or provide other satisfactory security for such costs.

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

SECTION 14. LARGE LOAD CO-LOCATED GENERATORS AND LARGE LOAD ELECTRICALLY PROXIMATE GENERATORS.

14.1 Application of LGIP.

Large Load Co-Located Generators and Large Load Electrically Proximate Generators shall be subject only to Sections 3.7, 12, 13, 14, Attachment D to Appendix 1, and Appendix 13 of this LGIP, and shall not be subject to any other Sections of this LGIP. Sections 3.7, 12, and 13 of this LGIP shall be interpreted in such manner as to apply to Large Load Co-Located Generators and Large Load Electrically Proximate Generators.

14.2 Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Process.

Non-Firm Large Load Generator Arrangements result in a need for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to be interconnected to the Administered Transmission System at the same, or an electrically proximate, Point of Delivery as the Co-Located Large Load or Electrically Proximate Large Load. Under a Non-Firm Large Load Generator Arrangement, the Large Load Co-Located Generator or Large Load Electrically Proximate Generator: (i) shall be deemed to be providing all of its output to the Co-Located Large Load or Electrically Proximate Large Load; (ii) shall not have the right to inject any energy onto the Administered Transmission System except as permitted by the definitions of Electrically Proximate Large Load and Large Load Electrically Proximate Generator; (iii) shall receive zero MW of Network Resource Interconnection Service; and (iv) shall only be granted the right to physically interconnect at a designated Point of Interconnection in the LLCELGIA.

14.2.1 Large Load Co-Located Generator/ Large Load Electrically Proximate Generator Interconnection Application.

System Operator shall start accepting Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Applications under this LGIP on June 1, 2027.

An Interconnection Customer for a Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall request to physically interconnect to the Administered Transmission System at a designated Point of Interconnection with zero MW of Network Resource Interconnection Service by submitting to the System Operator a completed Large Load Co-Located Generator/Large Load

Electrically Proximate Generator Interconnection Application in the form contained in Attachment D to Appendix 1 of this LGIP.

The Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application shall be accompanied by (1) written certification from the Large Load Eligible Customer (or the Large Load Entity on its behalf) that the Large Load Co-Located Generator or Large Load Electrically Proximate Generator has been designated to serve its Co-Located Large Load or Electrically Proximate Large Load; (2) the technical data required in Appendix 1 to this LGIP; (3) a non-refundable application deposit of $50,000 in cash (which shall be used to review the application and prepare the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Large Interconnection Agreement); (4) a study deposit of $150,000 in cash; and (5) proof of Site Control for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator. The study deposit shall be refundable, minus all costs incurred by System Operator in the event of a withdrawal of an application prior to the completion of studies.

14.2.2 Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Studies.

14.2.2.1 Study Scope

Studies for Interconnection Service for Co-Located or Electrically Proximate Generators may consist of reactive power, short circuit/fault duty, stability analyses, and/or other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. System Operator shall study a Large Load Co-Located Generator or Large Load Electrically Proximate Generator that includes at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using a system load level as defined in System Operator's Planning Procedures. Studies shall be coordinated with Internal Affected Systems and Affected Systems to the extent required.

The study of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator may be conducted as part of the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load as described in Part II.J of the OATT. This study shall consider the full capability of the facility to ensure the acceptability of the proposed control technology needed to restrict

the ability of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to inject energy onto the Administered Transmission System. The reactive power, short circuit/fault duty, stability, and steady-state analyses for a Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall identify any Interconnection Facilities necessary to interconnect the Large Load Co-Located Generator or Large Load Electrically Proximate Generator. All non-Interconnection Facility upgrades identified in this study as needed to reliably interconnect both the Large Load and the Generating Facility shall be classified as Large Load Network Upgrades with costs allocated under the Large Load Cost Recovery Agreement in Attachment V of the OATT.

If a study of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator is conducted after the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load has been completed, then the Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall be studied on its own in the manner described in this section, and in the event that System Operator determines that Network Upgrades are required to accommodate the Large Load Co-Located Generator or Large Load Electrically Proximate Generator, the study shall terminate and the Interconnection Customer shall be required to submit an Interconnection Request to participate in the next Cluster Study conducted under this LGIP if the proposed Co-Located or Electrically Proximate Generator seeks to proceed.

14.2.2.2 Study Costs

The Interconnection Customer for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall be allocated 50% of the cost of the Large Load System Impact Study (with the remaining 50% to be paid by the Large Load Transmission Customer under Part II.J of the OATT) and shall be required to pay such costs consistent with Section 13 of this LGIP.

If a study of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator is conducted after the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load has been completed, then the Interconnection Customer for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall be responsible for all costs consistent with Section 13 of this LGIP.

14.2.2.3 Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Study Results.

Where the study of a Co-Located or Electrically Proximate Generator is conducted either as part of the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load, or on its own after the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load has been completed, the study results shall be communicated to the Interconnection Customer in the manner described in Part II.J of the OATT.

14.3 OASIS Posting

System Operator shall maintain on its OASIS a list of all Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Applications in its Control Area. The list shall identify, for each Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application: (i) the Large Load Co-Located Generator or Large Load Electrically Proximate Generator nameplate generating capability; (ii) the location by county and state; (iii) the substation or transmission line or lines where the interconnection will be made; (iv) the projected Initial Synchronization Date; (v) the status of the application; and (vi) the date the application was received by System Operator. System Operator shall post to its OASIS study reports subsequent to the meeting between the System Operator, the Interconnection Customer, and the Interconnecting Transmission Owner to discuss the applicable study report.

14.4 Modifications

The following shall constitute a Material Modification for a Large Load Co-Located Generator or Large Load Electrically Proximate Generator such that a new Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application shall be submitted for study: (i) any increase in capability; (ii) decrease of more than 60% of the capability originally studied; (iii) any change to a Non-Firm Large Load Generator Arrangement that impacts the Large Load Co-Located Generator or Large Load Electrically Proximate Generator; (iv) a modification to the Point of Interconnection that is not agreed upon by System Operator, the Interconnection Customer, and the Interconnecting Transmission Owner; (v) an extension to the Commercial Operation Date that exceeds for more than three (3) years from the Commercial Operation Date or that is more than seven (7) years from the date of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application, unless an extension request is made to the System Operator and the System Operator deems

the extension to be non-material; (vi) during the study period any modifications to the Large Load Co-Located Generator, Large Load Electrically Proximate Generator, or Large Load models that take more than fifteen (15) Calendar Days to address; and (vii) after the study period, any requested modification that significantly alters the performance of the studied project.

14.5 Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA. The interconnection of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall be governed by an agreement in the form of the *pro forma* LLCELGIA, contained in Appendix 13 to this LGIP and shall be between the Interconnection Customer, System Operator, and the Interconnecting Transmission Owner. The agreement shall be developed and negotiated in accordance with this Section 14.5 of this LGIP, at the Interconnection Customer's expense. Within twenty (20) days of the System Operator's issuance of the final Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Study report, System Operator shall tender a LLCELGIA in the form contained in Appendix 13 to this LGIP. System Operator, Interconnection Customer, and the Interconnecting Transmission Owner shall have sixty (60) Calendar Days to negotiate the LLCELGIA, including all construction milestones contained therein. At the end of the sixty (60) day period, the Interconnection Customer shall either request to execute the LLCELGIA or, in the event that the parties cannot agree on one or more terms of the agreement, request the filing of an unexecuted LLCELGIA with the Commission. Simultaneously with execution of the LLCELGIA, the Interconnection Customer shall provide (1) continued proof of 100% Site Control for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator and (2) security in an amount and form required by the Interconnecting Transmission Owner to secure the construction of any Interconnection Facilities needed to support the interconnection of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

APPENDICES TO LGIP

APPENDIX 1 INTERCONNECTION REQUEST

APPENDIX 2 CLUSTER STUDY AGREEMENT

APPENDIX 3 INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 4 OPTIONAL INTERCONNECTION STUDY AGREEMENT

APPENDIX 5 TRANSITIONAL CLUSTER STUDY AGREEMENT

APPENDIX 6 TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 7 TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 8 MULTI-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 9 TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 10 MULTI-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 11 LARGE GENERATION INTERCONNECTION AGREEMENT

APPENDIX 12 INTERCONNECTION PROCEDURES FOR WIND GENERATION

APPENDIX 13 LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR LGIA (LLCELGIA)

APPENDIX 1

INTERCONNECTION REQUEST

The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility to the Administered Transmission System under Schedule 22 - Large Generator Interconnection Procedures ("LGIP") of the ISO New England Inc. Open Access Transmission Tariff (the "Tariff"). Capitalized terms have the meanings specified in the Tariff.

PROJECT INFORMATION

Proposed Project Name:_____

1. This Interconnection Request is for (check one):

_____ **A proposed new Large Generating Facility**

_____ **An increase in the generating capacity or a modification that has the potential to be a Material Modification of an existing Generating Facility**

_____ **Commencement of participation in the wholesale markets by an existing Generating Facility**

_____ **A change from Network Resource Interconnection Service to Capacity Network Resource Interconnection Service**

2. The types of Interconnection Service requested:

_____ **Network Resource Interconnection Service (energy capability only)**

_____ **Capacity Network Resource Interconnection Service (energy capability and capacity capability)**

☐ **Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing**

3. Interconnection Customer shall provide the following information:

Address or Location of the Facility (including Town/City, County and State):

_____

_____

_____

Requested Point of Interconnection:

_____

Type of Generating Facility to be Constructed:_____

Will the Generating Facility include electric storage capacity? Yes____No____
Will the electric storage device charge from the Administered Transmission System? Yes__No__
If yes, describe the electric storage device and specifications to include aggregate charging capability measured at the POI and the associated aggregate reactive capability measured at the high side of the main transformer:

_____

_____

Primary frequency response operating range for electric storage resources:

_____

Generating Facility Fuel Type:

_____

Generating Facility Capacity (MW):

Temperatures[1]	**Maximum Gross MW Electrical Output[2]**	**Maximum Net MW Electrical Output[3]**	**Net MW Capability at the Point of Interconnection[4]**
At or above 90 degrees F			
At or above 50 degrees F			
At or above 20 degrees F			
At or above 0 degrees F			

Requested Interconnection Service (in MW):

Service Level[5]			**Requested Net MW Capability at the Point of Interconnection[4]**
CNR Capability Summer			
NR Capability Summer			
CNR Capability Winter			
NR Capability Winter			

Notes:

[1] In each row, insert all values corresponding to the given temperature, or a temperature greater than the given temperature, at which aggregate maximum gross output of the Generating Facility would be the highest. For example, if the aggregate maximum gross Generating Facility output occurs at 12 degrees F, all values in the "At or above 0 degrees F" row shall correspond to the 12 degrees F operating condition.

[2] Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility.

[3] Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility less any station service at each generating unit's terminal(s) or inverter/converter terminal(s), as applicable.

[4] Measured at Interconnection Customer's proposed Point of Interconnection. The values correspond to the requested levels of Interconnection Service pursuant to Section 3.1 of the LGIP. The values account for any station service, losses incurred in Interconnection Facilities, station or generator step up transformers, and any other auxiliary systems. After the Interconnection Request is deemed valid, any increases to these values shall be subject to a new, separate Interconnection Request.

[5] As described in Section II.48.1 for CNR Capability and II.48.2 for NR Capability.

General description of the equipment configuration, including any proposed control technologies to restrict the Large Generating Facility's output to the requested Interconnection Service levels, if applicable (# of units and GSUs):

_____

_____

Requested Commercial Operation Date:

_____

Requested Initial Synchronization Date:

_____

Requested In-Service Date:

_____

Evidence of Site Control (check one):

_____ **For a request for CNR Interconnection Service: 100% exclusive Site Control in Interconnection Customer's name is provided herewith.**

_____ **For a request for NR Interconnection Service: 100% exclusive Site Control in Interconnection Customer's name is provided herewith; or in lieu of evidence of Site Control,**

_____ a $10,000/MW deposit subject to a minimum of $500,000 and a maximum of $2,000,000is provided (refundable within the cure period as described in Section 3.4.3 of the LGIP), and.

_____ a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to Regulatory Limitations, and

_____ documentation sufficiently describing and explaining the source and effects of such Regulatory Limitations

_____ Site Control is not provided because the proposed modification is to Interconnection Customer's existing Large Generating Facility and, by checking this option, Interconnection Customer certifies that it has Site Control and that the proposed modification does not require additional real property.

The ISO will post the Project Information on the ISO web site under "Interconnection Service" and the Interconnection Request Tracking Tool or IRTT.

CUSTOMER INFORMATION

Company Name:_____

ISO Customer ID#:_____

(Interconnection Customer)

Company Address: **PO Box No.:**

_____

Street Address:_____

City, State ZIP: _____

Company Representative: **Name:** _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Phone: _____ **FAX:** _____ **email:**_____

This Interconnection Request is submitted by:

Authorized Signature:_____

Name (type or print):_____

Title:_____

Date:_____

In order for an Interconnection Request to be considered a valid request, it must include:

(a) Be accompanied by all required deposits provided electronically and may be refundable in accordance with Section 3.4.2 of the LGIP;

(b) Required Cluster Study Deposit that may be refundable in accordance with Section 3.4.2 of the LGIP that is provided electronically;

(c) Commercial Readiness Deposit and may be refundable in accordance with Section 3.4.2 of the LGIP;

(d) For CNR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv). If for NR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv) or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to Regulatory Limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such Regulatory Limitations, including a description of any conditions that must be met to satisfy the Regulatory Limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of $10,000 per MW, subject to a minimum of $500,000 and a maximum of $2,000,000. (An Interconnection Customer does not need to demonstrate Site Control for an Interconnection Request for a modification to its existing Large Generating Facility where Interconnection Customer has certified that it has Site Control and that the proposed modification does not require additional real property). Interconnection Requests

from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;

(e) Include a detailed map, such as a map of the quality produced by the U.S. Geological Survey, which clearly indicates the site of the new facility and pertinent surrounding structures; and

(f) Include all information required on the Interconnection Request form and attachments thereto.

The Interconnection Request and attachments thereto must be submitted to the System Operator via the Interconnection Request Tracking Tool or IRTT, a web-based application for submitting, tracking and viewing Interconnection Requests available on the ISO New England website.

Attachment A to Appendix 1
Interconnection Request
Technical Data Required For Cluster Study

The technical data required below must be inputted directly into IRTT and submitted with the Interconnection Request pursuant to Section 3.4.2 of the LGIP.

LARGE GENERATING FACILITY DATA

UNIT RATINGS

Kva	°F	Voltage
Power Factor		
Speed (RPM)		Connection (e.g. Wye)
Short Circuit Ratio		Frequency, Hertz
Stator Amperes at Rated Kva		Field Volts
Max Turbine MW	°F	

Primary frequency response operating range for electric storage resources:

Minimum State of Charge:

Maximum State of Charge:

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 90 º OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)

Temperature (ºF)

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 50º OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (ºF)	

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 20º OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (º F)	

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 0º OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (ºF)	

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H	=	kW sec/kVA
Moment-of-Inertia, WR2	=	lb. ft.2

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS	QUADRATURE AXIS
Synchronous – saturated	Xdv	Xqv
Synchronous – unsaturated	Xdi	Xqi
Transient – saturated	X'dv	X'qv
Transient – unsaturated	X'di	X'qi
Subtransient – saturated	X"dv	X"qv
Subtransient – unsaturated	X"di	X"qi
Negative Sequence – saturated	X2v	
Negative Sequence – unsaturated	X2i	

FIELD TIME CONSTANT DATA (SEC)

Zero Sequence – saturated	X0v	
Zero Sequence – unsaturated	X0i	
Leakage Reactance	Xlm	
Open Circuit	T'qo	T'do
Three-Phase Short Circuit Transient	T'd3	T'q
Line to Line Short Circuit Transient	T'd2	
Line to Neutral Short Circuit Transient	T'd1	
Short Circuit Subtransient	T"d	T"q
Open Circuit Subtransient	T"do	T"qo

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	Ta3
Line to Line Short Circuit	Ta2
Line to Neutral Short Circuit	Ta1

NOTE: If requested information is not applicable, indicate by marking "N/A."

MW CAPABILITY AND PLANT CONFIGURATION

LARGE GENERATING FACILITY DATA

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R1		
Negative	R2		
Zero	R0		
Rotor Short Time Thermal Capacity I^2t	=		
Field Current at Rated kVA, Armature Voltage and PF	=	amps	
Field Current at Rated kVA and Armature Voltage, 0 PF	=	amps	
Three Phase Armature Winding Capacitance	=	microfarad	
Field Winding Resistance	=	ohms	°C
Armature Winding Resistance (Per Phase)	=	ohms	°C

CURVES

As applicable, provide Saturation, Vee, Capacity Temperature Correction curves. A Reactive Capability is required for all Large Generating Facilities. As applicable, designate normal and emergency Hydrogen Pressure operating range for multiple curves.

MODELS FOR NON-SYNCHRONOUS GENERATORS

Models that meet the requirements of ISO New England Planning Procedures:

1. an appropriately parameterized library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, as defined by the selection in Table 1, a model otherwise approved by the Western Electricity Coordinating Council, or a model as otherwise reviewed and deemed acceptable by System Operator that corresponds to Interconnection Customer's Large Generating Facility, and,
2. a validated user-defined model where one exists for the equipment (i.e. where the manufacturer attests that a library model may fully capture the behavior of the equipment). The user model will only be used for the fuller understanding of equipment behavior and will not be used to finalize the upgrade requirements in the Cluster Study and will not be added to base cases going forward.

3. A validated electromagnetic transient model.

Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from Interconnection Customer that the model accurately represents the entire Large Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Large Generating Facility; or test data).

Table 1: Acceptable Generic Library RMS Positive Sequence Dynamics Models

GE PSLF	**Siemens PSS/E***	**PowerWorld Simulator**	**Description**
pvd1		PVD1	Distributed PV system model
der_a	DERAU1	DER_A	Distributed energy resource model
regc_a	REGCAU1, REGCA1	REGC_A	Generator/converter model
regc_b	REGCBU1	REGC_B	Generator/converter model
wt1g	WT1G1	WT1G and WT1G1	Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)
wt2g	WT2G1	WT2G and WT2G1	Generator model for generic Type-2 wind turbines
wt2e	WT2E1	WT2E and WT2E1	Rotor resistance control model for wound-rotor induction wind-turbine generator wt2g
reec_a	REECAU1, REECA1	REEC_A	Renewable energy electrical control model
reec_c	REECCU1	REEC_C	Electrical control model for battery energy storage system
reec_d	REECDU1	REEC_D	Renewable energy electrical control model
wt1t	WT12T1	WT1T and WT12T1	Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)
wt1p_b	wt1p_b	WT12A1U_B	Generic wind turbine pitch controller for WTGs of Types 1 and 2

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
wt2t	WT12T1	WT2T	Wind turbine model for Type-2 wind turbines (directly connected induction generator wind turbines with an external rotor resistance)
wtgt_a	WTDTAU1, WTDTA1	WTGT_A	Wind turbine drive train model
wtga_a	WTARAU1, WTARA1	WTGA_A	Simple aerodynamic model
wtgp_a	WTPTAU1, WTPTA1	WTGPT_A	Wind Turbine Generator Pitch controller
wtgq_a	WTTQAU1, WTTQA1	WTGTRQ_A	Wind Turbine Generator Torque controller
wtgwgo_a	WTGWGOAU	WTGWGO_A	Supplementary control model for Weak Grids
wtgibffr_a	WTGIBFFRA	WTGIBFFR_A	Inertial-base fast frequency response control
wtgp_b	WTPTBU1	WTGPT_B	Wind Turbine Generator Pitch controller
wtgt_b	WTDTBU1	WTGT_B	Drive train model
repc_a	Type 4: REPCAU1 (v33), REPCA1 (v34) Type 3: REPCTAU1 (v33), REPCTA1 (v34)	REPC_A	Power Plant Controller

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
repc_b	PLNTBU1	REPC_B	Power Plant Level Controller for controlling several plants/devices In regard to Siemens PSS/E*: Names of other models for interface with other devices: REA3XBU1, REAX4BU1- for interface with Type 3 and 4 renewable machines SWSAXBU1- for interface with SVC (modeled as switched shunt in powerflow) SYNAXBU1- for interface with synchronous condenser FCTAXBU1- for interface with FACTS device
repc_c	REPCCU	REPC_C	Power plant controller

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity	Self-cooled/Maximum Nameplate	
	/	Kva
Voltage Ratio	Generator side/System side/Tertiary	
	/	kV
Winding Connections	Generator side/System Side/Tertiary (Delta or Wye)	
	/	
Fixed Taps Available		
Present Tap Setting		

IMPEDANCE

Positive	Z1 (on self-cooled kVA rating)	%	X/R
Zero	Z0 (on self-cooled kVA rating)	%	X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer ("PSS") for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND AND INVERTER-BASED GENERATORS

A completed Attachment A-1 Supplementary Wind and Inverter-Based Generating Facility Form to this Attachment A, must be supplied for all Interconnection Requests for wind and inverter-based Generating Facilities.

MODEL REQUIREMENTS

For all Generating Facility types: A completed, fully functioning, public (*i.e.*, non-proprietary, non-confidential) Siemens PTI's ("PSSE") power flow model or other compatible formats, such as IEEE and General Electric Company Power Systems Load Flow ("PSLF") data sheet, must be supplied with this Attachment A. If additional public data sheets are more appropriate to the proposed device then they shall be provided and discussed at the Scoping Meeting. For all Interconnection Studies commencing after January 1, 2017, all power flow models must be standard library models in PSS/E or applicable applications. After January 1, 2017, user-models will not be accepted.

A PSCAD model for all wind and inverter-based Generating Facilities and any Interconnection Facilities such as HVDC or auxiliary dynamic reactive devices must be supplied with this Attachment A. If a PSCAD model is deemed required for other Generating Facility types, such PSCAD model must be provided to the System Operator with this Appendix 1 Attachment A and A-1. A benchmarking analysis, consistent with the requirements in the ISO New England Planning Procedures and shall be provided with this Attachment A and A-1.

INDUCTION GENERATORS:

(*) Field Volts:

(*) Field Amperes:

(*) Motoring Power (kW):

(*) Neutral Grounding Resistor (If Applicable):

(*) I_2^2t or K (Heating Time Constant):

(*) Rotor Resistance:

(*) Stator Resistance:

(*) Stator Reactance:

(*) Rotor Reactance:

(*) Magnetizing Reactance:

(*) Short Circuit Reactance:

(*) Exciting Current:

(*) Temperature Rise:

(*) Frame Size:

(*) Design Letter:

(*) Reactive Power Required In Vars (No Load):

(*) Reactive Power Required In Vars (Full Load):

(*) Total Rotating Inertia, H: Per Unit on KVA Base

Note: Please consult System Operator prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Attachment A to the Interconnection Request is true and accurate.

For Interconnection Customer:_____Date:_____

Attachment A-1
To Attachment A of Appendix 1
Supplementary Wind
and Inverter-Based
Generating Facility Form

SUPPLEMENTARY WIND AND INVERTER-BASED GENERATING FACILITY AND INTERCONNECTION FACILITIES DATA FORM

a) Attach a Geographic Map Demonstrating the Project Layout and its Interconnection to the Power Grid. *(Specify the name of the attachment here)*

b) Attach a Bus-Breaker Based One-line Diagram (The diagram should include each of the individual unit generators, generator number, HVDC rating and terminal voltage.) *(Specify the name of the attachment here)*

i. Collection system detail impedance sheet

If a collector system is used, attach a collector system data sheet in accordance with the one-line diagram attached above. The data sheet should include: the type, length Z_0, Z_1 and Xc/B of each circuit (feeder and collector string).

Specify the name of the attachment here: _____

ii. Collection system aggregate (equivalent) model data sheet

Attach an aggregate (equivalent) collection system data sheet. The data table should include: the type, length, Z_0, Z_1 and Xc/B of the equivalent circuits (feeders and collector strings).

Specify the name of the attachment here: _____

(c) Summary of the Unit Models in the wind or inverter-based Generating Facility *(List all different unit models in the facility)*

Manufacturer Model	Type of this WTG* (if applicable)	Generator Unit Numbers in the field	Number(s) of these Units	Maximum Output of this Unit (MW)	Total MW

* Type 1 – Cage rotor induction generators
Type 2 – Induction generators with variable rotor resistance
Type 3 – Doubly-fed asynchronous generators with rotor-side converter
Type 4 – Full-power converter interface

Repeat the following sections from 4 to 12 for each different unit model.

(d) Unit Detail Information

Unit Manufacturer Model	
Terminal Voltage	
Rating of Each Unit (MVA)	
Maximum Gross Electrical Output (MW)	
Minimum Gross Electrical Output (MW)	
Lagging Reactive Power Limit at Rated Real Power Output (MVAR)	
Leading Reactive Power Limit at Rated Real Power Output (MVAR)	
Lagging Reactive Power Limit at Zero Real Power Output (MVAR)	
Leading Reactive Power Limit at Zero Real Power Output (MVAR)	
Station Service Load (MW, MVAR)	
Minimum short circuit ratio (SCR) requirement by manufacturer	
On which bus the minimum SCR is required by manufacturer	
What voltage level the minimum SCR is required by manufacturer	
Positive sequence Xsource	
Zero sequence Xsource	

a) Unit GSU – _____

Nameplate rating (MVA)	
Total number of the GSUs	
Voltages, generator side/system side	
Winding connections, low voltage/high voltage	
Available tap positions on high voltage side	
Available tap positions on low voltage side	
Will the GSU operate as an LTC?	
Desired voltage control range if LTC	
Tap adjustment time (Tap switching delay + switching time) if LTC	
Desired tap position if applicable	
Impedance, Z1, X/R ratio	
Impedance, Z0, X/R ratio	

b) Low Voltage Ride Through (LVRT) – _____*(Specify the Manufacturer Model of this Unit)*

Does each Unit have LVRT capability?

Yes__ No__

If yes, please provide:

i. Unit LVRT mode activation and release condition:

When operating at maximum real power, what is the Unit terminal voltage for LVRT mode activation? _____

When operating at maximum real power, what is the Unit terminal voltage for releasing LVRT mode after it is activated? _____

If there is different LVRT activation and release logic, please state here _____

ii. A wind or other inverter-based generating facility technical manual from the manufacturer including description of LVRT functionality:

Attach the file and specify the name of the attachment here:

_____

iii. Does the wind or other inverter-based generating facility technical manual attached above include a reactive power capability curve?

Yes__ No__

If no, attach the file and specify the name of the attachment here:

_____

c) Low Voltage Protection (considering LVRT functionality)

(Specify the Manufacturer Model of this Unit)

Low Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

d) High Voltage Protection - _____(Specify the Manufacturer Model of this Unit)

High Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

e) Low Frequency Protection - _____(Specify the Manufacturer Model of this Unit)

Low Frequency Setting (Hz)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

f) High Frequency Protection - _____(Specify the Manufacturer Model of this Unit

High Frequency Setting (Hz)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

Please make sure the settings in sections 7 through 10 comply with Applicable Reliability Standards for generator protection relays.

g) Unit Reactive Power Control - ____ (Specify the Manufacturer Model of this Unit)

i. What are the options for the Unit reactive power control (check all available)?

____Control the voltage at the Unit terminal
____Control constant power factor at the Unit terminal
____Control constant power factor at the low side of the station main transformer
____Control constant power factor at the high side of the station main transformer
____Control voltage at the low side of the station main transformer
____Control voltage at the high side of the station main transformer
____Other options. Please describe if select others_____

ii. In all the control options selected above, please list the options in which the Unit is able to control its terminal voltage to prevent low/high voltage tripping.

_____

iii. What is the desired control mode from the selected options above? Specify the control plan in this mode. For example: control voltage at which bus to what schedule.

WIND OR INVERTER-BASED GENERATING FACILITY AND INTERCONNECTION FACILITIES MODELS

(All model files provided under this section should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

A. Power flow model

i. A *. RAW file including **aggregated/equivalent** wind or inverter-based generating facility and HVDC, if applicable, power flow model with appropriate parameters and settings.
Attach the *.RAW file and specify the name of the attachment(s) here:

_____

ii. A *. RAW file including **detailed** wind or inverter-based Generating Facility and Interconnection Facilities, if applicable, power flow model with appropriate parameters and settings.
Attach the *.RAW file and specify the name of the attachment(s) here:

_____

B. Dynamic simulation model(s)

(Please note that the dynamic model(s) must match the aggregated/equivalent power flow model(s) provided above. Attach the following information for each of the models.)

i) Wind or inverter-based Generating Facility and Interconnection Facilities, if applicable, Model(s) _____ (Please Specify the Manufacturer Model(s))

ii) A compiled PSS/E dynamic model for the Generating Facility and Interconnection Facilities, if necessary (a *.LIB or *.OBJ file)
Attach the *.LIB or *.OBJ file(s) and specify the name(s) of the attachment(s) here:

_____

iii) A dynamic data file with appropriate parameters and settings for the Generating Facility and Interconnection Facilities, if applicable, (typically a *.DYR file)

Attach the *.DYR file(s) and specify the name(s) of the attachment(s) here:

_____

iv) PSS/E wind or inverter-based Generating Facility model user manual for the Generating Facility and Interconnection Facilities

Attach and specify the name of the attachment here:

_____

Repeat the above sections for each different wind or inverter-based generating facility model.

C. Power Plant Controller

For wind or inverter-based Generating Facility, will PPC have the ability to centrally control the output of the units? Yes__ No__

i) Manufacturer model of the power plant controller

_____

ii) What are the reactive power control strategy options of the power plant controller?

iii) Which of the control options stated above is being used in current operation?

_____

iv) Is the power plant controller able to control the unit terminal voltages to prevent low/high voltage tripping?

Yes__ No__

Please provide the park controller technical manual from the manufacturer

Attach the file and specify the name of the attachment here:

_____

D. Station Transformer

Transformer Name		
Nameplate ratings (MVA)		
Total number of the main transformer(s)		
Voltage, High/Low/Tertiary (kV)		
Winding connections, High/Low Tertiary		
Available tap positions on high voltage side		
Available tap positions on low voltage side		
Will the transformer operate as a LTC?		
Desired voltage control range if LTC		
Tap adjustment time (Tap switching delay + switching time) if LTC		
Desired tap position if applicable		
Tap adjustment time (Tap switching delay + switching time)		
Impedance Z_1, X/R ratio	Z_{1H-L}	X/R
	Z_{1H-T}	X/R
	Z_{1T-L}	X/R
Impedance Z_0, X/R ratio	Z_{0H-L}	X/R
	Z_{0H-T}	X/R
	Z_{0T-L}	X/R

E. Dynamic Simulation Model for the Power Plant Controller(s)

(All model files provided under this section should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

i) A compiled PSS/E dynamic model for the power plant controller(s) (a *.LIB or *.OBJ file)

Attach the *.LIB or *.OBJ file and specify the name of the attachment here:

_____

ii) A dynamic data file with appropriate parameters and settings for the power plant controller(s) (typically a *.DYR file).

Attach the *.DYR file and specify the name of the attachment here:

_____

iii) PSS/E model user manual for the power plant controller(s)

Attach the manual and specify the name of the attachment or specify the name of the attachment here:_____

F. Capacitors and Reactors

Please provide necessary modeling data for all the capacitors and reactors that are part of the Interconnection Facilities, including: size, basic electrical parameters, connecting bus, switched or fixed, etc.

G. Dynamic Device(s)

(All model files provided under this section 17 should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England standard library models in PSS/E or applicable applications.)

i) Provide necessary modeling data file for all the dynamic devices belong to the facility.

Attach the *.LIB or *.OBJ file and specify the name of the attachment here:

_____

ii) A dynamic data file containing the parameters for the units (typically a *.DYR file).

Set the parameters in accordance with the desired control mode.
Attach the *.DYR file and specify the name of the attachment here:

_____

H. Collection System/Transformer Tap-Setting Design

Attach a collection system/transformer tap-setting design calculations, consistent with the requirements in the ISO New England Planning Procedures, that identify the calculations to support the proposed tap settings for the unit step-up transformers and the station step-up transformers.

Attached the design document and specify the name of the attachment here:

_____

I. Provide PSCAD Model and documentation for the wind or inverter-based Generating Facility, the Power Plant Controller(s) and Other Dynamic Devices or HVDC

Attachment A-2
To Attachment A of Appendix 1
Cluster System Impact Study
Application Form

CLUSTER SYSTEM IMPACT STUDY APPLICATION FORM

The undersigned Interconnection Customer submits this form to request the inclusion of the Interconnection Request for its Large Generating Facility in a Cluster Interconnection System Impact Study pursuant to Section 4.2.3 of this LGIP.

To be included in a Cluster Interconnection System Impact Study, the following must be submitted together with this form to the System Operator by the Cluster Entry Deadline:

1. Project Information:
    a. Project Name:_____
    (a) Queue Position:_____
    (b) Is the Interconnection Request contractually associated with an Interconnection Request for an Elective Transmission Upgrade? Yes ____ No ____
        If yes, identify Queue Position of the associated Interconnection Request and provide evidence of the contractual commitment. Queue Position No.: _____
2. Initial CETU Participation Deposit as specified in Section 4.2.3

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

For Interconnection Customer:_____Date:_____

SURPLUS INTERCONNECTION SERVICE REQUEST APPLICATION

The Surplus Interconnection Customer submits this application to request Surplus Interconnection Service pursuant to Section 3.3 of this LGIP.

SURPLUS INTERCONNECTION CUSTOMER AND ORIGINAL INTERCONNECTION CUSTOMER INFORMATION

Surplus Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address:_____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP:_ _____

Phone: _____ FAX: _____ E-mail:_____

Original Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address:_____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP:_____

Phone: _____ FAX: _____ email:_____

PROJECT INFORMATION

Description of the Original Interconnection Customer's Large Generating Facility:

_____

_____

Description of the Surplus Interconnection Customer's Generating Facility:

_____

_____

_____

_____

Select Type of Interconnection Service for the Surplus Interconnection Customer's Generating Facility:

___ CNR Interconnection Service

___ NR Interconnection Service

Specify the amount of Unused Capability at the corresponding CNR Interconnection Service or NR Interconnection Service available for the Surplus Interconnection Customer's Generating Facility:

_____

_____

Requested Commercial Operations Date for the Surplus Interconnection Customer's Generating Facility:

_____

Requested Initial Synchronization Date for the Surplus Interconnection Customer's Generating Facility:

_____

Requested In-Service Date for the Surplus Interconnection Customer's Generating Facility:

_____

To request Surplus Interconnection Service, the Surplus Interconnection Customer shall provide the following, together with this Surplus Interconnection Service Request Application:

11. The Original Interconnection Customer's written consent for the Surplus Interconnection Customer's Generating Facility to use Unused Capability associated with Interconnection Service established under the Interconnection Agreement for the Original Interconnection Customer's Generating Facility, together with a copy of that Interconnection Agreement;
12. A detailed description of the Original Interconnection Customer's Generating Facility and the Surplus Interconnection Customer's Generating Facility and their respective Interconnection Facilities and existing Point of Interconnection and Point of Change of Ownership, together with a completed Attachment A and Attachment A-1, as applicable, to Appendix 1 of this LGIP, including a site electrical

one-line diagram reflecting both the Original Interconnection Customer's Generating Facility and the proposed Surplus Interconnection Customer's Generating Facility and a plot plan; and

13. Site Control for the Surplus Interconnection Customer's Generating Facility.

System Operator and Interconnecting Transmission Owner reserve the right to request additional technical and non-technical information necessary from the Original Interconnection Customer or the Surplus Interconnection Customer as may reasonably become necessary to facilitate their review of the Surplus Interconnection Service request.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

Authorized Signature:_____

Name (type or print):_____

Title:_____

Date:_____

LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR INTERCONNECTION APPLICATION

The Interconnection Customer submits this application to request the interconnection of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR INFORMATION

Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address: PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

Attachment D (page 2)
To Appendix 1
Large Load Co-Located Generator/
Large Load Electrically Proximate Generator
Interconnection Application

City, State ZIP: _____

Phone: _____ FAX: _____ E-mail: _____

PROJECT INFORMATION

Description of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator:

_____

_____

Requested Commercial Operation Date for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator:

_____

Requested Initial Synchronization Date for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator:

_____

Requested In-Service Date for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator:

_____

Attachment D (page 3)
To Appendix 1
Large Load Co-Located Generator/
Large Load Electrically Proximate Generator
Interconnection Application

To request interconnection of a Large Load Co-Located Generator Large Load Electrically Proximate Generator, the Large Load Co-Located/Large Load Electrically Proximate Generator shall provide the following, together with this Large Load Co-Located/Large Load Electrically Proximate Generator Interconnection Application:

1. Written confirmation from a Large Load Transmission Customer (or a Large Load Entity on its behalf) that the Large Load Co-Located Generator or Large Load Electrically Proximate Generator has been designated to serve the Large Load;
2. All technical data required by Attachment A to Appendix 1 to this LGIP;
3. A non-refundable application deposit of $50,000 in cash
4. A study deposit of $150,000 in cash; and
5. Proof of 100% Site Control for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

System Operator and Interconnecting Transmission Owner reserve the right to request additional technical and non-technical information necessary from the Interconnection Customer.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

Authorized Signature:_____

Name (type or print):_____

Title:_____

Date:_____

APPENDIX 2

CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer,") and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State of _____ ("Interconnecting Transmission Owner"). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility to the Administered Transmission System;

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform a Cluster Study to assess the impact of interconnecting the Large Generating Facility to the Administered Transmission System, and any Internal Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Large Generator Interconnection Procedure ("LGIP").

2.0 Interconnection Customer elects and System Operator and Interconnecting Transmission Owner shall cause to be performed a Cluster Study consistent with Section 7.0 of the LGIP in accordance with the Tariff.

3.0 The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Cluster Study will be based upon the technical information provided by Interconnection Customer in Attachment A (and Attachment A-1 as applicable) to the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. System Operator and Interconnecting Transmission Owner reserve the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Cluster Study.

5.0 The Cluster Study Report shall provide the following information:

- identification of any circuit breaker or other facility short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload of any transmission facility or system voltage limit violations resulting from the interconnection;
- initial review of grounding requirements and electric system protection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- identification of Contingent Facilities; and
- description and non-binding, good faith estimated cost of and the time to construct the facilities required to interconnect the Large Generating Facility to the Administered Transmission System and to address the identified short circuit, instability, and power flow issues.

The Cluster Study Deposit shall be applied toward the cost of the Cluster Study and the development of this Cluster Study Agreement and its attachment(s) and the LGIA.

Interconnecting Transmission Owner's and System Operator's good faith estimate for the times of commencement and completion of the Cluster Study is [insert dates].

The total estimated cost of the performance of the Interconnection Cluster Study consists of $_____ which is comprised of the System Operator's estimated cost of $_____ and the Interconnecting Transmission Owner's estimated cost of $_____.

Any difference between the deposit and the actual cost of the Cluster Study shall be paid by or refunded to the Interconnection Customer, as appropriate.

Upon receipt of the Cluster Study, System Operator and Interconnecting Transmission Owner shall charge and the Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.
System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection System Impact Study each month. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.

In accordance with the LGIP, in performing the Cluster Study, System Operator and Interconnecting Transmission Owner shall coordinate with Internal Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 Miscellaneous.

6.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

6.2 Disclaimer of Warranty. In preparing and/or participating in the Cluster Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Cluster Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Cluster Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Cluster Study, the content of the Cluster Study, or the conclusions of the Cluster Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

6.3 Force Majeure, Liability and Indemnification.

6.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

6.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, an Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

6.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third

parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

6.4 Third-Party Beneficiaries. Without limitation of Sections 6.2 and 6.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, a Cluster Study shall be deemed third party beneficiaries of Sections 6.2 and 6.3.

6.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Cluster Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

6.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

6.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

6.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

6.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

6.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

6.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

6.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not

to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

6.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator	Interconnecting Transmission Owner
By:	By:
Title:	Title:
Date:	Date:

[Insert name of Interconnection Customer]
By:
Title:
Date:

Attachment A
To Appendix 2
Cluster
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE CLUSTER STUDY

The Cluster Study will be based upon the *technical information provided by Interconnection Customer in the Interconnection Request* subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

APPENDIX 3

INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer,") and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State of _____ ("Interconnecting Transmission Owner"). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator and Interconnecting Transmission Owner have completed a Cluster Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Large Generator Interconnection Procedures ("LGIP"), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the "Tariff").

2.0 Interconnection Customer elects and System Operator shall cause an Interconnection Facilities Study consistent with Section 8.0 of the LGIP to be performed in accordance with the Tariff.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Large Generating Facility to the Administered Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Cluster Study.

5.0 The Interconnection Customer is providing a Commercial Readiness Deposit per Section 8.1 of this LGIP to enter the Interconnection Facilities Study and the greater of 25 percent of the estimated cost of the Interconnection Facilities Study or $250,000.

The deposit shall be applied toward the cost of the Interconnection Facilities Study and the development of this Interconnection Facilities Study Agreement and its attachment(s) and the LGIA. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

The total estimated cost of the performance of the Interconnection Facilities Study consists of $_____ which is comprised of the System Operator's estimated cost of $_____ and the Interconnecting Transmission Owner's estimated cost of $_____. Any difference between the deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to the Interconnection Customer, as appropriate. Upon receipt of the Interconnection Facilities Study, System Operator and

Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study. System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.
In accordance with the LGIP, in performing the Interconnection Facilities Study, Interconnecting Transmission Owner and System Operator shall coordinate with Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 Miscellaneous.

6.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

6.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness

for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

6.3 Force Majeure, Liability and Indemnification.

6.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

6.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission

Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

6.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds

or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

6.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

6.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

6.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

6.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

6.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

6.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

6.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

6.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

6.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

6.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator	Interconnecting Transmission Owner
By:	By:
Title:	Title:
Date:	Date:

[Insert name of Interconnection Customer]
By:
Title:
Date:

Attachment A
To Appendix 3
Interconnection Facilities
Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Interconnection Customer elects (check one):

b. +/- 20 percent cost estimate contained in the Interconnection Facilities Study report.

c. +/- 10 percent cost estimate contained in the Interconnection Facilities Study report.

Interconnecting Transmission Owner and System Operator shall complete the study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within the following number of days after receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing New England Transmission System station. Number of generation connections:

On the one line indicate the generation capacity attached at each metering location. (Maximum load on Current Transformer/Power Transformer ("CT/PT"))

On the one line indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes _____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____

(Please indicate on one line).

What type of control system or Power Line Carrier ("PLC") will be located at the Interconnection Customer's Large Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Interconnecting Transmission Owner's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with System Operator and Interconnecting Transmission Owner.

Is the Large Generating Facility in Interconnecting Transmission Owner's service area?

Yes _____ No _____ Local provider:
Please provide proposed schedule dates:
Begin Construction Date:
Generator step-up transformer Date:
Receives back feed power Date
Generation Testing Date:
Commercial Operation Date:

APPENDIX 4

OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____day of _____, 20___by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer,") and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State of _____ ("Interconnecting Transmission Owner"). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer is proposing to establish an interconnection to the Administered Transmission System; and

WHEREAS, Interconnection Customer has submitted to System Operator an Interconnection Request; and

WHEREAS, on or after the date when the Interconnection Customer receives the Cluster Study results, Interconnection Customer has further requested that the System Operator and Interconnecting Transmission Owner prepare an Optional Interconnection Study.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Large Generator Interconnection

Procedures ("LGIP"), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the "Tariff").

2.0 Interconnection Customer elects and System Operator shall cause an Optional Interconnection Study consistent with Section 10.0 of the LGIP to be performed in accordance with the Tariff.

3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Optional Interconnection Study shall be performed solely for informational purposes.

5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by the Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the assumptions specified by the Interconnection Customer in Attachment A.

In accordance with the LGIP, in performing the Optional Interconnection Study, the System Operator shall coordinate with Interconnecting Transmission Owner and Affected Parties and Internal Affected Parties, and shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 The Interconnection Customer is providing a deposit equal to 100 percent of the estimated cost of the study. Interconnecting Transmission Owner's and System Operator's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

The total estimated cost of the performance of the Optional Interconnection Study consists of $_____ which is comprised of the System Operator's estimated cost of $_____ and the Interconnecting Transmission Owner's estimated cost of $_____. Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to the Interconnection Customer, as appropriate. Upon receipt of the Optional Interconnection Study, System Operator and Interconnecting Transmission Owner shall charge and the Interconnection Customer shall pay the actual costs of the Optional Interconnection Study. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

7.0 Miscellaneous.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Optional Interconnection Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Optional Interconnection Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Optional Interconnection Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Optional Interconnection Study, the content of

the Optional Interconnection Study, or the conclusions of the Optional Interconnection Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the

directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owners under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting

Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an Optional Interconnection Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Optional Interconnection Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located, without regard to any choice of laws provisions.

7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator	Interconnecting Transmission Owner
By:	By:
Title:	Title:
Date:	Date:

[Insert name of Interconnection Customer]
By:
Title:
Date:

Attachment A

Appendix 4

Optional Interconnection

Study Agreement

ASSUMPTIONS USED IN CONDUCTING

THE OPTIONAL INTERCONNECTION STUDY

[To be completed by Interconnection Customer consistent with Section 10 of the LGIP.]

APPENDIX 5 to LGIP
TRANSITIONAL CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer"), and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State of _____ ("Interconnecting Transmission Owner"). System Operator, Interconnection Customer and Interconnecting Transmission Owner each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested Interconnecting Transmission Owner and System Operator to perform a "Transitional Cluster Study," which combines the Cluster Study and Interconnection Facilities Study, in a single cluster study, followed by any needed restudies, to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to physically and electrically connect the Large Generating Facility to the Administered Transmission System; and

WHEREAS, Interconnection Customer has a valid Queue Position as of the {System Operator to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 Interconnection Customer elects, and System Operator shall cause to be performed, a Transitional Cluster Study, and Interconnection Customer elects that System Operator study the Large Generating Facility's request for.

_____ Network Resource Interconnection Service (energy capability only)

_____ Capacity Network Resource Interconnection Service (energy capability and capacity capability)

□ Interconnection Customers seeking to complete studies for CNRIS for Interconnection Requests for which NRIS milestones have already been completed shall check this box and fill in the table below

Service Level	**Requested Net MW Capability at the Point of Interconnection**
CNR Capability Summer	
CNR Capability Winter	

☐ Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing.

3.0 The Transitional Cluster Study shall be based upon the technical information provided by Interconnection Customer in the Interconnection Request. System Operator reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Transitional Cluster Study and Interconnection Customer shall provide such data as quickly as reasonable.

4.0 Pursuant to Section 5.1.1.2 of this LGIP, the interim Transitional Cluster Study Report shall provide the information below:

i) identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

ii) identification of any thermal overload or voltage limit violations resulting from the interconnection;

iii) identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and

iv) Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

5.0 Pursuant to Section 5.1.1.2 of this LGIP, the final Transitional Cluster Study Report shall: (1) provide all the information included in the interim Transitional Cluster Study Report; (2) provide a description of, estimated cost of, and schedule for required facilities to interconnect the Generating Facility to the Transmission System; and (3) address the short circuit, instability, and power flow issues identified in the interim Transitional Cluster Study Report.

6.0 Interconnection Customer has met the requirements described in Section 5.1.1.2 of this LGIP.

7.0 Interconnection Customer previously provided a deposit for the performance of Interconnection Studies. Interconnection Customer shall provide additional study deposits in the form described in Section 5.1.1.2. System Operator may invoice for additional costs as appropriate such that Interconnection Customer shall pay the actual costs of the Transitional Cluster Study. Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, in accordance with the provisions of Section 13.3 of this LGIP.

8.0 Miscellaneous.

8.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

8.2 Disclaimer of Warranty. In preparing and/or participating in the Transitional Cluster Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Transitional Cluster Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Transitional Cluster Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Transitional Cluster Study , the content of the Transitional Cluster Study , or the conclusions of the Transitional Cluster Study . Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

8.3 Force Majeure, Liability and Indemnification.

8.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is

hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

8.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the

foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

8.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

8.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Transitional Cluster Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

8.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term

of one year or until the Transitional Cluster Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

8.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

8.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

8.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

8.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

8.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

8.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

8.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not

to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

8.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.
By: ___

Title: _

Date: _

{Insert name of Interconnecting Transmission Owner }

By: ___

Title: _

Date: _

{Insert name of Interconnection Customer}

By: ___

Title: _

Date: _

APPENDIX 6 to LGIP

TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of ___, 20__, by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer") and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("System Operator"), and_____, a _____ organized and existing under the laws of the State of _____ ("Interconnecting Transmission Owner"). Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Large Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to continue processing its Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the final Cluster Study (from the previously effective serial study process) in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator has provided an Interconnection Facilities Study Agreement to the Interconnection Customer on or before {System Operator to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 Interconnection Customer elects and Interconnecting Transmission Owner shall cause to be performed an Interconnection Facilities Study consistent with Section 8 of this LGIP.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A to this Agreement, which shall be the same assumptions as the previous Interconnection Facilities Study Agreement executed by the Interconnection Customer.

4.0 The Interconnection Facilities Study Report shall: (1) provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Large Generating Facility to the Administered Transmission System; and (2) address the short circuit, instability, and power flow issues identified in the most recently published Cluster Study Report.

5.0 Interconnection Customer has met the requirements described in Section 5.1.1.1 of this LGIP. The time for completion of the Interconnection Facilities Study is specified in Attachment A, and shall be no later than one hundred and fifty (150) Calendar Days after {System Operator to insert Commission-approved effective date of compliance filing}.

6.0 Interconnection Customer previously provided a deposit of _____ dollars ($___) for the performance of the Interconnection Facilities Study.

7.0 Upon receipt of the Interconnection Facilities Study results, Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study.

8.0 Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

9.0 Miscellaneous.

9.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

9.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

9.3 Force Majeure, Liability and Indemnification.

9.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

9.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting

Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

9.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

9.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

9.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

9.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

9.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

9.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

9.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

9.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

9.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

9.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

9.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not

to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

9.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Interconnecting Transmission Owner **}**

By: ___

Title: _

Date: _

ISO New England Inc.

By: ___

Title: _

Date: _

{Insert name of Interconnection Customer}

By: ___

Title: _

Date: _

Attachment A to Appendix 6
Transitional Serial Interconnection Facilities Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY

{Assumptions to be completed by Interconnection Customer and Interconnecting Transmission Owner}

APPENDIX 7 to LGIP

TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____, 20___, by and between _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customer and System Operator each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}'s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 System Operator shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of this LGIP.

3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and

- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer shall provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, System Operator shall charge, and Affected System Interconnection Customer shall pay, the actual cost of the

Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to

an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the

performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term

of one year or until the Affected System Study Agreement is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party’s right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the

Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Attachment A to Appendix 7

Two-Party Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customer and System Operator}

APPENDIX 8 to LGIP

MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____, 20___, by and among _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of_____ (Affected System Interconnection Customer); and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customers and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as the "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}'s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

2.0 System Operator shall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of this LGIP.

3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and

- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customers shall each provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, System Operator shall charge, and Affected System Interconnection Customers shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 Miscellaneous

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or

warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission

Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the LGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or

relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. ____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. ____

Attachment A to Appendix 8

Multiparty Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE MULTIPARTY AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customers and System Operator}

APPENDIX 9 TO LGIP

TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and between _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and_____, an entity organized under the laws of the State of _____ (Interconnecting Transmission Owner). Affected System Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

ARTICLE 2
TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the Parties agree to mutually terminate this Agreement; (2) earlier termination is permitted or provided for under Appendix A of this Agreement; or (2) Affected System Interconnection Customer terminates this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by System Operator and Interconnecting Transmission Owner.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party,

the non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if Affected System Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by Interconnecting Transmission Owner for any such damages, including costs and expenses, incurred by Interconnecting Transmission Owner as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by Interconnecting Transmission Owner, Affected System Interconnection Customer shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs.

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC 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 FERC's rules and regulations thereunder, and Affected System Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

ARTICLE 3
CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not

be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to Interconnecting Transmission Owner written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid;~~,~~ and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer shall be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to Interconnecting Transmission Owner of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify Affected System Interconnection Customer. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all

information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customer shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customer with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with Affected System Interconnection

Customer regarding the conduct of such contest. Affected System Interconnection Customer shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or which Interconnecting Transmission Owner may be entitled with respect to such payment. Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and Affected System Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Affected System Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4
SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

4.2 Invoice. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii)), to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 Section CFR 35.19a(a)(2)(iii).

ARTICLE 5
BREACH, CURE AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

(a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach**.**

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non--Defaulting Party may terminate this Agreement in accordance with Article 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6

TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, the termination of this Agreement by the non-Defaulting Party shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

(a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts

to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, Interconnecting Transmission Owner shall convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7
SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, 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 for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR Section 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the

confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

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

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

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. Neither Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR Section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 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.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or

dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9
INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, to audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10

NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customer:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customer:

10.4 Execution and Filing. Affected System Interconnection Customer shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customer and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customer under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11
MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such

responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits,

attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Attachment A to Appendix 9

Two-Party Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY, CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner.

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: Interconnecting Transmission Owner Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer's Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

Note: Affected System Interconnection Customer's payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 9

Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {Interconnecting Transmission Owner} and {Affected System Interconnection Customer}, dated _____, 20___.

On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}
{Interconnecting Transmission Owner Representative}

Attachment C to Appendix 9

Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement among Affected System Interconnection Customer and Interconnecting Transmission Owner.

Exhibit A1

Interconnecting Transmission Owner Site Map

Exhibit A2

Site Plan

Exhibit A3

Affected System Network Upgrade(s) Plan & Profile

Exhibit A4

Estimated Cost of Affected System Network Upgrade(s)

	Location	**Facilities to Be Constructed by Interconnecting Transmission Owner**	**Estimate in Dollars**
		Total:	

APPENDIX 10 TO LGIP

MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and among _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and_____, an entity organized under the laws of the State of _____ (Interconnecting Transmission Owner). Affected System Interconnection Customers and Interconnecting Transmission Owner each may be referred to as a "Party" or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host Interconnecting Transmission Owner}, dated _____, for which {name of host Interconnecting Transmission Owner} found impacts on New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host Interconnecting Transmission Owner}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

ARTICLE 2
TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Interconnecting Transmission Owner of the amount funded by Affected System Interconnection Customers for Interconnecting Transmission Owner's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in

accordance with the rules and procedures established by {name of host Interconnecting Transmission Owner} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Interconnecting Transmission Owner.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates Interconnecting Transmission Owner within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by Interconnecting Transmission Owner for any such damages, including costs and expenses incurred by Interconnecting Transmission Owner as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. Interconnecting Transmission Owner shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for Interconnecting Transmission Owner to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by Interconnecting Transmission Owner, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of New England Transmission

System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC 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 FERC's rules and regulations thereunder, and Affected System Interconnection Customers shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

ARTICLE 3
CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to Interconnecting Transmission Owner written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the

event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers shall be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customers to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and

construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify all other Parties. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to Interconnecting Transmission Owner should be reported as income subject to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customers shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance

with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customers shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customers with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which any Affected System

Interconnection Customer(s) has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or to which Interconnecting Transmission Owner may be entitled with respect to such payment. Each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet each Affected System Interconnection Customer's estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and such Affected System Interconnection Customer(s) shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which such Affected System Interconnection Customer(s) may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer(s) to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4
SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the

applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

4.2 Invoice. Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System

Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR Section 35.19a(a)(2)(iii).

ARTICLE 5
BREACH, CURE, AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

(a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of Interconnecting Transmission Owner. Interconnecting Transmission Owner may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. Interconnecting Transmission Owner must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.3.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6
TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination and Removal. Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its entirety, shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

(a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, each Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for its share of any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, Interconnecting Transmission Owner shall convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7
SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, 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 Parties for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Parties prior to the execution of this Agreement.

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

Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR Section 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct

requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

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

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

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential

Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR Section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 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.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9
INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable

notice to Interconnecting Transmission Owner, audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10
NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customers:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile, or email to the telephone numbers and email addresses set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customers:

10.4 Execution and Filing. Affected System Interconnection Customers shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11
MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information.

Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Affected System Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability

for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this

Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Attachment A to Appendix 10

Multiparty Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY, CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: Interconnecting Transmission Owner Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.
{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

* Affected System Interconnection Customers' proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 ___._%
Affected System Interconnection Customer 2 ___._%
Affected System Interconnection Customer N ___._%

Note: Affected System Interconnection Customers' payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 10

Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customers in substantially the form following:

{Date}

{Affected System Interconnection Customers Addresses}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among { Interconnecting Transmission Owner } and {Affected System Interconnection Customers}, dated _____, 20___.

On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{ Interconnecting Transmission Owner Representative}

Attachment C to Appendix 10

Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

Exhibit A1

Transmission Provider Site Map

Exhibit A2

Site Plan

Exhibit A3

Affected System Network Upgrade(s) Plan & Profile

Exhibit A4

Estimated Cost of Affected System Network Upgrade(s)

	Location	**Facilities to Be Constructed by Transmission Provider**	**Estimate in Dollars**
		Total:	

APPENDIX 11

LARGE GENERATOR INTERCONNECTION AGREEMENT

TABLE OF CONTENTS

Article 1	Definitions
Article 2	Effective Date, Term and Termination
Article 3	Regulatory Filings
Article 4	Scope of Service
Article 5	Interconnection Facilities Engineering, Procurement, and Construction
Article 6	Testing and Inspection
Article 7	Metering
Article 8	Communications
Article 9	Operations
Article 10	Maintenance
Article 11	Performance Obligation
Article 12	Invoice
Article 13	Emergencies
Article 14	Regulatory Requirements and Governing Law
Article 15	Notices
Article 16	Force Majeure
Article 17	Default
Article 18	Indemnity, Consequential Damages and Insurance
Article 19	Assignment
Article 20	Severability
Article 21	Comparability
Article 22	Confidentiality
Article 23	Environmental Releases
Article 24	Information Requirements
Article 25	Information Access and Audit Rights
Article 26	Subcontractors

Article 27 Disputes
Article 28 Representations, Warranties and Covenants
Article 29 Omitted
Article 30 Miscellaneous

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), 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."

RECITALS

WHEREAS, System Operator is the central dispatching agency provided for under the Transmission Operating Agreement ("TOA") which has responsibility for the operation of the New England Control Area from the System Operator control center and the administration of the Tariff; and

WHEREAS, Interconnecting Transmission Owner is the owner or possessor of an interest in the Administered Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and

WHEREAS, System Operator, Interconnection Customer and Interconnecting Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

ARTICLE 1. DEFINITIONS

The definitions contained in this Article 1 and those definitions embedded in an Article of this Agreement are intended to apply in the context of the generator interconnection process provided for in Schedule 22 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under Schedule 22. Capitalized terms in Schedule 22 that are not defined in this Article 1 shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this LGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection

Customer's proposed interconnection to a transmission system other than New England Transmission System.

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

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England's Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this LGIP that is made between System Operator and Affected System Interconnection Customer to conduct an External Affected System Study pursuant to Section 9 of this LGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.6 of this LGIP.

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Party.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if the Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3 of the Large Generator Interconnection Procedures ("LGIP").

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

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

Capacity Capability Interconnection Standard ("CC Interconnection Standard") shall mean the criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service 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 seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal

deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource ("CNR") shall mean 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") shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study ("CNR Group Study") shall mean 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") shall mean 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.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade ("CETU") shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section 2 of the Tariff. The CETU shall be considered part of a

Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study ("CRPS") shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study ("CFAC") shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study ("CSIS") shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this LGIP.

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

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 7.5, and 8.1 of this LGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position, Large Load Network Upgrades, or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's (or Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application's) costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request (or the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application) or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

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

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

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) or its successor organization.

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, 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 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 Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes the Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

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

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any

order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities and shall not include a SATOA as defined in Section I of the Tariff.

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

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

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

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

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest in, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Standard Large Generator Interconnection Agreement. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this LGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean the Interconnecting Transmission Owner's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the 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 shall mean 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 Cluster Study, Cluster Restudy or Cluster 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 8 of this LGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the LGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of the LGIP.

Interconnection Request (a) shall mean an Interconnection Customer's request, in the form of Appendix 1 to the LGIP, 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) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generating Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service. Interconnection Request shall not include 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 shall mean the service provided by 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 LGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: Cluster Interconnection System Impact Study, Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service System Impact Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment and the Optional Interconnection Study described in the LGIP.

Interconnection Study Agreement shall mean any of the following agreements: Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to the LGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Large Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more than 20 MW.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting that the LGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this LGIP.

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

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification shall mean (i) except as expressly provided in Section 4.4.1, those modifications to the Interconnection Request, including any of the technical data provided by the Interconnection Customer in Appendix 1, Attachment A (and Attachment A-1, if applicable) to the Interconnection Request or to the interconnection configuration, requested by the Interconnection Customer that either require significant additional study of the same Interconnection Request and could substantially change the interconnection design, or have a material impact (*i.e.*, an evaluation of the proposed modification cannot be completed in less than ten (10) Business Days) on the cost or timing of any Interconnection Studies or upgrades associated with an Interconnection Request with an equal or later Queue Position; (ii) a change to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond the Interconnection Customer's control.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 10 to this LGIP that is made among Interconnecting Transmission Owner and

multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this LGIP that is made among Interconnection Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Network Capability Interconnection Standard ("NC Interconnection Standard") shall mean the minimum criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service 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 seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource ("NR") shall mean 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") shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service ("NR Interconnection Service") shall mean 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 requested pursuant to Section 3.1 of the LGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

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

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection 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 from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and the Interconnection Customer. This agreement shall take the form of the Standard Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean 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 for Generating Facilities, Elective Transmission Upgrades, and requests for transmission.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large 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.

Regulatory Limitations shall mean a federal, state, Tribal, or local law that makes it practically infeasible to obtain Site Control within the time frame detailed in Section 3.4.2 of this LGIP.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and analyzing such information.

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that the Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that the Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that the Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that the Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that the Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. The System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide the Interconnection Customer a written technical explanation outlining why the System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Large Generator Interconnection Agreement ("LGIA") shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, that is included in this Schedule 22 to the Tariff.

Standard Large Generator Interconnection Procedures ("LGIP") shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in this Schedule 22 to the Tariff.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for a Generating Facility , such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

Study Case shall have the meaning specified in Section 7.3 of this LGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions and associated equipment that are required at the substation located at the Point of Interconnection.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection

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

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

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

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the LGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 **Effective Date**. This LGIA 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 Commission. System Operator and Interconnecting Transmission Owner shall promptly and jointly file this LGIA with the Commission upon execution in accordance with Section 11.3 of the LGIP and Article 3.1, if required.

2.2 **Term of Agreement.** This LGIA, subject to the provisions of Article 2.3, and by mutual agreement of the Parties, shall remain in effect for a period of _____ years from the Effective Date (*term to be specified in individual Agreement, but in no case should the term be less than ten*

(10) years from the Effective Date or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by the Interconnection Customer, subject to continuing obligations of this LGIA and the Tariff, after giving the System Operator and Interconnecting Transmission Owner ninety (90) Calendar Days advance written notice, or by System Operator or Interconnecting Transmission Owner notifying the Commission after a Generating Facility retires pursuant to the Tariff, provided that if an Interconnection Customer exercises its right to terminate on ninety (90) Calendar Days, any reconnection would be treated as a new interconnection request; or this LGIA may be terminated by Interconnecting Transmission Owner or System Operator by notifying the Commission after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Each Party may terminate this LGIA in accordance with Article 17. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing, if applicable, with the Commission of a notice of termination of this LGIA, which notice has been accepted for filing by the Commission. Termination of the LGIA shall not supersede or alter any requirements for deactivation or retirement of a generating unit under ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

2.4 Termination Costs. If a Party elects to terminate this LGIA pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party(ies), as of the date of such Party's(ies') receipt of such notice of termination, that are the responsibility of such Party(ies) under this LGIA. In the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by the Commission:

2.4.1 With respect to any portion of the Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades to the extent covered by this LGIA, that have not yet been constructed or installed, the Interconnecting Transmission Owner shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Interconnecting Transmission Owner shall deliver such material and equipment, and, if necessary, and to the extent possible, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Interconnecting Transmission Owner for any or all such costs of materials or equipment not taken by Interconnection Customer, either (i) in the case of overpayment, Interconnecting Transmission Owner shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by the Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts, or (ii) in the case of underpayment, Interconnection Customer shall promptly pay such amounts still due plus any costs, including penalties incurred by Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts.
If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which the Interconnecting Transmission Owner has incurred expenses and has not been reimbursed by the Interconnection Customer.

2.4.2 Interconnecting Transmission Owner may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, Interconnection Service shall terminate and, the Parties will take all appropriate steps to disconnect the Large Generating Facility 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 a non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party(ies) pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

3.1 Filing. The System Operator and Interconnecting Transmission Owner shall jointly file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required, in accordance with Section 11.3 of the LGIP. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with the System Operator and Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by the System Operator and/or the Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

ARTICLE 4. SCOPE OF SERVICE

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

Check: ___ NR for NR Interconnection Service (NR Capability Only)

___ CNR for CNR Interconnection Service (CNR Capability and NR Capability)

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

4.1.1.1 The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and the Interconnecting Transmission Owner and Internal Affected Parties must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which all other Capacity Network Resources are interconnected under the CC Interconnection Standard. CNR Interconnection Service allows the Interconnection Customer's Large Generating Facility to be designated as a Capacity Network Resource, 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.

4.1.2 Network Resource Interconnection Service (NR Interconnection Service).

4.1.2.1 The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and Interconnecting Transmission Owner and Internal Affected Parties must construct the Network Upgrades needed to

interconnect the Large 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 Large Generating Facility to participate in the New England Markets, in accordance with Market Rule 1, Section III of the Tariff, up to the gross and net NR Capability or as otherwise provided in Market Rule l, Section III of the Tariff. Notwithstanding the above, the portion of a Large 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, unless pursuant to a new Interconnection Request for CNR Interconnection Service.

4.2 **Provision of Service**. System Operator and Interconnecting Transmission Owner shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 **Performance Standards**. Each Party shall perform all of its obligations under this LGIA 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 LGIA for its compliance therewith. If such Party is the Interconnecting Transmission Owner, then that Party shall amend the LGIA and System Operator, in conjunction with the Interconnecting Transmission Owner, shall submit the amendment to the Commission for approval.

4.4 **No Transmission Delivery Service**. The execution of this LGIA 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.

4.5 Transmission Delivery Service Implications. CNR Interconnection Service and NR Interconnection Service allow the Interconnection Customer's Large 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 Large Generating Facility in the same manner as it accesses Capacity Network Resources and Network Resources. A Large 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 Large 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 Large 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 Interconnection Service and NR Interconnection Service do not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Large 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 Large 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 Large Generating Facility be designated as a Capacity Network Resource or as a Network Resource by a Network Service Customer under the Tariff or that the Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large 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 Large Generating Facility has not been deemed to be retired, any future transmission service request for delivery from the Large 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 Large Generating Facility be undertaken, regardless of whether or not such Large 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 Large Generating Facility. To the extent the Interconnection Customer enters into an arrangement for long-term transmission service for deliveries from the Large 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.

4.6 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.4. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall specify the In-Service Date, Initial Synchronization Date, and Commercial Operation Date

as specified in the Interconnection Request or as subsequently revised pursuant to Section 4.4 of the LGIP; and select either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B (Milestones). At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Interconnecting Transmission Owner, the Interconnection Customer shall notify Interconnecting Transmission Owner within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build. In accordance with Section 8 of the LGIP and unless otherwise mutually agreed, the Alternate Option is not an available option if the Interconnection Customer waived the Interconnection Facilities Study.

5.1.1 **Standard Option**. The Interconnecting Transmission Owner shall design, procure, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B (Milestones). The Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Interconnecting Transmission Owner reasonably expects that it will not be able to complete the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades by the specified dates, the Interconnecting Transmission Owner shall promptly provide written notice to the Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 **Alternate Option**. If the dates designated by Interconnection Customer are acceptable to Interconnecting Transmission Owner, the Interconnecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume

responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities by the designated dates.
If Interconnecting Transmission Owner subsequently fails to complete Interconnecting Transmission Owner's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B (Milestones); Interconnecting Transmission Owner shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable System Operator refuses to grant clearances to install equipment.

5.1.3 **Option to Build**. Individual or Multiple Interconnection Customer(s) shall have the option to assume responsibility for the design, procurement and construction of new Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2 if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to Interconnecting Transmission Owner an agreement regarding responsibilities and payment for the construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option. The System Operator, Interconnecting Transmission Owner, and the individual Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to the LGIA. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Interconnecting Transmission Owner, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), Interconnecting Transmission Owner shall assume responsibility for the design, procurement and construction of all facilities other than the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades,

(1) The Interconnection Customer shall commit in the LGIA to a schedule for the completion of, and provide the System Operator evidence of proceeding with: (a) engineering and design of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades, (b) procurement of necessary equipment and ordering of long lead time material, and (c) construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(2) The Interconnection Customer shall engineer, procure equipment, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Interconnecting Transmission Owner;

(3) Interconnection Customer's engineering, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network

Upgrades shall comply with all requirements of law to which Interconnecting Transmission Owner would be subject in the engineering, procurement or construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(4) Interconnecting Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(5) Prior to commencement of construction, Interconnection Customer shall provide to Interconnecting Transmission Owner any changes to the schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades reflected in Appendix B (Milestones), and shall promptly respond to requests for information from Interconnecting Transmission Owner;

(6) At any time during construction, Interconnecting Transmission Owner shall have the right to gain unrestricted access to the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(7) At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Interconnecting Transmission Owner, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(8) The Interconnection Customer shall indemnify the Interconnecting Transmission Owner for claims arising from the Interconnection Customer's construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 (Indemnity);

(9) The Interconnection Customer shall transfer control of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to the Interconnecting Transmission Owner prior to the In-Service Date;

(10) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner prior to the In-Service Date;

(11) Interconnecting Transmission Owner shall approve and accept for operation and maintenance the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2;

(12) Interconnection Customer shall deliver to Interconnecting Transmission Owner "as built" drawings, information, and any other documents that are reasonably required by Interconnecting Transmission Owner to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Interconnecting Transmission Owner; and

(13) Interconnection Customer shall pay Interconnecting Transmission Owner the agreed upon amount of [$ PLACEHOLDER] for Interconnecting Transmission Owner to execute responsibilities enumerated to Interconnecting Transmission Owner under this Article 5.2. Interconnecting Transmission Owner shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to the Interconnection Customer, in the event the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the Interconnecting Transmission Owner pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Interconnecting Transmission Owner to the

Interconnection Customer in the event that Interconnecting Transmission Owner does not complete any portion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, in the aggregate, for which Interconnecting Transmission Owner has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades for which the Interconnecting Transmission Owner has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Interconnecting Transmission Owner to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Interconnecting Transmission Owner's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless the Interconnection Customer would have been able to commence use of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Interconnecting Transmission Owner's delay; (2) the Interconnecting Transmission Owner's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with the Interconnecting Transmission Owner or any cause beyond Interconnecting Transmission Owner's reasonable control or reasonable ability to cure, including, but not limited to, actions by the System Operator that cause delays and/or delays in licensing, permitting or consents where the Interconnecting Transmission Owner has pursued such licenses, permits or consents in good faith; (3) the Interconnection Customer has assumed responsibility

for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 **Power System Stabilizers**. If a Power System Stabilizer is required to be installed on the Large Generating Facility for the purpose of maintaining system stability, the Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the System Operator and Interconnecting Transmission Owner, and consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The System Operator and Interconnecting Transmission Owner reserve the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the System Operator and Interconnecting Transmission Owner, or their designated representative. The requirements of this paragraph shall not apply to non-synchronous power production equipment.

5.5 **Equipment Procurement**. If responsibility for construction of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades is to be borne by the Interconnecting Transmission Owner, then the Interconnecting Transmission Owner shall commence design of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 The Interconnecting Transmission Owner has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 The Interconnecting Transmission Owner has received written authorization to proceed with design and procurement from the Interconnection Custo0mer by the date specified in Appendix B (Milestones); and

5.5.3 The Interconnection Customer has provided security to the Interconnecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B (Milestones).

5.6 **Construction Commencement**. The Interconnecting Transmission Owner shall commence construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades;

5.6.3 The Interconnecting Transmission Owner has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B (Milestones); and

5.6.4 The Interconnection Customer has provided security to Interconnecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B (Milestones).

5.7 **Work Progress**. The Interconnection Customer and the Interconnecting Transmission Owner shall keep each Party informed, by written quarterly progress reports, as to the progress of their respective design, procurement and construction efforts in order to meet the dates specified in Appendix B (Milestones). Any Party may also, at any other time, request a written progress report from the other Parties. If, at any time, the Interconnection Customer determines that the completion of the Interconnecting Transmission Owner's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer, upon the System Operator's approval that the change in the In-Service Date will not constitute a Material

Modification pursuant to Section 4.4 of the LGIP, will provide written notice to the Interconnecting Transmission Owner of such later date upon which the completion of the Interconnecting Transmission Owner's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the New England Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options.

5.9.1 Limited Operation. If any of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, System Operator and the Interconnecting Transmission Owner shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. System Operator and Interconnecting Transmission Owner shall permit Interconnection Customer to operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities, System Operator and the Interconnecting Transmission Owner may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for Provisional Interconnection Service at the discretion of System Operator and Interconnecting Transmission Owner based upon an evaluation that will consider the results of available studies. System Operator and Interconnecting

Transmission Owner shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Large Generating Facility or the New England Transmission System. System Operator and Interconnecting Transmission Owner shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of Electric Reliability Organization, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Large Generating Facility are in place prior to the commencement of Interconnection Service from the Large Generating Facility. Where available studies indicate that such Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Large Generating Facility are not currently in place, System Operator will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Large Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated each time the conditions assumed in the studies supporting the Provisional Interconnection Service change. Provisional Interconnection Service is an optional procedure and it will not alter the Interconnection Customer's Queue Position and associated cost and upgrade responsibilities. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ("ICIF"). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades).

5.10.1 Large Generating Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Interconnecting Transmission Owner at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date.

Interconnecting Transmission Owner shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Interconnecting Transmission Owner and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Interconnecting Transmission Owner's Review. Interconnecting Transmission Owner's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Interconnecting Transmission Owner, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Interconnecting Transmission Owner.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Interconnecting Transmission Owner "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facilities. The Interconnection Customer shall provide Interconnecting Transmission Owner specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Interconnecting Transmission Owner's Interconnection Facilities Construction. The Interconnecting Transmission Owner's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnecting Transmission Owner shall deliver to the Interconnection Customer the following "as-built" drawings, information and documents for the Interconnecting Transmission Owner's Interconnection Facilities. The appropriate drawings and relay diagrams shall be included in Appendix A of this LGIA.

The System Operator will obtain operational control of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities pursuant to the TOA.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at the incremental cost to another Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents if allowed under the applicable agency agreement, that are necessary to enable the Access Party solely to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Administered Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the New England Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of the Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Interconnecting Transmission Owner, the Interconnecting Transmission Owner shall at Interconnection Customer's expense use Reasonable Efforts, including use of its eminent domain authority, and to the extent consistent

with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property. Notwithstanding the foregoing, the Interconnecting Transmission Owner shall not be obligated to exercise eminent domain authority in a manner inconsistent with Applicable Laws and Regulations or when an Interconnection Customer is authorized under Applicable Laws and Regulations to exercise eminent domain on its own behalf.

5.14 Permits. System Operator, Interconnecting Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Interconnecting Transmission Owner shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Interconnecting Transmission Owner's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Interconnecting Transmission Owner to construct, and Interconnecting Transmission Owner shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Administered Transmission System, which are included in the Base Case of the Interconnection Facilities Study for the Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date. The Interconnection Customer shall reimburse the Interconnecting Transmission Owner for all costs incurred related to early construction to the extent such costs are not recovered from other Interconnection Customers included in the base case.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Interconnecting Transmission Owner and System Operator, to suspend all work by Interconnecting Transmission Owner associated with the construction and installation of Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades required under this LGIA at any time with the condition that the New England Transmission System shall be left in a safe and reliable

condition in accordance with Good Utility Practice and the System Operator's and Interconnecting Transmission Owner's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Interconnecting Transmission Owner (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the New England Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Interconnecting Transmission Owner cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Interconnecting Transmission Owner shall obtain Interconnection Customer's authorization to do so. Interconnecting Transmission Owner shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Interconnecting Transmission Owner required under this LGIA pursuant to this Article 5.16, and has not requested Interconnecting Transmission Owner to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Interconnecting Transmission Owner and System Operator, if no effective date is specified. A suspension under this Article 5.16 does not automatically permit an extension of the In-Service Date, the Initial Synchronization Date or the Commercial Operation Date. A request for extension of such dates is subject to Section 4.4.5 of the LGIP. Notwithstanding the extensions permitted under Section 4.4.5 of the LGIP, the three-year period shall in no way result in an extension of the In-Service Date, the Initial Synchronization Date or the Commercial Operation Date that exceeds seven (7) years from the date of the Interconnection Request; otherwise, this LGIA shall be deemed terminated.

5.17 Taxes.

5.17.1 Payments Not Taxable. The Parties intend that all payments or property transfers made by any Party for the installation of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as

contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the New England Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to the Interconnecting Transmission Owner for the Interconnecting Transmission Owner's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of the Interconnecting Transmission Owner's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Interconnecting Transmission Owner's request, Interconnection Customer shall provide Interconnecting Transmission Owner with a report from an independent engineer confirming its representation in clause (iii), above. Interconnecting Transmission Owner represents and covenants that the cost of the Interconnecting Transmission Owner's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Interconnecting Transmission Owner. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Interconnecting Transmission

Owner from the cost consequences of any current tax liability imposed against Interconnecting Transmission Owner as the result of payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner under this LGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Interconnecting Transmission Owner.

The Interconnecting Transmission Owner shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject to taxation or (ii) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation; provided, however, that Interconnecting Transmission Owner may require Interconnection Customer to provide security, in a form reasonably acceptable to Interconnecting Transmission Owner (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period, and the applicable statute of limitation, as it may be extended by the Interconnecting Transmission Owner upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Interconnecting Transmission Owner, in addition to

the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Interconnecting Transmission Owner ("Current Taxes") on the excess of (a) the gross income realized by Interconnecting Transmission Owner as a result of payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit the Interconnecting Transmission Owner to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).For this purpose, (i) Current Taxes shall be computed based on Interconnecting Transmission Owner composite federal and state tax rates at the time the payments or property transfers are received and Interconnecting Transmission Owner will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Interconnecting Transmission Owner's anticipated tax depreciation deductions as a result of such payments or property transfers by Interconnecting Transmission Owner current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades).

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Interconnecting Transmission Owner shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Interconnecting Transmission Owner under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Interconnecting Transmission Owner

and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Interconnecting Transmission Owner shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Interconnecting Transmission Owner shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which the relevant Interconnecting Transmission Owner's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenant contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Interconnecting Transmission Owner retains ownership of the Interconnection Facilities and Network Upgrades, the Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Interconnecting Transmission Owner, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Interconnecting Transmission Owner's receipt of payments or property constitutes income that is subject to taxation, Interconnecting Transmission Owner shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Interconnecting Transmission Owner may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Interconnecting Transmission Owner may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a

determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Interconnecting Transmission Owner shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Interconnecting Transmission Owner may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Interconnecting Transmission Owner, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Interconnecting Transmission Owner for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Interconnecting Transmission Owner which holds that any amount paid or the value of any property transferred by Interconnection Customer to Interconnecting Transmission Owner under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Interconnecting Transmission Owner in good faith that any amount paid or the value of any property transferred by Interconnection Customer to

Interconnecting Transmission Owner under the terms of this LGIA is not taxable to Interconnecting Transmission Owner, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Interconnecting Transmission Owner are not subject to federal income tax, or (d) if Interconnecting Transmission Owner receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Interconnecting Transmission Owner pursuant to this LGIA, Interconnecting Transmission Owner shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Interconnecting Transmission Owner for such taxes which Interconnecting Transmission Owner did not submit to the taxing authority, interest calculated in accordance with the methodology set forth in the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Interconnecting Transmission Owner refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Interconnecting Transmission Owner, any refund or credit Interconnecting Transmission Owner receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to the Interconnecting Transmission Owner for such overpayment of taxes (including any reduction in interest otherwise payable by Interconnecting Transmission Owner to any Governmental Authority resulting from an offset or credit); provided, however, that Interconnecting Transmission Owner will remit such amount promptly to Interconnection Customer only after and to the extent that Interconnecting Transmission Owner has received a tax refund, credit or

offset from any Governmental Authority for any applicable overpayment of income tax related to the Interconnecting Transmission Owner's Interconnection Facilities.

The intent of this provision is to leave Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this LGIA. Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner.

5.18 Tax Status. Each Party shall cooperate with the others to maintain the other Party's(ies') tax status. Nothing in this LGIA is intended to adversely affect any Interconnecting Transmission Owner's tax-exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Interconnection Customer or Interconnecting Transmission Owner may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, the facilities of any Affected Parties or Internal Affected Parties, or the New England Transmission System, that Party shall provide to the other Parties and any Affected Party or Internal Affected Parties: (i) sufficient information regarding such modification so that the other Party(ies) may evaluate the potential impact of such modification prior to commencement of the work; and (ii) such information as may be required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party(ies) at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed. Notwithstanding the foregoing, no Party shall be obligated to proceed with a modification that would constitute a Material Modification and therefore require an Interconnection Request under the LGIP, except as provided under and pursuant to the LGIP.

In the case of Large Generating Facility or Interconnection Customer's Interconnection Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Interconnecting Transmission Owner shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Interconnecting Transmission Owner makes to the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System to facilitate the interconnection of a third party to the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System, or to provide transmission service to a third party under the Tariff, except as provided for under the Tariff or any other applicable tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, the Interconnecting Transmission Owner shall test Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Interconnection Customer and Interconnecting Transmission Owner shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with ISO New England Operating

Documents, Applicable Reliability Standards, or successor documents, as may be necessary to ensure the continued interconnection of the Large Generating Facility to the Administered Transmission System in a safe and reliable manner. The Interconnection Customer and Interconnecting Transmission Owner each shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's(ies') facilities, at the requesting Party's expense, as may be in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The System Operator shall also have the right to require reasonable additional testing of the other Party's (ies') facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

6.3 Right to Observe Testing. Each Party shall notify the System Operator and other Party(ies) in advance of its performance of tests of its Interconnection Facilities. The other Party(ies) has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's(ies') tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's(ies') System Protection Facilities and other protective equipment; and (iii) review the other Party's(ies') maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. Each Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Parties. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be governed by Article 22.

ARTICLE 7. METERING

7.1 General. Each Party shall comply with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding metering. Interconnection Customer

shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment. Unless the System Operator otherwise agrees, the Interconnection Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under this Tariff and to communicate the information to the System Operator. Unless otherwise agreed, such equipment shall remain the property of the Interconnecting Transmission Owner.

7.2 Check Meters. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Interconnecting Transmission Owner's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Interconnecting Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards. Interconnecting Transmission Owner shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards and the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

7.4 Testing of Metering Equipment. Interconnecting Transmission Owner shall inspect and test all Interconnecting Transmission Owner-owned Metering Equipment upon installation and thereafter as specified in the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnecting Transmission Owner shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than the values specified within ISO New England Operating Documents, or successor documents, from the measurement made by the standard meter used in the test, the Interconnecting Transmission Owner shall adjust

the measurements, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

7.5 Metering Data. At Interconnection Customer's expense, metered data shall be telemetered to one or more locations designated by System Operator and Interconnecting Transmission Owner. The hourly integrated metering, established in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, used to transmit Megawatt hour ("MWh") per hour data by electronic means and the Watt-hour meters equipped with kilowatt-hour ("kwh") or MWh registers to be read at month's end shall be the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection. Instantaneous metering is required for all Generators in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 8. COMMUNICATIONS

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with the System Operator and Interconnecting Transmission Owner in accordance with applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer or Interconnecting Transmission Owner at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by System Operator and Interconnecting Transmission Owner through use of a dedicated point-to-point data circuit(s). The communication protocol for the data circuit(s) shall be specified by System Operator and Interconnecting Transmission Owner. All information required by the ISO New England Operating Documents, or successor documents, must be telemetered directly to the location(s) specified by System Operator and Interconnecting Transmission Owner.

Each Party will promptly advise the other Party(ies) if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the

attention and/or correction by the other Party(ies). The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 9. OPERATIONS

9.1 General. Each Party shall comply with applicable provisions of ISO New England Operating Documents, Reliability Standards, or successor documents, regarding operations. Each Party shall provide to the other Party(ies) all information that may reasonably be required by the other Party(ies) to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. Before Initial Synchronization Date, the Interconnection Customer shall notify the System Operator and Interconnecting Transmission Owner in writing in accordance with ISO New England Operating Documents, Reliability Standards, or successor documents. If the Interconnection Customer elects to have the Large Generating Facility dispatched and operated from a remote Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs and ISO New England Operating Documents, Reliability Standards, or successor documents, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area for dispatch and operations.

9.3 Interconnecting Transmission Owner and System Operator Obligations. Interconnecting Transmission Owner and System Operator shall cause the Interconnecting Transmission Owner's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA and ISO New England Operating Documents, Reliability Standards, or successor documents. Interconnecting Transmission Owner or System Operator

may provide operating instructions to Interconnection Customer consistent with this LGIA, ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Interconnecting Transmission Owner's and System Operator's operating protocols and procedures as they may change from time to time. Interconnecting Transmission Owner and System Operator will consider changes to their operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA and ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.5 Start-Up and Synchronization. The Interconnection Customer is responsible for the proper start-up and synchronization of the Large Generating Facility to the New England Transmission System in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility and all generating units comprising the Large Generating Facility, as applicable, to maintain a composite power delivery at continuous rated power output at the Point of Interconnection with dynamic reactive capability over the power factor 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 synchronous (and non-wind non-synchronous generators as specified in Appendix G, Section A.ii.4 to the LGIA) generators in the Control Area on a comparable basis and in accordance with ISO

New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6.1.2 Non-Synchronous Generation. The power factor design criteria requirements applicable to non-synchronous Generating Facilities shall be as specified in in Appendix G to the LGIA. The Low Voltage Ride-Through Capability requirements applicable to wind and inverter-based Generating Facilities shall be as specified in Appendix G to the LGIA.

9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized the Large Generating Facility to the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility at the direction of System Operator and Interconnecting Transmission Owner in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding voltage schedules in accordance with such requirements.

9.6.2.1 Voltage Regulators. The Interconnection Customer must keep and maintain a voltage regulator on all generating units comprising a Large Generating Facility in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. All Interconnection Customers that have, or are required to have, automatic voltage regulation shall normally operate the Large Generating Facility with its voltage regulators in automatic operation.

It is the responsibility of the Interconnection Customer to maintain the voltage regulator in good operating condition and promptly report to the System Operator and Interconnecting Transmission Owner any problems that could cause interference with its proper operation.

9.6.2.2 System Protection. The Interconnection Customer shall install and maintain protection systems in accordance with applicable provisions of the ISO New

England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6.3 Payment for Reactive Power.

Interconnection Customers shall be compensated for Reactive Power service in accordance with Schedule 2 of the Section II of the Tariff.

9.6.4 Primary Frequency Response.

Interconnection Customer with an Interconnection System Impact Study or Cluster Study that commenced on or after May 15, 2018 shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations)

linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify System Operator and Interconnecting Transmission Owner that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Articles 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Large Generating Facility is operated in parallel with the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with System Operator and Interconnecting Transmission Owner, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to System Operator and Interconnecting Transmission Owner upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify System Operator and Interconnecting Transmission Owner, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable.

Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the New England Transmission System.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 9.6.4, but shall be otherwise exempt from the operating requirements in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 Electric Storage Resources. Interconnection Customer interconnecting a Large Generating Facility that contains an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by System Operator, Interconnecting Transmission Owner and Interconnection Customer. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the New England Transmission System and/or receive electricity from the New England Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the New England Transmission System and/or dispatched to receive electricity from the New England Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop

and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 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.

9.7.1.2 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.

9.7.2 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.

9.7.3 Ride Through Capability and Performance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with System Operator and Interconnecting Transmission Owner in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnection Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by Electric Reliability Organization to ensure voltage "ride through" capability of the Transmission System. The term "ride through" as used herein shall mean the ability of a Large Generating Facility to stay connected to and synchronized with the New England Transmission System during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other Generating Facilities in the New England Control Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnecting Transmission Owner shall install at Interconnection Customer's expense, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, any System Protection Facilities that may be required on the Interconnecting Transmission Owner Interconnection Facilities or the New England Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.4.4 Each Party's protective relay design shall allow for tests required in Article 6.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.5 Requirements for Protection. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and compliance

with Good Utility Practice , Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the New England Transmission System not otherwise isolated by Interconnecting Transmission Owner's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the New England Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the New England Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the New England Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. A Party's facilities shall not cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party(ies) with a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection

Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Administered Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Interconnecting Transmission Owner's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Interconnecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed-upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Interconnecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed-upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to the Commission for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the New England Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 10. MAINTENANCE

10.1 Interconnecting Transmission Owner and Customer Obligations. Interconnecting Transmission Owner and Interconnection Customer shall each maintain that portion of its

respective facilities that are part of the New England Transmission System and the Interconnecting Transmission Owner's Interconnection Facilities in a safe and reliable manner and in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

10.2 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Interconnecting Transmission Owner's Interconnection Facilities.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Interconnection Customer's Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) at its sole expense.

11.2 Interconnecting Transmission Owner's Interconnection Facilities. Interconnecting Transmission Owner shall design, procure, construct, install, own and/or control the Interconnecting Transmission Owner's Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Interconnecting Transmission Owner shall design, procure, construct, install, and own the Network Upgrades, and to the extent provided by Article 5.1, Stand Alone Network Upgrades, and Distribution Upgrades described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades). The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless the

Interconnecting Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by the Interconnection Customer.

11.4 Cost Allocation; Compensation; Rights; Affected Systems and Internal Affected Systems.

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

11.4.2 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.

11.4.3 Rights. Notwithstanding any other provision of this LGIA, 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.

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

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of an Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Interconnecting Transmission Owner a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner in accordance with Section 7 of Schedule 11 of the Tariff. Such security for payment, as specified in Appendix B of this LGIA, shall be in an amount sufficient to cover the costs for

constructing, procuring and installing the applicable portion of Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes. Interconnecting Transmission Owner must use the LGIA Deposit required in Section 11.3 of the LGIP before requiring Interconnection Customer to submit security in addition to that LGIA Deposit. Interconnecting Transmission Owner must specify, in Appendix B of this LGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security. In addition:

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

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If System Operator or Interconnecting Transmission Owner requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.4.1 of this LGIA, Interconnection Customer shall be compensated pursuant to the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Interconnection Customer shall be compensated for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the New England Transmission System during an Emergency Condition in

accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 12. INVOICE

12.1 General. Each Party shall submit to the other Party(ies), on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party(ies) under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice. Interconnection Customer shall pay to Interconnecting Transmission Owner any amount by which the actual payment by Interconnection Customer for estimated costs falls short of the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by

any Party will not constitute a waiver of any rights or claims the other Party(ies) may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Interconnecting Transmission Owner and Interconnection Customer, Interconnecting Transmission Owner shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Interconnecting Transmission Owner may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in the Commission's Regulations at 18 CFR § 35.19a(a)(2)(iii).

ARTICLE 13. EMERGENCIES

13.1 Obligations. Each Party shall comply with the Emergency Condition procedures of the System Operator in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

13.2 Notice. Interconnecting Transmission Owner or System Operator as applicable shall notify Interconnection Customer and System Operator or Interconnecting Transmission Owner as applicable, promptly when it becomes aware of an Emergency Condition that affects the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Interconnecting Transmission Owner and System Operator promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the New England Transmission System or the Interconnecting Transmission Owner's Interconnection Facilities. 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 Interconnection Customer's or Interconnecting Transmission Owner's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.3 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Interconnecting Transmission Owner and System Operator, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by the Interconnecting Transmission Owner or the System Operator or otherwise regarding the New England Transmission System.

13.4 System Operator's and Interconnecting Transmission Owner's Authority.

13.4.1 General. System Operator or Interconnecting Transmission Owner may take whatever actions or inactions with regard to the New England Transmission System or the Interconnecting Transmission Owner's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the New England Transmission System or Interconnecting Transmission Owner's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. System Operator and Interconnecting Transmission Owner may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.4.2; directing the Interconnection

Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of System Operator's and Interconnecting Transmission Owner's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection. System Operator and Interconnecting Transmission Owner may reduce Interconnection Service or disconnect the Large Generating Facility or the Interconnection Customer's Interconnection Facilities when such reduction or disconnection is necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. These rights are separate and distinct from any right of curtailment of the System Operator and Interconnecting Transmission Owner pursuant to the Tariff. When the System Operator and Interconnecting Transmission Owner can schedule the reduction or disconnection in advance, System Operator and Interconnecting Transmission Owner shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. System Operator and Interconnecting Transmission Owner shall coordinate with the Interconnection Customer in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and the System Operator and Interconnecting Transmission Owner. Any reduction or disconnection shall continue only for so long as reasonably necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the New England Transmission System to their normal operating state as soon as practicable in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

13.5 Interconnection Customer Authority. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents and the LGIA and the LGIP, the Interconnection Customer may take whatever actions or inactions with regard to the Large Generating Facility or the Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the New England Transmission System and the Interconnecting Transmission Owner's Interconnection Facilities. System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.6 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, a Party shall not be liable to another Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended. To the extent that a condition arises that could result in Interconnection Customer's inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, the Parties shall engage in good faith negotiations to address the condition so that such result will not occur and so that this LGIA can be performed.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

ARTICLE 15. NOTICES

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by a Party to another Party and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F (Addresses for Delivery of Notices and Billings).

A Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to another Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party(ies) in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 A Party shall not be considered to be in Default with respect to any obligation hereunder (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party(ies) in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 Default.

17.1.1 General. No Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act or omission of the other Party(ies). Upon a Breach, the non-Breaching Party shall give written notice of such Breach to the breaching Party. Except as provided

in Article 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the non-Breaching Party(ies) shall have the right to terminate this LGIA 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 LGIA, to recover from the Breaching Party all amounts due hereunder, plus all other damages and remedies to which they are entitled at law or in equity. The provisions of this Article will survive termination of this LGIA.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

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 Interconnecting 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.

18.1 Indemnity. Each Party shall at all times indemnify, defend, and save the other Party(ies) 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 inactions of their obligations under this LGIA on behalf of

the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by an indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, 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.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, 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.

18.1.3 Indemnity Procedures. 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 Article 18.1 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.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one

additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in which event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

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

18.3 Insurance. The Interconnecting Transmission Owner and the Interconnection Customer shall, at their own expense, maintain in force throughout the period of this LGIA, and until released by the other Party(ies), the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death, and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party(ies), its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that

specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9 Within ten (10) Business Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program, provided that such Party's senior secured debt is rated at investment grade, or better, by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the

other Party(ies) that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

ARTICLE 19. ASSIGNMENT

19.1 **Assignment.** This LGIA may be assigned by any Party only with the written consent of the other Parties; provided that the Parties may assign this LGIA 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 LGIA; and provided further that the Interconnection Customer shall have the right to assign this LGIA, without the consent of the Interconnecting Transmission Owner or System Operator, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Interconnection Customer will promptly notify the Interconnecting Transmission Owner and System Operator of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the Interconnecting Transmission Owner and System Operator of the date and particulars of any such exercise of assignment right(s), including providing the Interconnecting Transmission Owner with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Interconnecting Transmission Owner) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality. 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, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by a Party to another prior to the execution of this LGIA.

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

If requested by a Party, the other Party(ies) shall provide, in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting

Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party(ies) that it no longer is confidential.

22.1.3 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or are considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential

Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

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

22.1.5 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party(ies) under this LGIA or its regulatory requirements.

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

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party(ies), use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party(ies)) or return to the other Party(ies), without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party(ies).

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Parties shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR ~~ection~~Section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR ~~ection~~Section 388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other

Party(ies) to this LGIA prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the LGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR ~~ection~~Section 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.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party(ies) to any person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Parties' Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. ENVIRONMENTAL RELEASES

23.1 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 Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party(ies). The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party(ies) copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENTS

24.1 Information Acquisition. Subject to any applicable confidentiality restrictions, including, but not limited to, codes of conduct, each Party shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by System Operator and Interconnecting Transmission Owner. The initial information submission by System Operator and Interconnecting Transmission Owner shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date and shall include information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise mutually agreed to by the Parties. On a monthly basis Interconnecting Transmission Owner shall provide Interconnection Customer a status report on the construction and installation of Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional

information provided to Interconnecting Transmission Owner and System Operator for the Cluster Study, Transitional Cluster Study, and Interconnection Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Interconnecting Transmission Owner and System Operator standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is different from what was originally provided to Interconnecting Transmission Owner pursuant to the Interconnection Study Agreement between Interconnecting Transmission Owner and Interconnection Customer, then the System Operator will review it and conduct appropriate studies, as needed, at the Interconnection Customer's cost, to determine the impact on the New England Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information and "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility

terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to the Interconnecting Transmission Owner for each individual generating unit in a station.

The Interconnection Customer shall provide the Interconnecting Transmission Owner and System Operator with any information changes due to proposed equipment replacement, repair, or adjustment. Interconnecting Transmission Owner shall provide the Interconnection Customer and System Operator with any information changes due to proposed equipment replacement, repair or adjustment in the directly connected substation or any adjacent Interconnecting Transmission Owner-owned substation that may affect the Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information in accordance with Article 5.19 of this Agreement.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Parties information that is in the possession of the disclosing Party and is necessary in order for the other Party(ies) to: (i) verify the costs incurred by the disclosing Party for which the other Party(ies) are responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party(ies) when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory Breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party(ies), to audit at its own expense the other Party's(ies') accounts and records pertaining to a Party's performance or a Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's(ies') costs, calculation of invoiced amounts, the efforts to allocate responsibility for the provision of reactive support to the New England Transmission System, the efforts to allocate responsibility for interruption or reduction of generation on the New England Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to a Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four (24) months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party(ies) together with those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. 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 Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

27.1 Submission. In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party(ies) with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In the event the designated representatives are unable to resolve the claim or dispute

through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's(ies') receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) a pro rata share of the cost of a single arbitrator chosen by the Parties.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

ARTICLE 29. [OMITTED]

ARTICLE 30. MISCELLANEOUS

30.1 Binding Effect. This LGIA and the rights and obligations hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix of this LGIA, or such Section of the LGIP or such Appendix of the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7)

"including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including."

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

30.5 No Third Party Beneficiaries. This LGIA 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.

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

Any waiver at any time by a Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this LGIA. Termination or Default of this LGIA for any reason by the 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 LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

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

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Consistent with Section 11.3 of the LGIP, Interconnecting Transmission Owner and System Operator shall have the right to make unilateral filings with the Commission to modify this LGIA 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 Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and the Commission's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Parties and to participate fully in any proceeding before the Commission in which such modifications may be considered. In the event of disagreement on terms and conditions of the LGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on Interconnecting Transmission Owner's transmission facilities or other assets, then the standard applicable under Section 205 of the Federal Power Act shall apply only to Interconnecting Transmission Owner's position on such terms and conditions.

Nothing in this LGIA 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 thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA 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.

IN WITNESS WHEREOF, the Parties have executed this LGIA in triplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

ISO New England Inc. (System Operator)
By:
Title:
Date:

[*Insert Name of*] (Interconnecting Transmission Owner)
By:
Title:
Date:

[*Insert name of*] (Interconnection Customer)
By:
Title:
Date:

APPENDICES TO LGIA

Appendix A	Interconnection Facilities, Network Upgrades and Distribution Upgrades
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings
Appendix G	Interconnection Requirements for a Wind Generating Plant

APPENDIX A TO LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

a. **Point of Interconnection and Point of Change of Ownership**. The Point of Interconnection shall be at the point where [*insert description of location*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

The Point of Change of Ownership shall be at the point where *[insert description of location]*. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

If not located at the Point of Interconnection, the metering point(s) shall be located at: [*insert location*].

b. **Interconnection Customer's Interconnection Facilities (including metering equipment)**. The Interconnection Customer shall construct [*insert Interconnection Customer's Interconnection Facilities*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

c. **Interconnecting Transmission Owner's Interconnection Facilities (including metering equipment)**. The Interconnecting Transmission Owner shall construct [*insert Interconnecting Transmission Owner's Interconnection Facilities, including any Cluster Enabling Transmission Upgrades*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

2. Network Upgrades:

a. **Stand Alone Network Upgrades**. [*insert Stand Alone Network Upgrades*].

b. **Substation Network Upgrades**. [*insert Substation Network Upgrades*].

c. **System Network Upgrades [*insert System Network Upgrades,* *including any Cluster Enabling Transmission Upgrades]*.

3. **Distribution Upgrades**. [*insert Distribution Upgrades*]

4. **Affected System and/or or Internal Affected System Upgrades**. [*insert Affected System Upgrades*]

5. **Contingent Facilities**: [*insert list of Contingent Facilities*]

6. **Post-Forward Capacity Auction Re-study Upgrade Obligations**. [*insert any change in upgrade obligations that result from re-study conducted post receiving a Capacity Supply Obligation through a Forward Capacity Auction.*]

APPENDIX B TO LGIA

Milestones

1. **Selected Option Pursuant to Article 5.1:** Interconnection Customer selects the [*insert*]. Options as described in Articles 5.1.[*insert*], 5.1.[*insert*], and 5.1.[*insert*] shall not apply to this LGIA.

2. **Milestones and Other Requirements for all Large Generating Facilities:** The description and entries listed in the following table establish the required Milestones in accordance with the provisions of the LGIP and this LGIA. The referenced section of the LGIP or article of the LGIA should be reviewed by each Party to understand the requirements of each milestone.

Item No.	Milestone Description	Responsible Party	Date	LGIP/LGIA Reference
1	Provide evidence of 100% Site Control to System Operator	Interconnection Customer	Upon Execution of the LGIA	§ 11.3.1.1 of LGIP
2	Provide evidence of one or more milestones specified in § 11.3 of LGIP	Interconnection Customer	Upon Execution of the LGIA	§ 11.3.1.2 of LGIP
3	Commit to a schedule for payment of upgrades	Interconnection Customer	Within 15 BD of final LGIA receipt	§ 11.3.1.2 of LGIP
4	LGIA Deposit	Interconnection Customer	Simultaneously with LGIA Execution, or within ten (10) Business Days after the Interconnection Customer request	§ 11.3.1.1 of LGIP

			that the LGIA be filed unexecuted	
5	Provide certificate of insurance	Interconnection Customer and Interconnecting Transmission Owner	Within 10 Calendar Days of execution of LGIA	§ 18.3.9 of LGIA
6	Provide siting approval for Generating Facility and Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	As may be agreed to by the Parties	§ 7.5 of LGIP
7A	Receive Governmental Authority approval for any facilities requiring regulatory approval	Interconnection Customer and/or Interconnecting Transmission Owner	If needed, as may be agreed to by the Parties	§ 5.6.1 of LGIA
7B	Obtain necessary real property rights and rights-of-way for the construction of a discrete aspect of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades	Interconnection Customer and/or Interconnecting Transmission Owner	If needed, as may be agreed to by the Parties	§ 5.6.2 of LGIA
7C	Provide to Interconnecting Transmission Owner written authorization to	Interconnection Customer	As may be agreed to by the Parties	§ 5.5.2 and § 5.6.3 of LGIA

	proceed with design, equipment procurement and construction			
7D	Provide System Operator evidence of proceeding with design, equipment procurement, and construction	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA
7E	Provide quarterly written progress reports	Interconnection Customer and Interconnecting Transmission Owner	15 Calendar Days after the end of each quarter beginning the quarter that includes the date for Milestone 7C and ending when the entire Large Generating Facility and all required Interconnection Facilities and Network Upgrades are in place	§ 5.7 of LGIA
8	Provision of Security to Interconnecting Transmission Owner pursuant to Section 11.5 of LGIA	Interconnection Customer	At least 30 Calendar Days prior to design, procurement and construction	§§ 5.5.3 and 5.6.4 of LGIA
9	Provision of Security Associated with Tax	Interconnection Customer	As may be agreed to by the Parties	§ 5.17.3 of LGIA

	Liability to Interconnecting Transmission Owner pursuant to Section 5.17.3 of LGIA			
10A	Commit to the ordering of long lead time material for Interconnection Facilities and Network Upgrades	Interconnection Customer	As may be agreed to by the Parties	§ 7.5 of LGIP
10B	Commit to ordering of long lead time material for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA
11A	Provide initial design, engineering and specification for Interconnection Customer's Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	180 Calendar Days prior to Initial Synchronization Date	§ 5.10.1 of LGIA § 7.5 of LGIP

11B	Provide comments on initial design, engineering and specification for Interconnection Customer's Interconnection Facilities	Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	§ 5.10.1 of LGIA § 7.5 of LGIP
11C	Provide to Interconnecting Transmission Owner initial design, engineering and specification for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 LGIA
11D	Provide to Interconnection Customer comments on initial design, engineering and specification for Interconnecting Transmission Owner's Interconnection	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LGIA

	Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
12A	Provide final design, engineering and specification for Interconnection Customer's Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	90 Calendar Days prior to Initial Synchronization Date	§ 5.10.1 of LGIA § 7.5 of LGIP
12B	Provide comments on final design, engineering and specification for Interconnection Customer's Interconnection Facilities	Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	§ 5.10.1 of LGIA § 7.5 of LGIP
12C	Provide to Interconnecting Transmission Owner final design, engineering and specification for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA

	Upgrades to be constructed by the Interconnection Customer			
12D	Provide to Interconnection Customer comments on final design, engineering and specification of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LGIA
13A	Deliver to Interconnecting Transmission Owner "as built" drawings, information and documents regarding Interconnection Customer's Interconnection Facilities	Interconnection Customer	Within 120 Calendar Days of Commercial Operation date	§ 5.10.3 of LGIA
13B	Deliver to Interconnecting Transmission Owner "as built" drawings,	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA

	information and documents regarding Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
14	Provide protective relay settings to Interconnecting Transmission Owner for coordination and verification	Interconnection Customer	At least 90 Calendar Days prior to Initial Synchronization Date	§§ 5.10.1 of LGIA
15A	Commencement of construction of Interconnection Facilities	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.6 of LGIA
15B	Commencement of construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LGIA

16	Submit updated data "as purchased"	Interconnection Customer	No later than 180 Calendar Days prior to Initial Synchronization Date	§ 24.3 of LGIA
17	In Service Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	§ 3.4.2 and 4.4.5 of LGIP, § 5.1 of LGIA
18	Initial Synchronization Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	§ 3.4.2, 4.4.4, 4.4.5, and 7.5 of LGIP
19	Submit supplemental and/or updated data – "as built/as-tested"	Interconnection Customer	Prior to Commercial Operation Date	§ 24.4 of LGIA
20	Commercial Operation Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	§ 3.4.2, 4.4.4, 4.4.5, and 7.5 of LGIP
21A	Deliver to Interconnection Customer "as built" drawings, information and documents regarding Interconnecting Transmission Owner's Interconnection Facilities	Interconnecting Transmission Owner	If requested, within 120 Calendar Days after Commercial Operation Date	§ 5.11 of LGIA

21B	Approve and accept for operation and maintenance the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LGIA
22	Provide Interconnection Customer final cost invoices	Interconnecting Transmission Owner	Within 6 months of completion of construction of Interconnecting Transmission Owner Interconnection Facilities and Network Upgrades	§ 12.2 of LGIA
23	Transfer control of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner to be constructed by the	Interconnection Customer	Prior to In-Service Date	§ 5.2 of LGIA

	Interconnection Customer			
24	Transfer ownership of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner to be constructed by the Interconnection Customer	Interconnection Customer	Prior to In-Service Date	§ 5.2 of LGIA
25	Interconnection Customer with qualifying Regulatory Limitations must demonstrate 100% Site Control by or the LGIA may be terminated per Article 17 (Default) of this LGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of the System Operator's LGIP (Calculation of the Withdrawal Penalty).	Interconnection Customer	180 days from the effective date of this LGIA	

3. **Milestones Applicable Solely for CNR Interconnection Service.** In addition to the Milestones above, for projects that achieve a Capacity Supply Obligation prior to September 4, 2025, the following Milestones apply to Interconnection Customers requesting CNR Interconnection Service:

Item No.	Milestone Description	Responsible Party	Date	LGIP/LGIA 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		§ 3.2.1.3 of LGIP
2	Participate in a CNR Group Study	Interconnection Customer		§ 3.2.1.3 of LGIP
3	Qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff	Interconnection Customer		§ 3.2.1.3 of LGIP
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 or Reconfiguration Auction or bilateral transaction through which the Interconnection Customer received a Capacity Supply Obligation	System Operator		§ 3.2.1.3 of LGIP

APPENDIX C TO LGIA

Interconnection Details

1. Description of Interconnection:

Interconnection Customer shall install a [*insert*] MW Large Generating Facility, rated at [*insert*] MW gross and [*insert*] MW net, with all studies performed at or below these outputs. The Large Generating Facility is comprised of [*insert*] units in a [*insert description of facility type - combined cycle, wind farm, etc*.] rated at: [*insert*] MW each, and will located at [*insert location*].

The Large Generating Facility shall receive:

Network Resource Interconnection Service for the NR Capability at a level not to exceed [*insert gross and net*] MW for Summer, and [*insert gross and net*] MW for Winter.

Capacity Network Resource Interconnection Service for: (i) the NR Capability at a level not to exceed [*insert gross and net at or above 50 degrees F*] MW for Summer and [*insert gross and net at or above 0 degrees F*] MW for Winter; and (ii) the CNR Capability at [*insert net*] MW for Summer and [*insert net*] MW for Winter, which shall not exceed [*insert the maximum net MW 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*].

2. Detailed Description of Generating Facility and Generator Step-Up Transformer, if applicable:

Generator Data	
Number of Generators	
Manufacturer	
Model	
Designation of Generator(s)	
Excitation System Manufacturer	

Excitation System Model	
Voltage Regulator Manufacturer	
Voltage Regulator Model	
Generator Ratings	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 90 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 50 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 20 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above zero Degrees F	
Station Service Load For Each Unit	
Overexcited Reactive Power at Rated MVA and Rated Power Factor	
Underexcited Reactive Power at Rated MVA and Rated Power Factor	
Maximum Charging Load (MW) at Point of Interconnection	
Will BESS be charged from the Administered Transmission System? (Yes/No)	
Primary Frequency Response Operating Range	
Minimum State of Charge	
Maximum State of Charge	
Generator Short Circuit and Stability Data	
Generator MVA rating	
Generator AC Resistance	
Subtransient Reactance (saturated)	
Subtransient Reactance (unsaturated)	

Transient Reactance (saturated)	
Negative sequence reactance	
Transformer Data	
Number of units	
Self Cooled Rating	
Maximum Rating	
Winding Connection (LV/LV/HV)	
Fixed Taps	
Z1 primary to secondary at self cooled rating	
Z1 primary to tertiary at self cooled rating	
Z1 secondary to tertiary at self cooled rating	
Positive Sequence X/R ratio primary to secondary	
Z0 primary to secondary at self cooled rating	
Z0 primary to tertiary at self cooled rating	
Z0 secondary to tertiary at self cooled rating	
Zero Sequence X/R ratio primary to tertiary	

3. Other Description of Interconnection Plan and Facilities:

[*Insert any other description relating to the Generating Facility, including, but not limited to switchyard, protection equipment, step-up transformer to the extent not described in Appendix A*.]

APPENDIX D TO LGIA

Security Arrangements Details

Infrastructure security of the New England Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day New England Transmission System reliability and operational security. The Commission will expect 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 Critical Infrastructure Protection Committee and, eventually, best practice recommendations from Electric Reliability Organization. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

APPENDIX E TO LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between System Operator Interconnecting, Transmission Owner and Interconnection Customer.

[*Date*]

[*Interconnecting Transmission Owner; Address*]
[to be supplied]

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

Re: _____ Large 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 Large Generating Facility, effective as of [Date plus one day].

Thank you.

[*Signature*]
[*Interconnection Customer Representative*]

APPENDIX F TO LGIA

Addresses for Delivery of Notices and Billings Notices:

System Operator:

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

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

Interconnecting Transmission Owner:

[To be supplied.]

Interconnection Customer:

[*To be supplied*.]

Billings and Payments:

System Operator:

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

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

Interconnecting Transmission Owner:

[*To be supplied*.]

Interconnection Customer:

[*To be supplied*.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

System Operator:

Facsimile: (413) 540-4203
E-mail: geninterconn@iso-ne.com

With copy to:
Facsimile: (413) 535-4024

E-mail: billingdept@iso-ne.com

Interconnecting Transmission Owner:

[*To be supplied*.]

Interconnection Customer:

[*To be supplied*.]

DUNS Numbers:

Interconnection Customer: [To be supplied]

Interconnecting Transmission Owner: [To be supplied]

APPENDIX G TO LGIA

Interconnection Requirements For A Wind and Inverter-Based Generating Facilities

Appendix G sets forth requirements and provisions specific to wind and inverter-based Generating Facilities. All other requirements of this LGIA continue to apply to wind and inverter-based Generating Facility interconnections.

A. Technical Standards Applicable to Wind and Inverter-Based Generating Facility

i. Low Voltage Ride-Through (LVRT) Capability

Wind and inverter-based Generating Facilities shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the System Operator and Interconnecting

Transmission Owner. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual wind generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT. Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual wind generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind Generating Facilities subject to FERC Order No. 661 and not covered by the transition period described above , as well as inverter-based Generating Facilities must meet the following requirements:

1. Wind and inverter-based Generating Facilities are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind or inverter-based Generating Facility substation location, as determined by and documented by the System Operator and Interconnecting Transmission Owner. The maximum clearing time the wind or inverter-based Generating Facility shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind or inverter-based Generating Facility may disconnect from the transmission system. Wind and inverter-based Generating Facilities shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind or inverter-based Generating Facility GSU.

2. This requirement does not apply to faults that would occur between the wind or inverter-based Generating Facility terminals and the high side of the GSU.

3. Wind and inverter-based Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind and inverter-based Generating Facilities may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind or inverter-based Generating Facility or by a combination of generator performance and additional equipment.

5. Existing individual wind generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the

existing generation equipment. Existing individual wind generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

SECTION 1. A newly interconnecting non-synchronous Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study or Cluster Study commences after October 5, 2016 shall maintain dynamic reactive capability over the power factor range of 0.95 leading to 0.95 lagging, at continuous rated power output, measured at the high-side of the station transformer or at the Point of the Interconnection if there is no station transformer. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors (provided the use of such capacitors is solely for the purpose of offsetting collector system losses and is found to meet all of the requirements specified in the Interconnection System Impact Study), or a combination of the two.

SECTION 2. A wind Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study commenced after April 17, 2016 but before October 5, 2016 shall maintain dynamic reactive capability over the power factor range of 0.95 leading to 0.95 lagging, at continuous rated power output, measured at the high-side of the station transformer or at the Point of Interconnection if there is no station transformer.

SECTION 3. A wind Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study commenced before April 17, 2016 shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Interconnection System Impact Study shows that such a requirement is necessary to ensure safety or reliability. For a wind Generating Facility for which the Interconnection System Impact Study commences before April 17, 2016, the power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched

capacitors if agreed to by the System Operator and Interconnecting Transmission Owner, or a combination of the two.

SECTION 4. A non-wind non-synchronous Generating Facility, and any subsequent modifications thereto, for which the Interconnection System Impact Study commenced before October 5, 2016 shall meet the power factor requirements of Article 9.6.1.1 of the LGIA.

SECTION 5. The Interconnection Customer shall not disable power factor equipment while the wind Generating Facility is in operation.

SECTION 6. Wind Generating Facilities shall also be able to provide sufficient additional dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Interconnection System Impact Study shows this to be required for system safety or reliability.

ii. Supervisory Control and Data Acquisition (SCADA) Capability

Wind and inverter-based Generating Facilities shall provide SCADA capability to transmit data and receive instructions from the System Operator and Local Control Center to protect system reliability. The System Operator, Interconnecting Transmission Owner and the wind or inverter-based Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed wind or inverter-based Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

APPENDIX 12
INTERCONNECTION PROCEDURES FOR WIND GENERATION

Appendix 12 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generating Plants

The wind generating plant Interconnection Customer, in completing the Interconnection Request required by Section 3.4 of this LGIP, may provide to the System Operator a set of preliminary electrical design specifications depicting the wind generating plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind generating plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind generating plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the System Operator to complete the Interconnection System Impact Study.

APPENDIX 13

LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR LGIA

TABLE OF CONTENTS

Article 1 Definitions

Article 2 Effective Date, Term and Termination

Article 3 Regulatory Filings

Article 4 Scope of Service

Article 5 Interconnection Facilities Engineering, Procurement, and Construction

Article 6 Testing and Inspection

Article 7 Metering

Article 8 Communications

Article 9 Operations

Article 10 Maintenance

Article 11 Performance Obligation

Article 12 Invoice

Article 13 Emergencies

Article 14 Regulatory Requirements and Governing Law

Article 15 Notices

Article 16 Force Majeure

Article 17 Default

Article 18 Indemnity, Consequential Damages and Insurance

Article 19 Assignment

Article 20 Severability

Article 21 Comparability

Article 22 Confidentiality

Article 23 Environmental Releases

Article 24 Information Requirements

Article 25 Information Access and Audit Rights

Article 26 Subcontractors
Article 27 Disputes
Article 28 Representations, Warranties and Covenants
Article 29 Omitted
Article 30 Miscellaneous

THIS STANDARD LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR LGIA ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Load Co-Located Generator or Large Load Electrically Proximate Generator), 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."

RECITALS

WHEREAS, System Operator is the central dispatching agency provided for under the Transmission Operating Agreement ("TOA") which has responsibility for the operation of the New England Control Area from the System Operator control center and the administration of the Tariff; and

WHEREAS, Interconnecting Transmission Owner is the owner or possessor of an interest in the Administered Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Large Load Co-Located Generator or Large Load Electrically Proximate Generator identified as a Large Generating Facility in Appendix C to this Agreement (which, hereinafter shall be referred to as a Large Generating Facility); and

WHEREAS, System Operator, Interconnection Customer and Interconnecting Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to the Administered Transmission System; and

WHEREAS, the Large Load Co-Located Generator or Large Load Electrically Proximate Generator will serve a Large Load studied and operating consistent with Part II.J of the ISO's Open

Access Transmission Tariff, and will have zero megawatts of Network Resource Interconnection Service/Capacity Network Resource Interconnection Service and therefore this Agreement shall only govern the physical connection of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

ARTICLE 1. DEFINITIONS

The definitions contained in this Article 1 and those definitions embedded in an Article of this Agreement are intended to apply in the context of the generator interconnection process provided for in Schedule 22 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under Schedule 22. Capitalized terms in Schedule 22 that are not defined in this Article 1 shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this LGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England Transmission System.

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

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England's Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this LGIP that is made between System Operator and Affected System Interconnection Customer to conduct an External Affected System Study pursuant to Section 9 of this LGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.6 of this LGIP.

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Party.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if the Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3 of the Large Generator Interconnection Procedures ("LGIP").

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA.

Breaching Party shall mean a Party that is in Breach of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA.

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

Capacity Capability Interconnection Standard ("CC Interconnection Standard") shall mean the criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service 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 seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource ("CNR") shall mean 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") shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study ("CNR Group Study") shall mean 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") shall mean 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.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade ("CETU") shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section 2 of the Tariff. The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study ("CRPS") shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study ("CFAC") shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study ("CSIS") shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this LGIP.

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

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 7.5, and 8.1 of this LGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position, Large Load Network Upgrades, or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's (or Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application's) costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request (or the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application) or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this LGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA.

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

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

Effective Date shall mean the date on which the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) or its successor organization.

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, 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 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 Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes the Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

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

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

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities and shall not include a SATOA as defined in Section I of the Tariff.

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

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous

constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

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

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

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest in, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this LGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

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

Interconnection Facilities Study shall mean 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 Cluster Study, Cluster Restudy or Cluster 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 8 of this LGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the LGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of the LGIP.

Interconnection Service shall mean the service provided by 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 LLCELGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: Cluster Interconnection System Impact Study, Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service System Impact Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Study, and Material Modification assessment and the Optional Interconnection Study described in the LGIP.

Interconnection Study Agreement shall mean any of the following agreements: Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to the LGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Large Generating Facility shall mean a Generating Facility having a maximum gross capability at or above zero degrees F of more than 20 MW.

Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Studies shall mean the study conducted to evaluate the impacts of a proposed or modified Large Load Co-Located Generator or Large Load Electrically Proximate Generator pursuant to Section 3.2A of this Schedule 22 to the Tariff.

Large Load Co-Located/Large Load Electrically Proximate Generator LGIA ("LLCELGIA") shall mean the form of interconnection agreement applicable to a Large Load Co-Located Generator or Large Load Electrically Proximate Generator, that is included in this Schedule 22 to the Tariff.

Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application shall mean a Large Load Co-Located Generator or Large Load Electrically Proximate Generator's request, in the form of Attachment D to Appendix 1 of this LGIP, in accordance with the Tariff to interconnect a new Large Load Co-Located Generator or Large Load Electrically Proximate Generator or make a Material Modification to a proposed or existing Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

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

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification is defined in Section 14.4 of the LGIP.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Load Co-Located/Large Load Electrically Proximate Generator LGIA at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 10 to this LGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this LGIP that is made among Interconnection Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Network Capability Interconnection Standard ("NC Interconnection Standard") shall mean the minimum criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service 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 seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource ("NR") shall mean 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") shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service ("NR Interconnection Service") shall mean 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 requested pursuant to Section 3.1 of the LGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

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

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA, where the Interconnection Customer's Interconnection Facilities connect to Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection

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 from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and the Interconnection Customer. This agreement shall take the form of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA, modified for provisional purposes.

Queue Position shall mean 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 for Generating Facilities, Elective Transmission Upgrades, and requests for transmission.

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

Regulatory Limitations shall mean a federal, state, Tribal, or local law that makes it practically infeasible to obtain Site Control within the time frame detailed in Section 3.4.2 of this LGIP.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Applications and any alternative interconnection options, to exchange information including any transmission data and

earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and analyzing such information.

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that the Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that the Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that the Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that the Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that the Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. The System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator LGIA. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide the Interconnection Customer a written technical explanation outlining why the System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Large Generator Interconnection Procedures ("LGIP") shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in this Schedule 22 to the Tariff.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for a Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

Study Case shall have the meaning specified in Section 7.3 of this LGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions and associated equipment that are required at the substation located at the Point of Interconnection.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection

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

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

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the LGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date. This LLCELGIA 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 Commission. System Operator and Interconnecting Transmission Owner shall promptly and jointly file this LLCELGIA with the Commission upon execution in accordance with Section 11.3 of the LGIP and Article 3.1, if required.

2.2 Term of Agreement. This LLCELGIA , subject to the provisions of Article 2.3, and by mutual agreement of the Parties, shall remain in effect for a period of _____ years from the Effective Date (*term to be specified in individual Agreement, but in no case should the term be less than ten (10) years from the Effective Date or such other longer period as the Interconnection Customer may request)* and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LLCELGIA may be terminated by the Interconnection Customer, subject to continuing obligations of this LLCELGIA and the Tariff, after giving the System Operator and Interconnecting Transmission Owner ninety (90) Calendar Days advance written notice, or by System Operator or Interconnecting Transmission Owner notifying the Commission after a Generating Facility retires pursuant to the Tariff, provided that if an Interconnection Customer exercises its right to terminate on ninety (90) Calendar Days, any reconnection would be treated as a new Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application; or this LLCELGIA may be terminated by Interconnecting Transmission Owner or System

Operator by notifying the Commission after the Large Load Co-Located Generator or Large Load Electrically Proximate Generator permanently ceases Commercial Operation.

2.3.2 Default. Each Party may terminate this LLCELGIA in accordance with Article 17. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing, if applicable, with the Commission of a notice of termination of this LLCELGIA, which notice has been accepted for filing by the Commission. Termination of the LLCELGIA shall not supersede or alter any requirements for deactivation or retirement of a generating unit under ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

2.4 Termination Costs. If a Party elects to terminate this LLCELGIA pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party(ies), as of the date of such Party's(ies') receipt of such notice of termination, that are the responsibility of such Party(ies) under this LLCELGIA. In the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LLCELGIA, unless otherwise ordered or approved by the Commission:

2.4.1 With respect to any portion of the Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades to the extent covered by this LLCELGIA, that have not yet been constructed or installed, the Interconnecting Transmission Owner shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Interconnecting Transmission Owner shall deliver such material and equipment, and, if necessary, and to the extent possible, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent

that Interconnection Customer has already paid Interconnecting Transmission Owner for any or all such costs of materials or equipment not taken by Interconnection Customer, either (i) in the case of overpayment, Interconnecting Transmission Owner shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by the Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts, or (ii) in the case of underpayment, Interconnection Customer shall promptly pay such amounts still due plus any costs, including penalties incurred by Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LLCELGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which the Interconnecting Transmission Owner has incurred expenses and has not been reimbursed by the Interconnection Customer.

2.4.2 Interconnecting Transmission Owner may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LLCELGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LLCELGIA, Interconnection Service shall terminate and, the Parties will take all appropriate steps to disconnect the Large Generating Facility 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 a non-terminating Party's Default of this LLCELGIA or such non-terminating Party otherwise is responsible for these costs under this LLCELGIA.

2.6 Survival. This LLCELGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LLCELGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LLCELGIA was in effect; and to permit each Party to have access to the lands of the other Party(ies) pursuant to this LLCELGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

3.1 Filing. The System Operator and Interconnecting Transmission Owner shall jointly file this LLCELGIA (and any amendment hereto) with the appropriate Governmental Authority, if required, in accordance with Section 11.3 of the LGIP. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LLCELGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with the System Operator and Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by the System Operator and/or the Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

ARTICLE 4. SCOPE OF SERVICE

4.1 Interconnection Product Options. Interconnection Customer shall not have the right to inject energy at its Point of Interconnection, except as permitted by the definitions of an Electrically Proximate Large Load and Large Load Electrically Proximate Generator, and its NR Interconnection Service shall be for 0 MW.

4.1.1 Network Resource Interconnection Service (NR Interconnection Service).

4.1.1.1 The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and Interconnecting Transmission Owner and Internal Affected Parties must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which all other Network Resources are interconnected under the NC Interconnection Standard while being studied at a 0 MW injection capability.

4.2 Provision of Service. System Operator and Interconnecting Transmission Owner shall provide physical interconnection rights for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LLCELGIA 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 LLCELGIA for its compliance therewith. If such Party is the Interconnecting Transmission Owner, then that Party shall amend the LLCELGIA and System Operator, in conjunction with the Interconnecting Transmission Owner, shall submit the amendment to the Commission for approval.

4.4 No Transmission Delivery Service. The execution of this LLCELGIA does not constitute a request for, nor the provision of, any service except for Interconnection Service as limited herein, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity service, energy service, or Ancillary Services under any applicable tariff, but allows a Large Load Electrically Proximate Generator to deliver electricity to a specific customer at a designated Point of Delivery consistent with Part II.J of the OATT.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LLCELGIA are set forth in Article 9.6 and Article 13.4. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall specify the In-Service Date, Initial Synchronization Date, and Commercial Operation Date as specified in the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application or as subsequently revised pursuant to Section 4.4 of the LGIP; and select either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B (Milestones). At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Interconnecting Transmission Owner, the Interconnection Customer shall notify Interconnecting Transmission Owner within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build. In accordance with Section 8 of the LGIP and unless otherwise mutually agreed, the Alternate Option is not an available option if the Interconnection Customer waived the Interconnection Facilities Study.

5.1.1 Standard Option. The Interconnecting Transmission Owner shall design, procure, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B (Milestones). The Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Interconnecting Transmission Owner reasonably expects that it will not be able to complete the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades by the specified dates, the Interconnecting Transmission Owner shall promptly provide written notice to the Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Interconnecting Transmission Owner, the Interconnecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities by the designated dates.

If Interconnecting Transmission Owner subsequently fails to complete Interconnecting Transmission Owner's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B (Milestones); Interconnecting Transmission Owner shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable System Operator refuses to grant clearances to install equipment.

5.1.3 Option to Build. Individual or Multiple Interconnection Customer(s) shall have the option to assume responsibility for the design, procurement and construction of new Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2 if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to Interconnecting Transmission Owner an agreement regarding responsibilities and payment for the construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option. The System Operator, Interconnecting Transmission Owner, and the individual Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify

such Stand Alone Network Upgrades in Appendix A to the LLCELGIA. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Interconnecting Transmission Owner, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), Interconnecting Transmission Owner shall assume responsibility for the design, procurement and construction of all facilities other than the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades,

(1) The Interconnection Customer shall commit in the LLCELGIA to a schedule for the completion of, and provide the System Operator evidence of proceeding with: (a) engineering and design of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades, (b) procurement of necessary equipment and ordering of long lead time material, and (c) construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(2) The Interconnection Customer shall engineer, procure equipment, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Interconnecting Transmission Owner;

(3) Interconnection Customer's engineering, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Interconnecting Transmission Owner would be subject in the engineering, procurement or construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(4) Interconnecting Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(5) Prior to commencement of construction, Interconnection Customer shall provide to Interconnecting Transmission Owner any changes to the schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades reflected in Appendix B (Milestones), and shall promptly respond to requests for information from Interconnecting Transmission Owner;

(6) At any time during construction, Interconnecting Transmission Owner shall have the right to gain unrestricted access to the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(7) At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Interconnecting Transmission Owner, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(8) The Interconnection Customer shall indemnify the Interconnecting Transmission Owner for claims arising from the Interconnection Customer's construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 (Indemnity);

(9) The Interconnection Customer shall transfer control of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to the Interconnecting Transmission Owner prior to the In-Service Date;

(10) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner prior to the In-Service Date;

(11) Interconnecting Transmission Owner shall approve and accept for operation and maintenance the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2;

(12) Interconnection Customer shall deliver to Interconnecting Transmission Owner "as built" drawings, information, and any other documents that are reasonably required by Interconnecting Transmission Owner to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Interconnecting Transmission Owner; and

(13) Interconnection Customer shall pay Interconnecting Transmission Owner the agreed upon amount of [$ PLACEHOLDER] for Interconnecting Transmission Owner to execute responsibilities enumerated to Interconnecting Transmission Owner under this Article 5.2. Interconnecting Transmission Owner shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to the Interconnection Customer, in the event the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the Interconnecting Transmission Owner pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of

such uncertainty, any liquidated damages paid by the Interconnecting Transmission Owner to the Interconnection Customer in the event that Interconnecting Transmission Owner does not complete any portion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, in the aggregate, for which Interconnecting Transmission Owner has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades for which the Interconnecting Transmission Owner has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Interconnecting Transmission Owner to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LLCELGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Interconnecting Transmission Owner's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless the Interconnection Customer would have been able to commence use of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Interconnecting Transmission Owner's delay; (2) the Interconnecting Transmission Owner's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other Interconnection Customer who has entered into a LLCELGIA with the Interconnecting Transmission Owner or any cause beyond Interconnecting Transmission Owner's reasonable control or reasonable ability to cure, including, but not limited to, actions by the System Operator that cause delays and/or delays in licensing, permitting or consents where the Interconnecting Transmission Owner has pursued such licenses,

permits or consents in good faith; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. If a Power System Stabilizer is required to be installed on the Large Generating Facility for the purpose of maintaining system stability, the Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the System Operator and Interconnecting Transmission Owner, and consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The System Operator and Interconnecting Transmission Owner reserve the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the System Operator and Interconnecting Transmission Owner, or their designated representative. The requirements of this paragraph shall not apply to non-synchronous power production equipment.

5.5 Equipment Procurement. If responsibility for construction of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades is to be borne by the Interconnecting Transmission Owner, then the Interconnecting Transmission Owner shall commence design of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 The Interconnecting Transmission Owner has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 The Interconnecting Transmission Owner has received written authorization to proceed with design and procurement from the Interconnection Custo0mer by the date specified in Appendix B (Milestones); and

5.5.3 The Interconnection Customer has provided security to the Interconnecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B (Milestones).

5.6 Construction Commencement. The Interconnecting Transmission Owner shall commence construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades;

5.6.3 The Interconnecting Transmission Owner has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B (Milestones); and

5.6.4 The Interconnection Customer has provided security to Interconnecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B (Milestones).

5.7 Work Progress. The Interconnection Customer and the Interconnecting Transmission Owner shall keep each Party informed, by written quarterly progress reports, as to the progress of their respective design, procurement and construction efforts in order to meet the dates specified in Appendix B (Milestones). Any Party may also, at any other time, request a written progress report from the other Parties. If, at any time, the Interconnection Customer determines that the completion of the Interconnecting Transmission Owner's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer, upon the System

Operator's approval that the change in the In-Service Date will not constitute a Material Modification pursuant to Section 4.4 of the LGIP, will provide written notice to the Interconnecting Transmission Owner of such later date upon which the completion of the Interconnecting Transmission Owner's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the New England Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options.

5.9.1 Limited Operation. If any of the Interconnecting Transmission Owner's Interconnection Facilities, Large Load Network Upgrades, or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, System Operator and the Interconnecting Transmission Owner shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LLCELGIA. System Operator and Interconnecting Transmission Owner shall permit Interconnection Customer to operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Large Load Network Upgrades, System Protection Facilities, or other limiting devices, System Operator and the Interconnecting Transmission Owner may execute a Provisional LLCELGIA or Interconnection Customer may request the filing of an unexecuted Provisional LLCELGIA with the Interconnection Customer for Provisional Interconnection Service at the discretion of System Operator and Interconnecting Transmission Owner based upon an evaluation that will consider the results of available studies.

System Operator and Interconnecting Transmission Owner shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Large Generating Facility or the New England Transmission System. System Operator and Interconnecting Transmission Owner shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, System Protection Facilities, or other limiting devices that are necessary to meet the requirements of Electric Reliability Organization, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Large Generating Facility are in place prior to the commencement of Interconnection Service from the Large Generating Facility. Where available studies indicate that such Interconnection Facilities, Large Load Network Upgrades, Network Upgrades, Distribution Upgrades, System Protection Facilities, and/or other limiting devices that are required for the interconnection of a new, modified and/or expanded Large Generating Facility are not currently in place, System Operator will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Large Generating Facility in the Provisional LLCELGIA shall be studied and updated each time the conditions assumed in the studies supporting the Provisional Interconnection Service change. Provisional Interconnection Service is an optional procedure and it will not alter the Interconnection Customer's associated cost and upgrade responsibilities. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional LLCELGIA and the LLCELGIA, including changes in output limits and Interconnection Facilities, Large Load Network Upgrades, Distribution Upgrades, System Protection Facilities, and/or other limiting devices cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ("ICIF"). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades).

5.10.1 Large Generating Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Interconnecting Transmission Owner at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment

at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Interconnecting Transmission Owner shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Interconnecting Transmission Owner and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Interconnecting Transmission Owner's Review. Interconnecting Transmission Owner's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Interconnecting Transmission Owner, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Interconnecting Transmission Owner.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Interconnecting Transmission Owner "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facilities. The Interconnection Customer shall provide Interconnecting Transmission Owner specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Interconnecting Transmission Owner's Interconnection Facilities Construction. The Interconnecting Transmission Owner's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnecting Transmission Owner shall deliver to the Interconnection Customer the following "as-built" drawings, information and documents for the Interconnecting Transmission Owner's Interconnection Facilities. The appropriate drawings and relay diagrams shall be included in Appendix A of this LLCELGIA.

The System Operator will obtain operational control of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities pursuant to the TOA.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at the incremental cost to another Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents if allowed under the applicable agency agreement, that are necessary to enable the Access Party solely to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Administered Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the New England Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LLCELGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of the Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Interconnecting Transmission Owner, the Interconnecting Transmission Owner shall at Interconnection Customer's expense use Reasonable Efforts, including use of its eminent domain authority, and to the extent consistent

with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property. Notwithstanding the foregoing, the Interconnecting Transmission Owner shall not be obligated to exercise eminent domain authority in a manner inconsistent with Applicable Laws and Regulations or when an Interconnection Customer is authorized under Applicable Laws and Regulations to exercise eminent domain on its own behalf.

5.14 Permits. System Operator, Interconnecting Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Interconnecting Transmission Owner shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Interconnecting Transmission Owner's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Interconnecting Transmission Owner to construct, and Interconnecting Transmission Owner shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Large Load Network Upgrades or Network Upgrades required for Interconnection Customer to be interconnected to the Administered Transmission System, which are included in the Base Case of the Interconnection Facilities Study for the Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date. The Interconnection Customer shall reimburse the Interconnecting Transmission Owner for all costs incurred related to early construction to the extent such costs are not recovered from other Interconnection Customers included in the base case.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Interconnecting Transmission Owner and System Operator, to suspend all work by Interconnecting Transmission Owner associated with the construction and installation of Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades required under this LLCELGIA at any time with the condition that the New England Transmission System shall be left in a safe and reliable

condition in accordance with Good Utility Practice and the System Operator's and Interconnecting Transmission Owner's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Interconnecting Transmission Owner (i) has incurred pursuant to this LLCELGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the New England Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Interconnecting Transmission Owner cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Interconnecting Transmission Owner shall obtain Interconnection Customer's authorization to do so. Interconnecting Transmission Owner shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Interconnecting Transmission Owner required under this LLCELGIA pursuant to this Article 5.16, and has not requested Interconnecting Transmission Owner to recommence the work required under this LLCELGIA on or before the expiration of three (3) years following commencement of such suspension, this LLCELGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Interconnecting Transmission Owner and System Operator, if no effective date is specified. A suspension under this Article 5.16 does not automatically permit an extension of the In-Service Date, the Initial Synchronization Date or the Commercial Operation Date. A request for extension of such dates is subject to Section 4.4.5 of the LGIP. Notwithstanding the extensions permitted under Section 4.4.5 of the LGIP, the three-year period shall in no way result in an extension of the In-Service Date, the Initial Synchronization Date or the Commercial Operation Date that exceeds seven (7) years from the date of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application; otherwise, this LLCELGIA shall be deemed terminated.

5.17 Taxes.

5.17.1 Payments Not Taxable. The Parties intend that all payments or property transfers made by any Party for the installation of the Interconnecting Transmission Owner's

Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the New England Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to the Interconnecting Transmission Owner for the Interconnecting Transmission Owner's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of the Interconnecting Transmission Owner's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Interconnecting Transmission Owner's request, Interconnection Customer shall provide Interconnecting Transmission Owner with a report from an independent engineer confirming its representation in clause (iii), above. Interconnecting Transmission Owner represents and covenants that the cost of the Interconnecting Transmission Owner's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Interconnecting Transmission Owner. Notwithstanding Article 5.17.1, Interconnection

Customer shall protect, indemnify and hold harmless Interconnecting Transmission Owner from the cost consequences of any current tax liability imposed against Interconnecting Transmission Owner as the result of payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner under this LLCELGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Interconnecting Transmission Owner.

The Interconnecting Transmission Owner shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LLCELGIA unless (i) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject to taxation or (ii) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation; provided, however, that Interconnecting Transmission Owner may require Interconnection Customer to provide security, in a form reasonably acceptable to Interconnecting Transmission Owner (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period, and the applicable statute of limitation, as it may be extended by the Interconnecting Transmission Owner upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that

Interconnection Customer will pay Interconnecting Transmission Owner, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Interconnecting Transmission Owner ("Current Taxes") on the excess of (a) the gross income realized by Interconnecting Transmission Owner as a result of payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner under this LLCELGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit the Interconnecting Transmission Owner to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1). For this purpose, (i) Current Taxes shall be computed based on Interconnecting Transmission Owner composite federal and state tax rates at the time the payments or property transfers are received and Interconnecting Transmission Owner will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Interconnecting Transmission Owner's anticipated tax depreciation deductions as a result of such payments or property transfers by Interconnecting Transmission Owner current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades).

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Interconnecting Transmission Owner shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Interconnecting Transmission Owner under this LLCELGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the

best of Interconnection Customer's knowledge. Interconnecting Transmission Owner and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Interconnecting Transmission Owner shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Interconnecting Transmission Owner shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which the relevant Interconnecting Transmission Owner's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenant contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LLCELGIA terminates and Interconnecting Transmission Owner retains ownership of the Interconnection Facilities and Network Upgrades, the Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Interconnecting Transmission Owner, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Interconnecting Transmission Owner's receipt of payments or property constitutes income that is subject to taxation, Interconnecting Transmission Owner shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Interconnecting Transmission Owner may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Interconnecting Transmission Owner may file a claim for refund with

respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Interconnecting Transmission Owner shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Interconnecting Transmission Owner may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Interconnecting Transmission Owner, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Interconnecting Transmission Owner for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Interconnecting Transmission Owner which holds that any amount paid or the value of any property transferred by Interconnection Customer to Interconnecting Transmission Owner under the terms of this LLCELGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Interconnecting Transmission Owner in good faith that any amount

paid or the value of any property transferred by Interconnection Customer to Interconnecting Transmission Owner under the terms of this LLCELGIA is not taxable to Interconnecting Transmission Owner, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Interconnecting Transmission Owner are not subject to federal income tax, or (d) if Interconnecting Transmission Owner receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Interconnecting Transmission Owner pursuant to this LLCELGIA, Interconnecting Transmission Owner shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Interconnecting Transmission Owner for such taxes which Interconnecting Transmission Owner did not submit to the taxing authority, interest calculated in accordance with the methodology set forth in the Commission's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Interconnecting Transmission Owner refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Interconnecting Transmission Owner, any refund or credit Interconnecting Transmission Owner receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to the Interconnecting Transmission Owner for such overpayment of taxes (including any reduction in interest otherwise payable by Interconnecting Transmission Owner to any Governmental Authority resulting from an offset or credit); provided, however, that Interconnecting Transmission Owner will remit such amount promptly to Interconnection Customer only after and to the extent

that Interconnecting Transmission Owner has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to the Interconnecting Transmission Owner's Interconnection Facilities.

The intent of this provision is to leave Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this LLCELGIA. Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner.

5.18 Tax Status. Each Party shall cooperate with the others to maintain the other Party's(ies') tax status. Nothing in this LLCELGIA is intended to adversely affect any Interconnecting

Transmission Owner's tax-exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Interconnection Customer or Interconnecting Transmission Owner may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, the facilities of any Affected Parties or Internal Affected Parties, or the New England Transmission System, that Party shall provide to the other Parties and any Affected Party or Internal Affected Parties: (i) sufficient information regarding such modification so that the other Party(ies) may evaluate the potential impact of such modification prior to commencement of the work; and (ii) such information as may be required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party(ies) at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed. Notwithstanding the foregoing, no Party shall be obligated to proceed with a modification that would constitute a Material Modification and therefore require an Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application under the LGIP, except as provided under and pursuant to the LGIP.

In the case of Large Generating Facility or Interconnection Customer's Interconnection Facility modifications that do not require Interconnection Customer to submit a Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application, Interconnecting Transmission Owner shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the New England Transmission System, Interconnecting

Transmission Owner's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LLCELGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Interconnecting Transmission Owner makes to the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System to facilitate the interconnection of a third party to the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System, or to provide transmission service to a third party under the Tariff, except as provided for under the Tariff or any other applicable tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, the Interconnecting Transmission Owner shall test Interconnecting Transmission Owner's Interconnection Facilities, Large Load Network Upgrades, and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Interconnection Customer and Interconnecting Transmission Owner shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, as may be necessary to ensure the continued interconnection of the Large Generating Facility to the Administered Transmission System in a safe and reliable manner. The Interconnection Customer and Interconnecting Transmission Owner each shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's(ies') facilities, at the requesting Party's expense, as may be in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The System Operator shall also have the right to require reasonable additional testing of the other Party's (ies') facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

6.3 Right to Observe Testing. Each Party shall notify the System Operator and other Party(ies) in advance of its performance of tests of its Interconnection Facilities. The other Party(ies) has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's(ies') tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's(ies') System Protection Facilities and other protective equipment; and (iii) review the other Party's(ies') maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. Each Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Parties. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be governed by Article 22.

ARTICLE 7. METERING

7.1 General. Each Party shall comply with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding metering. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment. Unless the System Operator otherwise agrees, the Interconnection Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under this Tariff and to communicate the information to the System Operator. Unless otherwise agreed, such equipment shall remain the property of the Interconnecting Transmission Owner.

7.2 Check Meters. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Interconnecting Transmission Owner's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LLCELGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Interconnecting Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards. Interconnecting Transmission Owner shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards and the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

7.4 Testing of Metering Equipment. Interconnecting Transmission Owner shall inspect and test all Interconnecting Transmission Owner-owned Metering Equipment upon installation and thereafter as specified in the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnecting Transmission Owner shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's

expense, in order to provide accurate metering. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than the values specified within ISO New England Operating Documents, or successor documents, from the measurement made by the standard meter used in the test, the Interconnecting Transmission Owner shall adjust the measurements, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

7.5 Metering Data. At Interconnection Customer's expense, metered data shall be telemetered to one or more locations designated by System Operator and Interconnecting Transmission Owner. The hourly integrated metering, established in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, used to transmit Megawatt hour ("MWh") per hour data by electronic means and the Watt-hour meters equipped with kilowatt-hour ("kwh") or MWh registers to be read at month's end shall be the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection. Instantaneous metering is required for all Generators in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 8. COMMUNICATIONS

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with the System Operator and Interconnecting Transmission Owner in accordance with applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer or Interconnecting Transmission Owner at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by System Operator and Interconnecting Transmission Owner through use of a dedicated point-to-point data circuit(s). The communication protocol for the data circuit(s) shall be specified by System Operator and Interconnecting Transmission Owner. All information required by the ISO New England

Operating Documents, or successor documents, must be telemetered directly to the location(s) specified by System Operator and Interconnecting Transmission Owner.

Each Party will promptly advise the other Party(ies) if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party(ies). The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 9. OPERATIONS

9.1 General. Each Party shall comply with applicable provisions of ISO New England Operating Documents, Reliability Standards, or successor documents, regarding operations. Each Party shall provide to the other Party(ies) all information that may reasonably be required by the other Party(ies) to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. Before Initial Synchronization Date, the Interconnection Customer shall notify the System Operator and Interconnecting Transmission Owner in writing in accordance with ISO New England Operating Documents, Reliability Standards, or successor documents. If the Interconnection Customer elects to have the Large Generating Facility dispatched and operated from a remote Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs and ISO New England Operating Documents, Reliability Standards, or successor documents, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LLCELGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area for dispatch and operations.

9.3 Interconnecting Transmission Owner and System Operator Obligations. Interconnecting Transmission Owner and System Operator shall cause the Interconnecting Transmission Owner's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LLCELGIA and ISO New England Operating Documents, Reliability Standards, or successor documents. Interconnecting Transmission Owner or System Operator may provide operating instructions to Interconnection Customer consistent with this LLCELGIA, ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Interconnecting Transmission Owner's and System Operator's operating protocols and procedures as they may change from time to time. Interconnecting Transmission Owner and System Operator will consider changes to their operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LLCELGIA and ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.5 Start-Up and Synchronization. The Interconnection Customer is responsible for the proper start-up and synchronization of the Large Generating Facility to the New England Transmission System in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility and all generating units comprising the Large Generating Facility, as applicable, to maintain a composite power delivery at continuous rated power output at the Point of Interconnection with dynamic reactive capability over the power factor 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 synchronous (and non-wind non-synchronous generators as specified in Appendix G, Section A.ii.4 to the LLCELGIA) generators in the Control Area on a comparable basis and in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6.1.2 Non-Synchronous Generation. The power factor design criteria requirements applicable to non-synchronous Generating Facilities shall be as specified in Appendix G to the LLCELGIA. The Low Voltage Ride-Through Capability requirements applicable to wind and inverter-based Generating Facilities shall be as specified in Appendix G to the LLCELGIA.

9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized the Large Generating Facility to the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility at the direction of System Operator and Interconnecting Transmission Owner in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding voltage schedules in accordance with such requirements.

9.6.2.1 Voltage Regulators. The Interconnection Customer must keep and maintain a voltage regulator on all generating units comprising a Large Generating Facility in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. All Interconnection Customers that have, or are required to have, automatic voltage regulation shall normally operate the Large Generating Facility with its voltage regulators in automatic operation.

It is the responsibility of the Interconnection Customer to maintain the voltage regulator in good operating condition and promptly report to the System Operator and Interconnecting Transmission Owner any problems that could cause interference with its proper operation.

9.6.2.2 System Protection. The Interconnection Customer shall install and maintain protection systems in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6.3 Payment for Reactive Power.

Interconnection Customers shall be compensated for Reactive Power service in accordance with Schedule 2 of Section II of the Tariff.

9.6.4 Primary Frequency Response.

Interconnection Customer with an Interconnection System Impact Study or Cluster Study that commenced on or after May 15, 2018, shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation

exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify System Operator and Interconnecting Transmission Owner that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Articles 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Large Generating Facility is operated in parallel with the New England Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with System Operator and Interconnecting Transmission Owner, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to System Operator and Interconnecting Transmission Owner upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify System Operator and Interconnecting Transmission Owner, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and

(3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the New England Transmission System.

Equipment that limits injection into the Administered Transmission System may override governor action, but the Generator Facility's governor or equivalent controls must remain in service as otherwise required by this agreement.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation

are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 9.6.4, but shall be otherwise exempt from the operating requirements in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 Electric Storage Resources. Interconnection Customer interconnecting a Large Generating Facility that contains an electric storage resource shall establish an operating range in Appendix C of its LLCELGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by System Operator, Interconnecting Transmission Owner and Interconnection Customer. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the New England Transmission System and/or receive electricity from the New England Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject

electricity to the New England Transmission System and/or dispatched to receive electricity from the New England Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 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.

9.7.1.2 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.

9.7.2 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.

9.7.3 Ride Through Capability and Performance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with System Operator and Interconnecting Transmission Owner in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnection Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by Electric Reliability Organization to ensure voltage "ride through" capability of the Transmission System. The term "ride through" as used herein shall mean the ability of a Large Generating Facility to stay connected to and synchronized with the New England Transmission System during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other Generating Facilities in the New England Control Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency

response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnecting Transmission Owner shall install at Interconnection Customer's expense, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, any System Protection Facilities that may be required on the Interconnecting Transmission Owner Interconnection Facilities or the New England Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.4.4 Each Party's protective relay design shall allow for tests required in Article 6.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.5 Requirements for Protection. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and compliance with Good Utility Practice , Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the New England Transmission System not otherwise isolated by Interconnecting Transmission Owner's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the New England Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the New England Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the New England Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. A Party's facilities shall not cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party(ies) with a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with

applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting Large Load Co-Located Generator or Large Load Electrically Proximate Generator and any Large Load associated with the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to the Administered Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Interconnecting Transmission Owner's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Interconnecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed-upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Interconnecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed-upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to the Commission for resolution. This section shall not apply to Interconnection Customer's relationship with the Large Load Eligible Customer associated with the Generating Facility.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the New England Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 10. MAINTENANCE

10.1 Interconnecting Transmission Owner and Customer Obligations. Interconnecting Transmission Owner and Interconnection Customer shall each maintain that portion of its respective facilities that are part of the New England Transmission System and the Interconnecting Transmission Owner's Interconnection Facilities in a safe and reliable manner and in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

10.2 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Interconnecting Transmission Owner's Interconnection Facilities.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Interconnection Customer's Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) at its sole expense.

11.2 Interconnecting Transmission Owner's Interconnection Facilities. Interconnecting Transmission Owner shall design, procure, construct, install, own and/or control the Interconnecting Transmission Owner's Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Interconnecting Transmission Owner shall design, procure, construct, install, and own the Network Upgrades, and to the extent provided by Article 5.1, Stand Alone Network Upgrades, and Distribution Upgrades described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades). The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless the Interconnecting Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by the Interconnection Customer.

11.4 Cost Allocation; Compensation; Rights; Affected Systems and Internal Affected Systems.

11.4.1 Cost Allocation. All costs for any Interconnection Facilities shall be borne entirely by the Interconnection Customer.

11.4.2 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.

11.4.3 Rights. Notwithstanding any other provision of this LLCELGIA, 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.

11.4.4 Special Provisions for Affected Systems and Internal Affected Systems. The Interconnection Customer shall enter into separate related facilities agreements to address

any upgrades to the Affected System(s) or Internal Affected System(s) that are necessary for safe and reliable interconnection of the Interconnection Customer's Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of an Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Interconnecting Transmission Owner a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner in accordance with Section 7 of Schedule 11 of the Tariff. Such security for payment, as specified in Appendix B of this LLCELGIA, shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Interconnecting Transmission Owner's Interconnection Facilities and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes. Interconnecting Transmission Owner must specify, in Appendix B of this LLCELGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security. In addition:

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

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If System Operator or Interconnecting Transmission Owner requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.4.1 of this LLCELGIA, Interconnection Customer shall be compensated pursuant to the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Interconnection Customer shall be compensated for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the New England Transmission System during an Emergency Condition in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 12. INVOICE

12.1 General. Each Party shall submit to the other Party(ies), on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party(ies) under this LLCELGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction

invoice. Interconnection Customer shall pay to Interconnecting Transmission Owner any amount by which the actual payment by Interconnection Customer for estimated costs falls short of the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by any Party will not constitute a waiver of any rights or claims the other Party(ies) may have under this LLCELGIA.

12.4 Disputes. In the event of a billing dispute between Interconnecting Transmission Owner and Interconnection Customer, Interconnecting Transmission Owner shall continue to provide Interconnection Service under this LLCELGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Interconnecting Transmission Owner may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in the Commission's Regulations at 18 CFR § 35.19a(a)(2)(iii).

ARTICLE 13. EMERGENCIES

13.1 Obligations. Each Party shall comply with the Emergency Condition procedures of the System Operator in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

13.2 Notice. Interconnecting Transmission Owner or System Operator as applicable shall notify Interconnection Customer and System Operator or Interconnecting Transmission Owner as

applicable, promptly when it becomes aware of an Emergency Condition that affects the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Interconnecting Transmission Owner and System Operator promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the New England Transmission System or the Interconnecting Transmission Owner's Interconnection Facilities. 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 Interconnection Customer's or Interconnecting Transmission Owner's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.3 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Interconnecting Transmission Owner and System Operator, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by the Interconnecting Transmission Owner or the System Operator or otherwise regarding the New England Transmission System.

13.4 System Operator's and Interconnecting Transmission Owner's Authority.

13.4.1 General. System Operator or Interconnecting Transmission Owner may take whatever actions or inactions with regard to the New England Transmission System or the Interconnecting Transmission Owner's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the New England Transmission System or Interconnecting Transmission Owner's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. System Operator and Interconnecting Transmission Owner may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.4.2; directing the Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of System Operator's and Interconnecting Transmission Owner's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection. System Operator and Interconnecting Transmission Owner may disconnect the Large Generating Facility or the Interconnection Customer's Interconnection Facilities when such disconnection is necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. These rights are separate and distinct from any right of curtailment of the System Operator and Interconnecting Transmission Owner pursuant to the Tariff. When the System Operator and Interconnecting Transmission Owner can schedule the disconnection in advance, System Operator and Interconnecting Transmission Owner shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. System Operator and Interconnecting Transmission Owner shall coordinate with the Interconnection Customer in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and the System Operator and Interconnecting Transmission

Owner. Any reduction or disconnection shall continue only for so long as reasonably necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the New England Transmission System to their normal operating state as soon as practicable in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

13.5 Interconnection Customer Authority. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents and the LLCELGIA and the LGIP, the Interconnection Customer may take whatever actions or inactions with regard to the Large Generating Facility or the Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the New England Transmission System and the Interconnecting Transmission Owner's Interconnection Facilities. System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.6 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LLCELGIA, a Party shall not be liable to another Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements. Each Party's obligations under this LLCELGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to

obtain such other approvals. Nothing in this LLCELGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended. To the extent that a condition arises that could result in Interconnection Customer's inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, the Parties shall engage in good faith negotiations to address the condition so that such result will not occur and so that this LLCELGIA can be performed.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LLCELGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LLCELGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

ARTICLE 15. NOTICES

15.1 General. Unless otherwise provided in this LLCELGIA, any notice, demand or request required or permitted to be given by a Party to another Party and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F (Addresses for Delivery of Notices and Billings).

A Party may change the notice information in this LLCELGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to another Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party(ies) in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 A Party shall not be considered to be in Default with respect to any obligation hereunder (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party(ies) in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 Default.

17.1.1 General. No Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LLCELGIA or the result of an act or omission of the other Party(ies). Upon a Breach, the non-Breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the non-Breaching Party(ies) shall have the right to terminate this LLCELGIA 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 LLCELGIA, to recover from the Breaching Party all amounts due hereunder, plus all other damages and remedies to which they are entitled at law or in equity. The provisions of this Article will survive termination of this LLCELGIA.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

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 Interconnecting 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.

18.1 Indemnity. Each Party shall at all times indemnify, defend, and save the other Party(ies) 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 inactions of their obligations under this LLCELGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by an indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, 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.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, 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.

18.1.3 Indemnity Procedures. 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 Article 18.1 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.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified

Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in which event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

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

18.3 Insurance. The Interconnecting Transmission Owner and the Interconnection Customer shall, at their own expense, maintain in force throughout the period of this LLCELGIA, and until released by the other Party(ies), the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death, and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party(ies), its parent, associated and Affiliate companies and their respective directors, officers, agents,

servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LLCELGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LLCELGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LLCELGIA.

18.3.9 Within ten (10) Business Days following execution of this LLCELGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, each Party shall provide certification of all insurance required in this LLCELGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program, provided that such Party's senior secured debt is rated at investment grade, or better, by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party(ies) that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LLCELGIA.

ARTICLE 19. ASSIGNMENT

19.1 Assignment. This LLCELGIA may be assigned by any Party only with the written consent of the other Parties; provided that the Parties may assign this LLCELGIA 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 LLCELGIA; and provided further that the Interconnection Customer shall have the right to assign this LLCELGIA, without the consent of the Interconnecting Transmission Owner or System Operator, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Interconnection Customer will promptly notify the Interconnecting Transmission Owner and System Operator of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the Interconnecting Transmission Owner and System Operator of the date and particulars

of any such exercise of assignment right(s), including providing the Interconnecting Transmission Owner with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this LLCELGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

20.1 Severability. If any provision in this LLCELGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LLCELGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Interconnecting Transmission Owner) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality. 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, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by a Party to another prior to the execution of this LLCELGIA.

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

If requested by a Party, the other Party(ies) shall provide, in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term. During the term of this LLCELGIA, and for a period of three (3) years after the expiration or termination of this LLCELGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LLCELGIA; or (6) is required, in accordance with Article 22.1.7 of this LLCELGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LLCELGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party(ies) that it no longer is confidential.

22.1.3 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or are considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LLCELGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

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

22.1.5 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party(ies) under this LLCELGIA or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Governmental Authority or entity with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or

otherwise, to disclose Confidential Information, that Party shall provide the other Party(ies) with prompt notice of such request(s) or requirement(s) so that the other Party(ies) may seek an appropriate protective order or waive compliance with the terms of this LLCELGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LLCELGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party(ies), use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party(ies)) or return to the other Party(ies), without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party(ies).

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Parties shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR Section 1b.20, if the Commission or

its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LLCELGIA, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) to this LLCELGIA prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the LLCELGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 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.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LLCELGIA ("Confidential Information") shall not be disclosed by the other Party(ies) to any person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LLCELGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Parties' Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly

notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. ENVIRONMENTAL RELEASES

23.1 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 Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party(ies). The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party(ies) copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENTS

24.1 Information Acquisition. Subject to any applicable confidentiality restrictions, including, but not limited to, codes of conduct, each Party shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by System Operator and Interconnecting Transmission Owner. The initial information submission by System Operator and Interconnecting Transmission Owner shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date and shall include information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise mutually agreed to by the Parties. On a monthly basis Interconnecting Transmission Owner shall provide Interconnection Customer a status report on the construction and installation of Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of

the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Interconnecting Transmission Owner and System Operator for the Cluster Study, Transitional Cluster Study, and Interconnection Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Interconnecting Transmission Owner and System Operator standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is different from what was originally provided to Interconnecting Transmission Owner pursuant to the Interconnection Study Agreement between Interconnecting Transmission Owner and Interconnection Customer, then the System Operator will review it and conduct appropriate studies, as needed, at the Interconnection Customer's cost, to determine the impact on the New England Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information and "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to the Interconnecting Transmission Owner for each individual generating unit in a station.

The Interconnection Customer shall provide the Interconnecting Transmission Owner and System Operator with any information changes due to proposed equipment replacement, repair, or adjustment. Interconnecting Transmission Owner shall provide the Interconnection Customer and System Operator with any information changes due to proposed equipment replacement, repair or adjustment in the directly connected substation or any adjacent Interconnecting Transmission Owner-owned substation that may affect the Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information in accordance with Article 5.19 of this Agreement.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Parties information that is in the possession of the disclosing Party and is necessary in order for the other Party(ies) to: (i) verify the costs incurred by the disclosing Party for which the other Party(ies) are responsible under this LLCELGIA; and (ii) carry out its obligations and responsibilities under this LLCELGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LLCELGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party(ies) when the notifying Party becomes aware of its inability to comply with the

provisions of this LLCELGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory Breach of this LLCELGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LLCELGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party(ies), to audit at its own expense the other Party's(ies') accounts and records pertaining to a Party's performance or a Party's satisfaction of obligations under this LLCELGIA. Such audit rights shall include audits of the other Party's(ies') costs, calculation of invoiced amounts, the efforts to allocate responsibility for the provision of reactive support to the New England Transmission System, the efforts to allocate responsibility for interruption or reduction of generation on the New England Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LLCELGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to a Party's performance or satisfaction of all obligations under this LLCELGIA

other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four (24) months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party(ies) together with those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LLCELGIA. 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 Article 5 of this LLCELGIA. Any applicable obligation imposed by this LLCELGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

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

27.2 External Arbitration Procedures. Any arbitration initiated under this LLCELGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret

and apply the provisions of this LLCELGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) a pro rata share of the cost of a single arbitrator chosen by the Parties.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LLCELGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LLCELGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LLCELGIA, to become a Party hereto and to perform its obligations hereunder. This LLCELGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by

applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LLCELGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LLCELGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LLCELGIA, and it will provide to any Governmental Authority notice of any actions under this LLCELGIA that are required by Applicable Laws and Regulations.

ARTICLE 29. [OMITTED]

ARTICLE 30. MISCELLANEOUS

30.1 Binding Effect. This LLCELGIA and the rights and obligations hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LLCELGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LLCELGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LLCELGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LLCELGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3)

reference to any agreement (including this LLCELGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LLCELGIA or such Appendix of this LLCELGIA, or such Section of the LGIP or such Appendix of the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LLCELGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including."

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

30.5 No Third Party Beneficiaries. This LLCELGIA 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.

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

Any waiver at any time by a Party of its rights with respect to this LLCELGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this LLCELGIA. Termination or Default of this LLCELGIA for any reason by the 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 LLCELGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LLCELGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LLCELGIA.

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

30.9 Amendment. The Parties may by mutual agreement amend this LLCELGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LLCELGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LLCELGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Consistent with Section 11.3 of the LGIP, Interconnecting Transmission Owner and System Operator shall have the right to make unilateral filings with the Commission to modify this LLCELGIA 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 Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this LLCELGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and the Commission's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Parties and to participate fully in any proceeding before the Commission in which such modifications may be considered. In the event of disagreement on terms and conditions of the LLCELGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on Interconnecting Transmission Owner's transmission facilities or other assets, then the standard applicable under Section 205 of the Federal Power Act shall apply only to Interconnecting Transmission Owner's position on such terms and conditions. Nothing in this LLCELGIA 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 thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LLCELGIA 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.

IN WITNESS WHEREOF, the Parties have executed this LLCELGIA in triplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

ISO New England Inc. (System Operator)

By:

Title:

Date:

[*Insert Name of*] (Interconnecting Transmission Owner)

By:

Title:

Date:

[*Insert name of*] (Interconnection Customer)

By:

Title:

Date:

APPENDICES TO LLCELGIA

Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix B Milestones

Appendix C Interconnection Details

Appendix D Security Arrangements Details

Appendix E Commercial Operation Date

Appendix F Addresses for Delivery of Notices and Billings

Appendix G Interconnection Requirements for a Wind Generating Plant

APPENDIX A TO LLCELGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

7. Interconnection Facilities:

a. **Point of Interconnection and Point of Change of Ownership**. The Point of Interconnection shall be at the point where [*insert description of location*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

The Point of Change of Ownership shall be at the point where *[insert description of location]*. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

If not located at the Point of Interconnection, the metering point(s) shall be located at: [*insert location*].

If not located at the Point of Interconnection, the Point of Delivery from the Large Generating Facility to the Co-Located Load or Electrically Proximate Load it is designated to serve shall be located at: [*insert location*].

b. **Interconnection Customer's Interconnection Facilities (including metering equipment)**. The Interconnection Customer shall construct [*insert Interconnection Customer's Interconnection Facilities*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

c. **Interconnecting Transmission Owner's Interconnection Facilities (including metering equipment)**. The Interconnecting Transmission Owner shall construct [*insert Interconnecting Transmission Owner's Interconnection Facilities, including any Cluster Enabling Transmission Upgrades*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

8. Network Upgrades:

a. **Stand Alone Network Upgrades**. [*insert Stand Alone Network Upgrades*].

b. **Substation Network Upgrades**. [*insert Substation Network Upgrades*].

c. **System Network Upgrades [*insert System Network Upgrades,* *including any Cluster Enabling Transmission Upgrades*].**

9. Distribution Upgrades. [*insert Distribution Upgrades*].

10. Affected System and/or or Internal Affected System Upgrades. [*insert Affected System Upgrades*].

11. Contingent Facilities: [*insert list of Contingent Facilities, including any applicable Large Load Network Upgrades*].

APPENDIX B TO LLCELGIA

Milestones

4. **Selected Option Pursuant to Article 5.1:** Interconnection Customer selects the [*insert*]. Options as described in Articles 5.1.[*insert*], 5.1.[*insert*], and 5.1.[*insert*] shall not apply to this LLCELGIA.

5. **Milestones and Other Requirements for all Large Generating Facilities:** The description and entries listed in the following table establish the required Milestones in accordance with the provisions of the LGIP and this LLCELGIA. The referenced section of the LGIP or article of the LLCELGIA should be reviewed by each Party to understand the requirements of each milestone.

Item No.	Milestone Description	Responsible Party	Date	LGIP/LLCELGIA Reference
1	Provide evidence of 100% Site Control to System Operator	Interconnection Customer	Upon Execution of the LLCELGIA	§ 11.3.1.1 of LGIP
2	Provide evidence of one or more milestones specified in § 11.3 of LGIP	Interconnection Customer	Upon Execution of the LLCELGIA	§ 11.3.1.2 of LGIP
3	Commit to a schedule for payment of upgrades	Interconnection Customer	Within 15 BD of final LLCELGIA receipt	§ 11.3.1.2 of LGIP
4	Provision of security	Interconnection Customer	Simultaneously with LLCELGIA Execution, or within ten (10) Business Days after the Interconnection Customer request that the	§ 11 of LGIP

			LLCELGIA be filed unexecuted	
5	Provide certificate of insurance	Interconnection Customer and Interconnecting Transmission Owner	Within 10 Calendar Days of execution of LLCELGIA	§ 18.3.9 of LLCELGIA
6	Provide siting approval for Generating Facility and Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	As may be agreed to by the Parties	§ 7.5 of LGIP
7A	Receive Governmental Authority approval for any facilities requiring regulatory approval	Interconnection Customer and/or Interconnecting Transmission Owner	If needed, as may be agreed to by the Parties	§ 5.6.1 of LLCELGIA
7B	Obtain necessary real property rights and rights-of-way for the construction of a discrete aspect of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades	Interconnection Customer and/or Interconnecting Transmission Owner	If needed, as may be agreed to by the Parties	§ 5.6.2 of LLCELGIA
7C	Provide to Interconnecting Transmission Owner written authorization to	Interconnection Customer	As may be agreed to by the Parties	§ 5.5.2 and § 5.6.3 of LLCELGIA

	proceed with design, equipment procurement and construction			
7D	Provide System Operator evidence of proceeding with design, equipment procurement, and construction	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LLCELGIA
7E	Provide quarterly written progress reports	Interconnection Customer and Interconnecting Transmission Owner	15 Calendar Days after the end of each quarter beginning the quarter that includes the date for Milestone 7C and ending when the entire Large Generating Facility and all required Interconnection Facilities, Large Load Network Upgrades, and Network Upgrades are in place	§ 5.7 of LLCELGIA
8	Provision of Security to Interconnecting Transmission Owner	Interconnection Customer	At least 30 Calendar Days prior to design,	§§ 5.5.3 and 5.6.4 of LLCELGIA

	pursuant to Section 11.5 of LLCELGIA		procurement and construction	
9	Provision of Security Associated with Tax Liability to Interconnecting Transmission Owner pursuant to Section 5.17.3 of LLCELGIA	Interconnection Customer	As may be agreed to by the Parties	§ 5.17.3 of LLCELGIA
10A	Commit to the ordering of long lead time material for Interconnection Facilities and Network Upgrades	Interconnection Customer	As may be agreed to by the Parties	§ 7.5 of LGIP
10B	Commit to ordering of long lead time material for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LLCELGIA
11A	Provide initial design, engineering and specification for Interconnection Customer's Interconnection	Interconnection Customer	180 Calendar Days prior to Initial Synchronization Date	§ 5.10.1 of LLCELGIA § 7.5 of LGIP

	Facilities to Interconnecting Transmission Owner			
11B	Provide comments on initial design, engineering and specification for Interconnection Customer's Interconnection Facilities	Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	§ 5.10.1 of LLCELGIA § 7.5 of LGIP
11C	Provide to Interconnecting Transmission Owner initial design, engineering and specification for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 LLCELGIA
11D	Provide to Interconnection Customer comments on initial design, engineering and specification for	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LLCELGIA

	Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
12A	Provide final design, engineering and specification for Interconnection Customer's Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	90 Calendar Days prior to Initial Synchronization Date	§ 5.10.1 of LLCELGIA § 7.5 of LGIP
12B	Provide comments on final design, engineering and specification for Interconnection Customer's Interconnection Facilities	Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	§ 5.10.1 of LLCELGIA § 7.5 of LGIP
12C	Provide to Interconnecting Transmission Owner final design, engineering and specification for	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LLCELGIA

	Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
12D	Provide to Interconnection Customer comments on final design, engineering and specification of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LLCELGIA
13A	Deliver to Interconnecting Transmission Owner "as built" drawings, information and documents regarding Interconnection Customer's	Interconnection Customer	Within 120 Calendar Days of Commercial Operation date	§ 5.10.3 of LLCELGIA

	Interconnection Facilities			
13B	Deliver to Interconnecting Transmission Owner "as built" drawings, information and documents regarding Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LLCELGIA
14	Provide protective relay settings to Interconnecting Transmission Owner for coordination and verification	Interconnection Customer	At least 90 Calendar Days prior to Initial Synchronization Date	§§ 5.10.1 of LLCELGIA
15A	Commencement of construction of Interconnection Facilities	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.6 of LLCELGIA
15B	Commencement of construction of Interconnecting Transmission Owner's Interconnection	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LLCELGIA

	Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
16	Submit updated data "as purchased"	Interconnection Customer	No later than 180 Calendar Days prior to Initial Synchronization Date	§ 24.3 of LLCELGIA
17	In Service Date	Interconnection Customer	Same as Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application unless subsequently modified	§ 3.4.2 and 4.4.5 of LGIP, § 5.1 of LLCELGIA
18	Initial Synchronization Date	Interconnection Customer	Same as Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application unless	§ 3.4.2, 4.4.4, 4.4.5, and 7.5 of LGIP

			subsequently modified	
19	Submit supplemental and/or updated data – "as built/as-tested"	Interconnection Customer	Prior to Commercial Operation Date	§ 24.4 of LLCELGIA
20	Commercial Operation Date	Interconnection Customer	Same as Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application unless subsequently modified	§ 3.4.2, 4.4.4, 4.4.5, and 7.5 of LGIP
21A	Deliver to Interconnection Customer "as built" drawings, information and documents regarding Interconnecting Transmission Owner's Interconnection Facilities	Interconnecting Transmission Owner	If requested, within 120 Calendar Days after Commercial Operation Date	§ 5.11 of LLCELGIA
21B	Approve and accept for operation and maintenance the Interconnecting Transmission Owner's Interconnection	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LLCELGIA

	Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
22	Provide Interconnection Customer final cost invoices	Interconnecting Transmission Owner	Within 6 months of completion of construction of Interconnecting Transmission Owner Interconnection Facilities and Network Upgrades	§ 12.2 of LLCELGIA
23	Transfer control of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner to be constructed by the Interconnection Customer	Interconnection Customer	Prior to In-Service Date	§ 5.2 of LLCELGIA
24	Transfer ownership of Interconnecting Transmission Owner's Interconnection	Interconnection Customer	Prior to In-Service Date	§ 5.2 of LLCELGIA

	Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner to be constructed by the Interconnection Customer			
25	Interconnection Customer with qualifying Regulatory Limitations must demonstrate 100% Site Control by or the LLCELGIA may be terminated per Article 17 (Default) of this LLCELGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of the System Operator's LGIP (Calculation of the Withdrawal Penalty).	Interconnection Customer	180 days from the effective date of this LLCELGIA	

APPENDIX C TO LLCELGIA

Interconnection Details

1. Description of Interconnection:

Interconnection Customer shall install a [*insert*] MW Large Generating Facility, rated at [*insert*] MW gross and [*insert*] MW net, with all studies performed at or below these outputs. The Large Generating Facility is comprised of [*insert*] units in a [*insert description of facility type - combined cycle, wind farm, etc.*] rated at: [*insert*] MW each, and will located at [*insert location*].

The Large Load Co-Located Generator/Large Load Electrically Proximate Generator shall only receive the right to physically interconnect to, and operate in parallel with, the Administered Transmission System. It shall have Network Resource Interconnection Service of 0 MW.

2. Detailed Description of Generating Facility and Generator Step-Up Transformer, if applicable:

Generator Data	
Number of Generators	
Manufacturer	
Model	
Designation of Generator(s)	
Excitation System Manufacturer	
Excitation System Model	
Voltage Regulator Manufacturer	
Voltage Regulator Model	
Generator Ratings	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 90 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 50 Degrees F	

Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 20 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above zero Degrees F	
Station Service Load For Each Unit	
Overexcited Reactive Power at Rated MVA and Rated Power Factor	
Underexcited Reactive Power at Rated MVA and Rated Power Factor	
Maximum Charging Load (MW) at Point of Interconnection	
Will BESS be charged from the Administered Transmission System? (Yes/No)	
Primary Frequency Response Operating Range	
Minimum State of Charge	
Maximum State of Charge	
Generator Short Circuit and Stability Data	
Generator MVA rating	
Generator AC Resistance	
Subtransient Reactance (saturated)	
Subtransient Reactance (unsaturated)	
Transient Reactance (saturated)	
Negative sequence reactance	
Transformer Data	
Number of units	
Self Cooled Rating	
Maximum Rating	
Winding Connection (LV/LV/HV)	

Fixed Taps	
Z1 primary to secondary at self cooled rating	
Z1 primary to tertiary at self cooled rating	
Z1 secondary to tertiary at self cooled rating	
Positive Sequence X/R ratio primary to secondary	
Z0 primary to secondary at self cooled rating	
Z0 primary to tertiary at self cooled rating	
Z0 secondary to tertiary at self cooled rating	
Zero Sequence X/R ratio primary to tertiary	

3. Detailed Description of Large Load Associated with the Generating Facility

[*Insert description relating to Large Load associated with the Generating Facility.*]

APPENDIX D TO LLCELGIA

Security Arrangements Details

Infrastructure security of the New England Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day New England Transmission System reliability and operational security. The Commission will expect 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 Critical Infrastructure Protection Committee and, eventually, best practice recommendations from Electric Reliability Organization. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

APPENDIX E TO LLCELGIA

Commercial Operation Date

This Appendix E is a part of the LLCELGIA between System Operator Interconnecting, Transmission Owner and Interconnection Customer.

[*Date*]

[*Interconnecting Transmission Owner; Address*]
[to be supplied]

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

Re: _____ Large 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 Large Generating Facility, effective as of [Date plus one day].

Thank you.

[*Signature*]
[*Interconnection Customer Representative*]

APPENDIX F TO LLCELGIA

Addresses for Delivery of Notices and Billings Notices:

System Operator:

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

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

Interconnecting Transmission Owner:

[To be supplied.]

Interconnection Customer:

[*To be supplied.*]

Billings and Payments:

System Operator:

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

With copy to:

Billing Department

ISO New England Inc.

One Sullivan Road

Holyoke, MA 01040-2841

Interconnecting Transmission Owner:

[*To be supplied.*]

Interconnection Customer:

[*To be supplied.*]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

System Operator:

Facsimile: (413) 540-4203

E-mail: geninterconn@iso-ne.com

With copy to:

Facsimile: (413) 535-4024

E-mail: billingdept@iso-ne.com

Interconnecting Transmission Owner:

[*To be supplied.*]

Interconnection Customer:

[*To be supplied.*]

DUNS Numbers:

Interconnection Customer: [To be supplied]

Interconnecting Transmission Owner: [To be supplied]

SCHEDULE 23

SMALL GENERATOR INTERCONNECTION PROCEDURES

TABLE OF CONTENTS

SECTION 1. DEFINITIONS

SECTION 2. SCOPE, APPLICATION AND TIME REQUIREMENTS.

2.1 Application of Standard Small Generator Interconnection Procedures.

2.2 Comparability

2.3 Base Case Data

2.4 No Applicability to Transmission Service

2.5 Time Requirements

SECTION 3. INTERCONNECTION REQUESTS

3.1 General

3.2 Type of Interconnection Services

3.3 Utilization of Surplus Interconnection Service

3.4 Valid Interconnection Request

3.5 OASIS Posting

3.6 Coordination with Internal Affected Systems

3.7 Withdrawal

3.8 Identification of Contingent Facilities

3.9 Penalties for Failure to Meet Study Deadlines

SECTION 4. INTERCONNECTION REQUEST EVALUATION PROCESS

4.1 Queue Position

4.2 General Study Process

4.3 Transferability of Queue Position

4.4 Modifications

SECTION 5. PROCEDURES FOR TRANSITION

5.1 Procedures for Transitioning to the Cluster Study Process

5.2 Grandfathering

5.3 New System Operator or Interconnecting Transmission Owner

SECTION 6. INTERCONNECTION INFORMATION ACCESS

6.1 Publicly Posted Interconnection Information

6.2 Pre-Application for Small Generators

SECTION 7. CLUSTER STUDY

7.1 Cluster Study Agreement

7.2 Execution of the Cluster Study Agreement
7.3 Scope of Cluster Study
7.4 Cluster Study Procedures
7.5 Cluster Study Restudies
7.6 Operational Readiness
SECTION 8. INTERCONNECTION FACILITIES STUDY
8.1 Interconnection Facilities Study Agreement
8.2 Scope of Interconnection Facilities Study
8.3 Interconnection Facilities Study Procedures
8.4 Meeting with Parties
8.5 Restudy
SECTION 9. AFFECTED SYSTEM STUDY
9.1 Applicability
9.2 Response to Notifications
9.3 Affected System Queue Position
9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement
9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement
9.6 Scope of Affected System Study
9.7 Affected System Study Procedures
9.8 Results Meeting
9.9 Affected System Cost Allocation
9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement
9.11 Restudy
SECTION 10. OPTIONAL INTERCONNECTION STUDY
10.1 Optional Interconnection Study Agreement
10.2 Scope of Optional Interconnection Study
10.3 Optional Interconnection Study Procedures
10.4 Meeting with Parties
10.5 Interconnection Agreement Developed Based on Optional Interconnection Study
SECTION 11. STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)
11.1 Tender

11.2 Negotiation
11.3 Evidence to be Provided by Interconnection Customer; Execution and Filing of SGIA
11.4 Commencement of Interconnection Activities
SECTION 12. CONSTRUCTION OF INTERCONNECTING TRANSMISSION OWNER INTERCONNECTION FACILITIES AND NETWORK UPGRADES
12.1 Schedule
12.2 Construction Sequencing
SECTION 13. MISCELLANEOUS
13.1 Confidentiality
13.2 Delegation of Responsibility
13.3 Obligation for Study Costs
13.4 Third Parties Conducting Studies
13.5 Disputes
13.6 Local Furnishing Bonds
13.7 Engineering & Procurement ("E&P") Agreement

SECTION 14. LARGE LOAD CO-LOCATED GENERATORS AND LARGE LOAD ELECTRICALLY PROXIMATE GENERATORS
14.1 Application of SGIP
14.2 Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Process
14.3 OASIS Posting
14.4 Modifications
14.5 Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA

APPENDICES TO SGIP

APPENDIX 1 INTERCONNECTION REQUEST

APPENDIX 2 CLUSTER STUDY AGREEMENT

APPENDIX 3 INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 4 OPTIONAL INTERCONNECTION STUDY AGREEMENT

APPENDIX 5 TRANSITIONAL CLUSTER STUDY AGREEMENT

APPENDIX 6 TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 7 TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 8 MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 9 TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 10 ~~MULTIPARTY~~MULTI-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 11 STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

APPENDIX 12 LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR SGIA (LLCESGIA)

SECTION I. DEFINITIONS

The definitions contained in this section are intended to apply in the context of the generator interconnection process provided for in this Schedule 23 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under this Schedule 23. Capitalized terms in Schedule 23 that are not defined in this Section I shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this SGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England-Transmission System.

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

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England-Transmission System, as described in Section 9 of this SGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this SGIP that is made between System Operator and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.7 of this SGIP.

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Parties.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and

surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3.

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Small Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Small Generator Interconnection Agreement.

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

Capacity Capability Interconnection Standard ("CC Interconnection Standard") shall mean the criteria required to permit Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service 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 seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource ("CNR") shall mean 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") shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study ("CNR Group Study") shall mean 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") shall mean the Interconnection Service selected by Interconnection Customer to interconnect its Small 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.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade ("CETU") shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section II of the Tariff . The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study ("CRPS") shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster

Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study ("CFAC") shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study ("CSIS") shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this SGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this SGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this SGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this SGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this SGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this SGIP.

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

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Attachment 7 to the Standard Small Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 5.1.1.3, 7.5, and 8.1 of this SGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position, Large Load Network Upgrades, or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's (or Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application's) costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request (or the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application) or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this SGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 7.6 of the Standard Small Generator Interconnection Agreement.

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

Distribution System shall mean the 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 shall mean 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 Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Small Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) or its successor organization.

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, 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 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 Generating

Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Small Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

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

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

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities and shall not include a SATOA as defined in Section I of the Tariff.

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

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

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

In-Service Date shall mean the date upon which 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 shall mean a Transmission Owner that owns, leases or otherwise possesses an interest, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a 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.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Attachment 2 to the Standard Small Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this SGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Attachment 2 of the Standard Small Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean Interconnecting Transmission Owner's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the 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 shall mean a study conducted by the System Operator, Interconnecting Transmission Owner, or a third party consultant for Interconnection Customer to determine a list of facilities (including Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades as identified in the Cluster Study, Cluster Restudy, or the Cluster 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 8 of this SGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of this SGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this SGIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this SGIP, 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) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy

capability or capacity capability of an existing Generation Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service for all or part of a Generating Facility's capability. Interconnection Request shall not include 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 shall mean the service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting 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 SGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: the Cluster Interconnection System Impact Study, the Cluster Study, Cluster Interconnection Facilities Study the Cluster Restudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Study, and Material Modification assessment, and the Optional Interconnection Study described in this SGIP.

Interconnection Study Agreement shall mean any of the following agreements: the Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to this SGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Studies shall mean the studies conducted to evaluate the impacts of a proposed or modified Large Load Co-Located Generator or Large Load Electrically Proximate Generator pursuant to Section 3.2A of this SGIP.

Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA shall mean the form of interconnection agreement applicable to a Large Load Co-Located Generator or Large Load Electrically Proximate Generator, that is included in this SGIP.

Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application shall mean a Co-Located Generator's or Electrically Proximate Generator's request, in the form of Attachment D to Appendix 1 of this SGIP, in accordance with the Tariff to interconnect a new Large Load Co-Located Generator or Large Load Electrically Proximate Generator or make a Material Modification to a proposed or existing Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

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

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification shall mean: (i) except as expressly provided in Section 4.4.1, those modifications to the Interconnection Request, including any of the technical data provided by Interconnection Customer in Appendix 1, Attachment A (and Attachment A-1, if applicable) to the Interconnection Request or to the interconnection configuration, requested by Interconnection Customer, that either require significant

additional study of the same Interconnection Request and could substantially change the interconnection design, or have a material impact (*i.e.*, an evaluation of the proposed modification cannot be completed in less than ten (10) Business Days)on the cost or timing of any Interconnection Studies or upgrades associated with an Interconnection Request with an equal or later Queue Position; (ii) a change to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; or (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond Interconnection Customer's control.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Small Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics. Any metering necessitated by the use of the Small Generating Facility shall be installed at Interconnection Customer's expense in accordance with Commission, state, or local regulatory requirements and with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 12 to this SGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this SGIP that is made among Interconnecting Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Network Capability Interconnection Standard ("NC Interconnection Standard") shall mean the minimum criteria required to permit Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network

Import Interconnection Service 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 seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource ("NR") shall mean 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") shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service ("NR Interconnection Service") shall mean the Interconnection Service selected by 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 requested pursuant to Section 3.1 of this SGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Small Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean 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.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of this SGIP for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where Interconnection Customer's Interconnection Facilities connect to the Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection Service provided by the System Operator, and the Interconnecting Transmission Owner, associated with interconnecting Interconnection Customer's Generating Facility to the Administered Transmission System and enabling the receipt of electric energy capability from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Small Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Small Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and Interconnection Customer. This agreement shall take the form of the Standard Small Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean 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 for Generating Facilities, Elective Transmission Upgrades, and requests for transmission service.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard 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.

Regulatory Limitations shall mean a federal, state, Tribal, or local law that makes it practically infeasible to obtain Site Control within the time frame detailed in Section 3.4.2 of this SGIP.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this SGIP, and analyzing such information.

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

SGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed SGIA, or within ten (10) Business Days of requesting that the SGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this SGIP.

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

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Attachment 2 to the Standard Small Generator Interconnection Agreement. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide Interconnection Customer a written technical explanation outlining why System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Small Generator Interconnection Agreement ("SGIA") shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Small Generating Facility, that is included in this Schedule 23 to the Tariff.

Standard Small Generator Interconnection Procedures ("SGIP") shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that are included in this Schedule 23 to the Tariff.

Study Case shall have the meaning specified in Sections 7.3 and 7.5 of this SGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions, and associated equipment that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for an Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection.

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

Transitional Capacity Network Resource Group Study ("Transitional CNR Group Study") shall mean the study performed by the System Operator under Section III.13.1.1.2.3A of the Tariff and Section 5.1.1.3 of this SGIP.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this SGIP.

Transitional Cluster Study Agreement shall mean the agreement contained in Appendix 5 to this SGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Cluster Study pursuant to Section 5.1.1.2 of this SGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this SGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this SGIP.

Transitional Serial Interconnection Facilities Study Agreement shall mean the agreement contained in Appendix 6 to this SGIP that is made between System Operator and Interconnection Customer to conduct a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this SGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this SGIP.

Transitional Withdrawal Penalty shall mean the penalty assessed by System Operator to Interconnection Customer that has entered the Transitional Cluster Study or Transitional Serial Interconnection Facilities Study and chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Transitional Withdrawal Penalty is set forth in Sections 5.1.1.1 and 5.1.1.2 of this SGIP.

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

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the SGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this SGIP.

SECTION 2. SCOPE, APPLICATION AND TIME REQUIREMENTS.

2.1 Application of Standard Small Generator Interconnection Procedures.

The SGIP and SGIA shall apply to Interconnection Requests pertaining to Small Generating Facilities. Except as expressly provided in the SGIP and SGIA, nothing in the SGIP or SGIA shall be construed to limit the authority or obligations that the Interconnecting Transmission Owner or System Operator, as

applicable, has with regard to ISO New England Operating Documents. 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.

2.2. Comparability.

The System Operator shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this SGIP. The System Operator and Interconnecting Transmission Owner shall process and analyze Interconnection Requests from all Interconnection Customers, regardless of whether the Generating Facilities are owned by the Interconnecting Transmission Owner, its subsidiaries or Affiliates, or others.

2.3 Base Case Data.

System Operator shall maintain Base Case power flow, short circuit and stability databases, including all underlying assumptions, and contingency lists on a secured location on the System Operator's website. For the purposes of this provision, Base Case Data may include the electromagnetic transient network model that does not include proprietary electromagnetic transient equipment models. System Operator shall provide access to such information located on a secured location on the System Operator's website, subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy as well as any other applicable requirement under Applicable Laws and Regulations regulating disclosure or confidentiality of such information. System Operator shall maintain network models and underlying assumptions on a secured location on the System Operator's website. Such network models and underlying assumptions should reasonably represent those used during the most recent Interconnection Study and be representative of current system conditions as of the most recent Interconnection Study. The databases and lists addressed in this Section 2.3, hereinafter referred to as Base Cases, shall include all generation projects and transmission projects that are proposed for the New England Transmission System and any Affected System or Internal Affected System and for which a transmission expansion plan has been submitted and approved by the applicable authority and which, in the sole judgment of the System Operator, may have an impact on the Interconnection Request. The Base Cases shall also include

generation projects that are not participating in the System Operator's interconnection process, but are expected to achieve approval pursuant to Section I.3.9 of the Tariff within ninety (90) days from the date of the creation of the Base Cases and for which steady state, short circuit, stability and electromagnetic transient network models for the generation projects and any associated system upgrades have been provided to the System Operator. Interconnection Customer, where applicable, shall provide Base Case Data to the Interconnecting Transmission Owner and System Operator to facilitate required Interconnection Studies.

System Operator shall provide a link to the secured location on its website that contains the information required under this Section 2.3 on System Operator's OASIS site. System Operator is permitted to require that Interconnection Customers or their third party consultants, OASIS site users, and users of the secured location on System Operator's website sign a confidentiality agreement before the release of information governed by Section 13.1 or the ISO New England Information Policy, or the release of any other information that is commercially sensitive or Critical Energy Infrastructure Information.

2.4 No Applicability to Transmission Service.

Nothing in this SGIP shall 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.

2.5 Time Requirements.

Parties that must perform a specific obligation under a provision of the SGIP or Standard Small Generator Interconnection Agreement within a specified time period shall use Reasonable Efforts to complete such obligation within the applicable time period. A Party may, in the exercise of reasonable discretion and within the time period set forth by the applicable procedure or agreement, request that the relevant Party consent to a mutually agreeable alternative time schedule, such consent not to be unreasonably withheld.

SECTION 3. INTERCONNECTION REQUESTS.

3.1 General.

To initiate an Interconnection Request, an Interconnection Customer must comply with all of the requirements set forth in Section 3.4.1. Interconnection Customer shall submit a separate Interconnection

Request for each site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request. Within three (3) Business Days after the close of the Cluster Request Window, System Operator shall submit a copy of all valid Interconnection Requests received to Interconnecting Transmission Owner(s).

At Interconnection Customer's option, System Operator, Interconnection Customer, Interconnecting Transmission Owner, and any Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of Clustering of Interconnection Requests, System Operator may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. System Operator shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement of the involved parties.

System Operator shall consider requests for Interconnection Service below the Small Generating Facility capability. An Interconnection Customer that submits an Interconnection Request for Interconnection Service below the Small Generating Facility capability shall include in the Interconnection Request the proposed control technologies to restrict the Small Generating Facility's output to the requested Interconnection Service levels. These requests for Interconnection Service shall be studied based on the nameplate capability of the Small Generating Facility at the level of Interconnection Service requested for purposes of determining necessary Interconnection Facilities, Network Upgrades, and associated costs, and the requests shall be studied at the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system, with the study costs borne by Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 2 of the SGIA. The necessary control technologies and protection systems shall be established in Attachment 2 of the executed, or requested to be filed unexecuted, SGIA.

System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in ISO New England Planning Procedures.

Unless otherwise stated, all Commercial Readiness Deposits that must be submitted to the System Operator under this SGIP must be (a) delivered to the System Operator's bank account by electronic transfer, (b) through the provision and maintenance of an irrevocable letter of credit in a form and from a financial institution acceptable to System Operator, and included on the List of Eligible Commercial Readiness Deposit Letter of Credit Issuers, as described on the System Operator's public website, (c) a surety bond in a form and from an institution acceptable to System Operator and included on the List of Eligible Commercial Readiness Deposit Surety Bond Issuers, as described on the System Operator's public website or (d) a combination thereof. Each letter of credit or surety bond must specify the Interconnection Request to which it corresponds. Further, notwithstanding Section 5 of this SGIP to the contrary, an Interconnection Customer may replace the acceptable forms of Commercial Readiness Deposits provided therein with a surety bond any time after such form is deemed acceptable by the System Operator. All costs associated with obtaining a letter of credit shall be borne by Interconnection Customer. In the event that System Operator identifies an administrative deficiency with a submitted letter of credit, or surety bond, Interconnection Customer shall have ten (10) Business Days to cure the deficiency.

If the System Operator removes the financial institution from the list, Interconnection Customer shall have ten (10) Business Days from the date on which System Operator provides notice of such removal to replace the letter of credit, or surety bond with a letter of credit, or surety bond from a financial institution on the list. The System Operator may extend this cure period in its sole discretion. Failure to cure a deficiency within the periods prescribed in this Section 3.1 shall result in the withdrawal of the Interconnection Request pursuant to Section 3.7 of the SGIP without further opportunity to cure. System Operator shall only provide refunds and/or distribute funds held as part of a Commercial Readiness Deposit to the extent that there are sufficient funds available from the applicable form of financial security.

All other deposits that must be submitted to the System Operator under this SGIP must be paid in cash and delivered to the System Operator's bank account by electronic transfer within the period specified in the respective provision.

A deposit will not be considered received until it is in the System Operator's bank account or, in the case of a letter of credit, or surety bond provided as a Commercial Readiness Deposit, the letter of credit or surety bond is accepted by System Operator. Deposits that must be submitted to the Interconnecting Transmission Owner shall be submitted in a form acceptable to the Interconnecting Transmission Owner.

3.2 Type of Interconnection Services

At the time the Interconnection Request is submitted, Interconnection Customer must request either CNR Interconnection Service or NR Interconnection Service, as described in Sections 3.2.1 and 3.2.2 below. An Interconnection Customer that meets the requirements to obtain CNR Interconnection Service shall obtain NR Interconnection Service up to the NR Capability upon completion of all requirements for NR Interconnection Service, including all necessary upgrades. Upon completion of all requirements for the CNR Interconnection Service, Interconnection Customer shall also receive CNR Interconnection Service for CNR Capability. An Interconnection Customer that meets the requirements to obtain NR Interconnection Service shall receive NR Interconnection Service for Interconnection Customer's NR Capability.

3.2.1 Capacity Network Resource Interconnection Service

3.2.1.1 The Product.

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

3.2.1.2 The Studies.

All Interconnection Studies for CNR Interconnection Service shall assure that Interconnection Customer's Small Generating Facility satisfies the minimum characteristics required 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 unit. For Interconnection Requests seeking to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2025, the CNR Group Study shall assure that Interconnection Customer's Small Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other CNRs and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures. For all other Interconnection Requests, the intra-zonal deliverability analysis shall be performed as part of the Transitional Cluster Study or Cluster Study. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.1.3 Milestones for CNR Interconnection Service.

In addition to the requirements set forth in this SGIP, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service that seeks to achieve CNR Capability by obtaining a Capacity Supply Obligation through an auction in the Forward Capacity Market prior to September 4, 2025 shall complete the following milestones prior to receiving CNR Interconnection Service for the CNR Capability, such milestones to be specified in Attachment 4 of the SGIA, as either completed or to be completed: (i) submit the necessary requests for participation in the Forward Capacity Auction associated with the Generating Facility's requested Commercial Operation Date (except as modified pursuant to Sections 3.2.3 or 4.4 of this SGIP), in accordance with the provisions of Section III.13 of the Tariff; (ii) participate in a CNR Group Study for the Forward Capacity Auction associated with the requested Generating Facility's Commercial Operation Date; (iii) qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff; and (iv) complete a re-study of the applicable Interconnection Study and CNR Group Study after the Forward Capacity Auction, Reconfiguration Auction, or bilateral transaction through which Interconnection Customer received a

Capacity Supply Obligation to determine the cost responsibility for facilities and upgrades necessary to accommodate the Interconnection Request. The re-study shall include those CNR Interconnection Service or CNI Interconnection Service Interconnection Requests with a higher Queue Position that cleared and shall exclude any upgrades that are no longer necessary as a result of existing capacity that will be retired as of the start of the Capacity Commitment Period for which the resource has received a Capacity Supply Obligation. With respect to (iv) above, if an Interconnection Study Agreement has been executed, the Interconnection Study associated with the Interconnection Study Agreement shall include the necessary analysis that would otherwise have been performed in a re-study. If the original Interconnection Study is complete and the final invoice has been issued, the re-study shall be performed under a new Interconnection Study Agreement. If an SGIA has been either executed or filed with the Commission in unexecuted form then the last Interconnection Study completed for Interconnection Customer under this SGIP shall be subject to re-study. The Appendices to the SGIA shall be amended (pursuant to Article 12.2 of the SGIA) to reflect CNR Capability and the results of the re-study.

After September 4, 2025, an Interconnection Customer with an Interconnection Request for CNR Interconnection Service shall complete the requirements in this SGIP prior to receiving CNR Interconnection Service. Interconnection Customer shall complete the intra-zonal deliverability assessment by electing to participate in the Transitional Cluster Study or submit a new Interconnection Request for CNR Interconnection Service during the applicable Cluster Request Window to participate and complete a Cluster Study. Any Interconnection Customer with a valid Interconnection Request for CNR Interconnection Service that has a completed Interconnection System Impact Study on or before April 4, 2025, but that has not received a Capacity Supply Obligation through the eighteenth Forward Capacity Auction or an earlier auction may: 1) seek to complete the process for obtaining CNR Interconnection Service through the process described in Section III.13.1.1.2A of the Tariff or 2) seek to complete the process for obtaining CNR Interconnection Service through the Transitional Cluster Study. Notwithstanding any other provision of the Tariff, an Interconnection Customer may seek to participate in both the process described in Section III.13.1.1.2A of the Tariff and the Transitional Cluster Study simultaneously. If Interconnection Customer achieves CNR Interconnection Service through Section III.13.1.1.2A, it may withdraw from the Transitional Cluster Study without penalty and be refunded any remaining study deposits associated with the Transitional Cluster Study. If Interconnection Customer does not enter, or complete, the process described in either Section III.13.1.1.2A or the Transitional Cluster Study, the System Operator shall reduce Interconnection Customer's Interconnection Request to NR Interconnection Service.

3.2.2 Network Resource Interconnection Service

3.2.2.1 The Product.

The System Operator must conduct the necessary studies in conjunction with the Interconnecting Transmission Owner, and with other Affected Parties as appropriate and in accordance with applicable codes of conduct and confidentiality requirements, and the Interconnecting Transmission Owner and other Affected Parties as appropriate must construct the Network Upgrades needed to interconnect the Small Generating Facility in a manner comparable to that in which Network Resources are interconnected under the NC Interconnection Standard. NR Interconnection Service allows Interconnection Customer's Small Generating Facility to participate in the New England Markets, in accordance with the provisions of Market Rule 1, Section III of the Tariff, up to the net NR Capability or as otherwise provided in Market Rule 1, Section III of the Tariff, on the same basis as other Network Resources. 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.

3.2.2.2 The Studies.

The Interconnection Studies for an Network Resource shall assure that Interconnection Customer's Small Generating Facility satisfies the minimum characteristics required to interconnect in a manner that avoids any significant adverse effect on reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the unit, in accordance with the NC Interconnection Standard and as detailed in the ISO New England Planning Procedures. The System Operator, in coordination with the Interconnecting Transmission Owner, may also study the New England Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, the System Operator and as appropriate the Interconnecting Transmission Owner must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.2.2.3 Milestones for NR Interconnection Service.

An Interconnection Customer with an Interconnection Request for NR Interconnection Service shall complete the requirements in this SGIP prior to receiving NR Interconnection Service.

3.3 Utilization of Surplus Interconnection Service.

Surplus Interconnection Service allows an existing Interconnection Customer to utilize or transfer Surplus Interconnection Service at the Generating Facility's Point of Interconnection once Interconnection Customer has an executed Interconnection Agreement or requested that the Interconnection Agreement be filed unexecuted. For purposes of Surplus Interconnection Service, the existing Interconnection Customer is referred to as the "Original Interconnection Customer," and the entity requesting Surplus Interconnection Service is referred to as the "Surplus Interconnection Customer." The Original Interconnection Customer or, with written consent of the Original Interconnection Customer, one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the Original Interconnection Customer or one of its affiliates does not exercise this priority, then the Surplus Interconnection Service may be utilized by a third party of the Original Interconnection Customer's choosing and with the Original Interconnection Customer's written consent.

Surplus Interconnection Service may be available for any Unused Capability of Interconnection Service established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for CNR Interconnection Service, any Surplus Interconnection Service may be for existing CNR Interconnection Service or NR Interconnection Service. If the Interconnection Agreement for the Original Interconnection Customer's Generating Facility is for NR Interconnection Service, any Surplus Interconnection Service shall be for NR Interconnection Service. Surplus Interconnection Service is not applicable when a new Interconnection Request for Interconnection Service or Network Upgrades would be required to implement the proposed change to the Original Interconnection Customer's Generating Facility. Surplus Interconnection Service cannot be used to replace a retiring or to repower an existing Generating Facility.

The Original Interconnection Customer shall specify the amount of Unused Capability that is available for use by the Surplus Interconnection Customer's Generating Facility. The total output of the Original Interconnection Customer's Generating Facility plus the Surplus Interconnection Customer's Generating Facility behind the same Point of Interconnection shall be limited to the maximum total amount of Interconnection Service granted to the Original Interconnection Customer as established in the Interconnection Agreement for the Original Interconnection Customer's Generating Facility. Control technology to restrict the total output of the Original

Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities shall be required in the case where the sum of the maximum output of the Original Interconnection Customer's Generating Facility plus the maximum output of the Surplus Interconnection Customer's Generating Facility exceeds the total amount of Interconnection Service established in the Original Interconnection Customer's Interconnection Agreement. Surplus Interconnection Service shall only be available at the existing Point of Interconnection of the Original Interconnection Customer's Generating Facility.

3.3.1 Surplus Interconnection Service Request

An Original Interconnection Customer or, with the consent of the Original Interconnection Customer, its affiliate or a third party of the Original Interconnection Customer's choosing may request Surplus Interconnection Service by submitting to the System Operator a completed Surplus Interconnection Service Request Application in the form contained in Attachment C to Appendix 1 of the SGIP. The Surplus Interconnection Service Request Application shall be accompanied by the Original Interconnection Customer's written consent for the Surplus Interconnection Customer's use of Unused Capability for Surplus Interconnection Service, and the technical data called for in the form.

Studies for Surplus Interconnection Service may consist of reactive power, short circuit/fault duty, stability analyses, and/or other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. The study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the total output of the Original Interconnection Customer's and Surplus Interconnection Customer's Generating Facilities. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study report or Cluster Study Report is not available for Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary. Any analyses shall be performed at the Surplus Interconnection Customer's expense.

System Operator shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in the ISO New England Planning Procedures.

The Interconnection Agreement for the Original Interconnection Customer's Generating Facility shall be replaced by a new agreement among the System Operator, Interconnecting Transmission Owner, Original Interconnection Customer, and Surplus Interconnection Customer. The agreement shall be in the form of the most currently effective SGIA, modified to reflect the Surplus Interconnection Customer's Generating Facility and the amount of, and the terms for the use of, the Surplus Interconnection Service. The agreement shall be developed and negotiated in accordance with Section 11 of the SGIP, at the Surplus Interconnection Customer's expense.

3.4 Valid Interconnection Request.

3.4.1 Cluster Request Window.

System Operator shall accept Interconnection Requests during a forty-five (45) Calendar Day period (the Cluster Request Window). The initial Cluster Request Window shall open for Interconnection Requests sixty (60) Calendar Days after the conclusion of the three hundred sixty (360) Day transition process set out in Section 5.1 of this SGIP. All subsequent Cluster Request Windows shall open sixty (60) Calendar Days after the Cluster Study Results Meeting or Cluster Restudy Results Meeting (as appropriate). System Operator shall provide notice via posting on its public website at least thirty (30) Calendar Days prior to each respective Cluster Request Window opening.

3.4.1.1 Study Deposits.

Interconnection Customer shall submit to System Operator, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this SGIP, a potentially non-refundable initial deposit of $15,000, and a refundable study deposit of $100,000 (for new requests for NR Interconnection Service or CNR Interconnection Service) or $50,000 (for Interconnection Requests for which Interconnection Studies for NR Interconnection Service have been completed but have not achieved CNR Interconnection Service or for Interconnection Requests seeking to change from existing NR Interconnection Service to CNR Interconnection Service). System Operator shall apply the initial deposit toward the costs incurred by the System Operator associated with the Interconnection Request, the cost of developing the study agreements and their attachments, and the cost of developing the SGIA. The study deposit shall be applied toward the cost of the Cluster Study.

3.4.2 Initiating an Interconnection Request.

An Interconnection Customer seeking to join a Cluster shall submit its Interconnection Request to System Operator within, and no later than the close of, the Cluster Request Window. Interconnection Requests submitted outside of the Cluster Request Window will not be considered. To initiate and establish a valid Interconnection Request, Interconnection Customer must submit all of the following to the System Operator in the manner specified in Appendix 1 Interconnection Request to this SGIP:

(i) A potentially non-refundable initial deposit of $15,000.

(ii) A completed application in the form of Appendix 1 and all information required under its Attachments,

(iii) All information and deposits required under this Section 3.4 and

(iv) In the case of a request for CNR Interconnection Service a demonstration of one-hundred percent (100%) site control and, in the case of NR Interconnection Service, a demonstration of no less than one-hundred percent (100%) Site Control or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to Regulatory Limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such Regulatory Limitations, including a description of any conditions that must be met to satisfy the Regulatory Limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of $10,000 per MW, subject to a minimum of $50,000 and a maximum of $200,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;

(v) Generating Facility capability (MW) (and requested Interconnection Service level if the requested Interconnection Service is less than the Generating Facility capability),

(vi) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.4.1.1 of this SGIP in the form of an irrevocable letter of credit, cash, or a surety bond where cash deposits shall be treated according to Section 3.7 of this SGIP. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this SGIP,

(vii) A Point of Interconnection, and;

(viii) Whether the Interconnection Request shall be studied for NR Interconnection Service or for CNR Interconnection Service, consistent with Section 3.2 of this SGIP. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated Regulatory Limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by System Operator until Interconnection Customer provides the required Site Control demonstration for its Generating Facility in the Cluster Study Process. Interconnection Customers facing qualifying Regulatory Limitations must demonstrate one-hundred percent (100%) Site Control within one-hundred eighty (180) Calendar Days of the effective date of the SGIA.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iv-v) of this SGIP. If System Operator determines, based on Interconnection Customer's information, that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to Transmission Provider's approval. Absent such, System Operator shall deem the Interconnection Request withdrawn pursuant to Section 3.7 of this SGIP without further opportunity to cure.

Interconnection Customer does not need to demonstrate Site Control where the Interconnection Request is for a modification to Interconnection Customer's existing Small Generating Facility and Interconnection Customer has certified in the Interconnection Request that it has Site Control and that the modification proposed in the Interconnection Request does not require additional real property.

The portions of the deposit of $15,000 that have not been applied as provided in this Section 3.4.1 shall be refundable if Interconnection Customer executes an SGIA or where the Interconnection Request is withdrawn by Interconnection Customer within ten (10) Business Days of the Cluster Scoping Meeting. Otherwise, any unused balance of the deposit of $15,000 shall be non-refundable and applied on a pro-rata basis to offset costs incurred by Interconnection Customers that are subject to re-study, as determined by the System Operator in accordance with the provisions of this SGIP, as a result of the withdrawal of an Interconnection Request within the same Cluster.

The expected Initial Synchronization Date of the new Small Generating Facility, of the increase in capacity of the existing Generating Facility, or of the implementation of the Material Modification to the existing Generating Facility shall not exceed seven (7) years from the date the Interconnection Request is received by the System Operator, unless Interconnection Customer demonstrates that such time required to actively engineer, permit and construct the new Small Generating Facility or increase in capacity of the existing Generating Facility or implement the Material Modification to the existing Generating Facility will take longer than the seven year period. Upon such demonstration, the Initial Synchronization Date may succeed the date the Interconnection Request is received by the System Operator by a period of greater than seven (7) years so long as Interconnection Customer, System Operator, and Interconnecting Transmission Owner agree, such agreement shall not be unreasonably withheld.

3.4.3 Acknowledgment of Interconnection Request.

System Operator shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.4 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid Interconnection Request until all items in Section 3.4.2 of this SGIP have been received by the System Operator during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.2 of this SGIP, the System Operator shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide the System Operator the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. At any time, if System

Operator finds that the technical data provided by Interconnection Customer is incomplete or contains errors, Interconnection Customer and System Operator shall work expeditiously and in good faith to remedy such issues. In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this SGIP, System Operator shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this SGIP), $5,000 of the application fee is forfeited to System Operator, and any unspent portion of the application fee, the study deposit, and Commercial Readiness Deposit shall be returned to Interconnection Customer.

3.4.5 Customer Engagement Window.

Upon the close of each Cluster Request Window, System Operator shall open a sixty (60) Calendar Day period (Customer Engagement Window). During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window, and any identified Affected Parties, or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, System Operator may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, System Operator shall post on its OASIS a list of Interconnection Requests for that Cluster. The list shall identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the type of Interconnection Service requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The System Operator must ensure that project information is anonymized and does not reveal the identity or commercial information of Interconnection Customers with submitted requests. During the Customer Engagement Window, System Operator shall provide to Interconnection Customer a non-binding, updated good faith estimate of the cost and timeframe for completing the Cluster Study and a Cluster Study Agreement to be executed prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 2 to this SGIP shall be included in the Cluster Study. Any Interconnection Requests for which Interconnection Customer has not executed a Cluster Study Agreement shall be deemed withdrawn (without the cure period provided under Section 3.7

of this SGIP) by System Operator, the initial deposit shall be forfeited to the System Operator, and the System Operator shall return the study deposit and Commercial Readiness Deposit to Interconnection Customer. Immediately following the Customer Engagement Window, System Operator shall initiate the Cluster Study described in Section 7 of this SGIP.

3.4.6 Cluster Study Scoping Meetings.

During the Customer Engagement Window, System Operator shall hold a Scoping Meeting with all Interconnecting Transmission Owners, Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window, and any identified Affected Parties, or Internal Affected Parties as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

The purpose of the Scoping Meeting shall be (i) to discuss alternative interconnection options, (ii) to exchange pertinent information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, (iii) to discuss Cluster Study materials posted to OASIS pursuant to Section 3.5 of this SGIP, as applicable; (iv) to analyze such information, and (v) to discuss any other information necessary to facilitate the administration of the Interconnection Procedures.

The Parties will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) information regarding general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. The Parties will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer(s) shall designate its Point of. The duration of the meeting shall be sufficient to accomplish its purpose.

If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, System Operator shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement in the form specified by System Operator prior to a group Cluster Study Scoping Meeting, which will provide for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customers.

3.5 OASIS Posting.

3.5.1 OASIS Posting.

The System Operator will maintain on its OASIS a list of all Interconnection Requests in its Control Area. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the substation or transmission line or lines where the interconnection will be made; (iv) the projected Initial Synchronization Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested (i.e., CNR Interconnection Service or NR Interconnection Service); and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed; and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an SGIA or requests that the System Operator and Interconnecting Transmission Owner jointly file an unexecuted SGIA with the Commission. Before participating in a Scoping Meeting with an Interconnection Customer that is also an Affiliate, the Interconnecting Transmission Owner shall post on OASIS an advance notice of its intent to do so. The System Operator shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to the System Operator's OASIS site subsequent to the meeting between the System Operator, Interconnecting Transmission Owner, and Interconnection Customer to discuss the applicable study results. The System Operator shall also post any known deviations in the Small Generating Facility's Initial Synchronization Date.

3.5.2 Requirements to Post Interconnection Study Metrics

The System Operator will maintain on its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If the System Operator posts this information on its website, a link to the information must be provided on the System Operator's OASIS site. For each calendar quarter, the System Operator must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.4 of this SGIP.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than two hundred and seventy (270) Calendar Days after the close of the Customer Engagement Window,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies where such Interconnection Requests had executed a Cluster Study Agreement received by System Operator more than two hundred and seventy (270) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Studies completed for the System Operator's Administered Transmission System during the reporting quarter, from the commencement of the Cluster Study to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer,

(E) Mean time (in days), Cluster Studies were completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Study Report to Interconnection Customer,

(F) Percentage of Cluster Studies exceeding two hundred and seventy (270) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.1(B) plus Section 3.5.2.1(C) divided by the sum of Section 3.5.2.1(A) plus Section 3.5.2.1(C) of this SGIP.

3.5.2.2 Cluster Restudies Processing Time.

(A) Number of Interconnection Requests that had Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Cluster Restudies completed for the System

Operator's Administered Transmission System during the reporting quarter that were completed more than ninety (90) Calendar Days after System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this SGIP,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Restudies where such System Operator notified Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this SGIP more than ninety (90) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the date when System Operator notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this SGIP to the date when System Operator provided the completed Cluster Restudy to Interconnection Customer,

(E) Mean time (in days), Cluster Restudies completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Cluster Restudy Report to Interconnection Customer.

(F) Percentage of Cluster Restudies exceeding ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.2(B) plus Section 3.5.2.2(C) divided by the sum of Section 3.5.2.2(A) plus Section 3.5.2.2(C) of this SGIP.

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed for the System Operator's Administered Transmission System during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed for the System Operator's Administered Transmission System during the reporting quarter that were completed more than ninety (90) Calendar Days for no more than +/- 20 percent

cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate after receipt by System Operator of Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by System Operator more than ninety (90) Calendar Days for no more than +/- 20 percent cost estimate or one hundred eighty (180) Calendar Days for +/- 10 percent cost estimate before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed for the System Operator's Administered Transmission System during the reporting quarter, calculated from the date when System Operator received the executed Interconnection Facilities Study Agreement to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer,

(E) Mean time (in days), Interconnection Facilities Study completed for the System Operator's Administered Transmission System during the reporting quarter, from the close of the Cluster Request Window to the date when System Operator provided the completed Interconnection Facilities Study to Interconnection Customer.

(F) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.5.2.3(B) plus Section 3.5.2.3(C) divided by the sum of Section 3.5.2.3(A) plus Section 3.5.2.3(C) of this SGIP.

3.5.2.4 Interconnection Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of any Interconnection Studies or execution of any Interconnection Study Agreements,

(C) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from System Operator's interconnection queue during the reporting quarter before completion of an Interconnection Facility Study,

(E) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after completion of an Interconnection Facilities Study or after completion of the Cluster Study if the Facilities Study was waived but before execution of an SGIA or Interconnection Customer requests the filing of an unexecuted SGIA,

(F) Number of Interconnection Requests withdrawn from System Operator's interconnection queue after execution of an SGIA or Interconnection Customer requests the filing of an unexecuted, new SGIA,

(G) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when System Operator received the request to withdraw from the queue.

3.5.3 System Operator is required to post on its website the measures in Section 3.5.2.1(A) through Section 3.5.2.4(F) for each calendar quarter within thirty (30) Calendar days of the end of the calendar quarter. System Operator will keep the quarterly measures posted on its website for three (3) calendar years with the first required report to be the first quarter of 2020. If System Operator retains this information on its website, a link to the information must be provided on System Operator's OASIS site.

3.5.4 In the event that any of the values calculated in Sections 3.5.2.1(F), 3.5.2.2(F) or 3.5.2.3(F) exceeds twenty-five percent (25%) for two (2) consecutive calendar quarters, System Operator will have to comply with the measures below for the next four (4) consecutive calendar quarters and must continue reporting this information until System Operator reports four consecutive calendar quarters without the values calculated in Sections 3.5.2.1(F), 3.5.2.2(F) or 3.5.2.3(F) exceeding twenty-five percent (25%) for two (2) consecutive calendar quarters:

(i) System Operator must submit a report to the Commission describing the reason for each Cluster Study, Cluster Restudy, or individual Interconnection Facilities Study pursuant to one or more Interconnection Request(s) that exceeded its deadline (*i.e.*, 270, 90 or 180 Calendar Days) for completion. System Operator must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within forty-five (45) Calendar Days of the end of the calendar quarter.

(ii) System Operator shall aggregate the total number of employee hours and third party consultant hours expended towards Interconnection Studies for its Administered Transmission System that quarter and post on its website. If System Operator posts this information on its website, a link to the information must be provided on System Operator's OASIS site. This information is to be posted within thirty (30) Calendar Days of the end of the calendar quarter.

3.5.5 Record Retention.

The System Operator shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests

3.6 Coordination with Internal Affected Systems.

The System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Internal Affected Systems with Internal Affected Parties and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this SGIP. The System Operator will include such Internal Affected Parties in all meetings held with Interconnection Customer as required by this SGIP. Interconnection Customer will cooperate with the System Operator and Interconnecting Transmission Owner in all matters related to the conduct of studies and the determination of modifications to Internal Affected Systems. Interconnection Customer shall be responsible for the costs associated with the studies or portions of studies associated with the Internal Affected Systems, including costs associated with the requirements of Section I.3.9 of the Tariff. Payment and refunds associated with the costs of such studies will be coordinated between Interconnection Customer and the Internal Affected Party(ies) unless such costs are included in the costs

of the Interconnection Study, in which case, the Internal Affected Party(ies) shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the respective Interconnection Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Studies.

The System Operator shall seek the cooperation of all Internal Affected Parties in all matters related to the conduct of studies and the determination of modifications to Internal Affected Systems. Nothing in the foregoing is intended to authorize Interconnection Customer to receive interconnection, related facilities or other services on an Affected System, and provision of such services must be handled through separate arrangements with Internal Affected Party(ies).

3.6A Coordination with Affected Systems Outside New England Control Area.

System Operator will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with System Operator and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

An Interconnecting Transmission Owner in the New England Control Area whose system may be impacted by a proposed interconnection on an Affected System shall cooperate with the System Operator and Affected System to transmission whom a proposed interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Interconnecting Transmission Owner's portion of the New England Transmission System.

3.6A.1 Initial Notification.

System Operator must notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study.

At the time of initial notification, System Operator must provide Interconnection Customer with a list of potential Affected Systems, along with relevant contact information.

3.6A.2 Notification of Cluster Restudy.

System Operator must notify Affected System Operator of a Cluster Restudy concurrently with its notification of such Cluster Restudy to Interconnection Customers.

3.6A.3 Notification of Cluster Restudy Completion.

Upon the completion of System Operator's Cluster Restudy, System Operator will notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Restudy, regardless of whether that potential Affected System impact was previously identified. At the time of the notification of the completion of the Cluster Restudy to the Affected System Operator, System Operator must provide Interconnection Customer with a list of potential Affected System Operators, along with relevant contact information

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to System Operator, which System Operator will transmit to Interconnecting Transmission Owner and any Affected Parties. In addition, if Interconnection Customer fails to adhere to all requirements of this SGIP, except as provided in Section 13.5 (Disputes), the System Operator shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Except as otherwise provided elsewhere in this SGIP, upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify the System Operator of its intent to pursue Dispute Resolution, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the System Operator may eliminate Interconnection Customer's Interconnection Request from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to System Operator, Interconnecting Transmission Owner, and any Affected Parties all costs prudently incurred with respect to that Interconnection Request prior to System Operator's receipt of notice described above. Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by System Operator under Section 3.7 of this SGIP, System Operator shall (i) update the OASIS Queue Position posting; and (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this SGIP. Except as otherwise provided elsewhere in this SGIP, the System Operator and the Interconnecting Transmission Owner shall refund to Interconnection Customer any refundable portion of Interconnection Customer's study deposit or study payments that exceeds the costs incurred, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations, or arrange to charge to Interconnection Customer any amount of such costs incurred that exceed Interconnection Customer's deposit or study payments, including interest calculated in accordance with section 35.19a(a)(2) of the Commission's regulations. The System Operator and Interconnecting Transmission Owner shall refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of Site Control. In the event of such withdrawal, System Operator, subject to the confidentiality provisions of Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information, shall provide, at Interconnection Customer's request, all information developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.7.1 Withdrawal Penalty.

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.7.1.1 Calculation of the Withdrawal Penalty.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer shall not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) Interconnection Customer's study deposit required under Section 3.4.1.1 of this SGIP; or (2) as follows in (a)–(d):

(a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study, Interconnection Customer shall be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point in the Interconnection Study process.

(b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this SGIP, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer shall be charged five percent (5%) its estimated Network Upgrade costs.

(c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.3 of this SGIP, or after receipt of the draft SGIA but before Interconnection Customer has executed an SGIA or has requested that its SGIA be filed unexecuted, and has satisfied the other requirements described in Section 11.3 of this SGIP (i.e., Site Control demonstration, SGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer shall be charged ten percent (10%) its estimated Network Upgrade costs.

(d) If Interconnection Customer has executed an SGIA or has requested that its SGIA be filed unexecuted and has satisfied the other requirements described in Section 11.3 of this SGIP (i.e., Site Control demonstration, SGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection

Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty shall be twenty percent (20%) its estimated Network Upgrade costs.

3.7.1.2 Distribution of the Withdrawal Penalty.

3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster

For a single Cluster, System Operator shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an SGIA; or (3) requested an SGIA to be filed unexecuted. Any Withdrawal Penalty funds collected from the Cluster shall first be used to fund studies conducted under the Cluster Study Process for Interconnection Customers in the same Cluster that have executed the SGIA or requested the SGIA to be filed unexecuted. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, System Operator will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 6.3 of the pro forma SGIA attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4. The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their SGIA or requesting to have their SGIA filed unexecuted. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with the System Operator's method in Section 13.3 of this SGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. System Operator shall post the balance of Withdrawal Penalty funds held by System Operator but not yet dispersed on its OASIS site and update this posting on a quarterly basis.

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its SGIA, System Operator shall first apply such Interconnection Customer's Withdrawal Penalty funds to any restudy costs required due to Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with the System Operator's method in Section 13.3 of this SGIP for allocating the costs of interconnection studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

3.7.1.2.2 Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster

If Withdrawal Penalty funds remain for the same Cluster after the Withdrawal Penalty funds are applied to relevant study costs, System Operator will determine if the withdrawn Interconnection Customers, at any point in the Cluster Study Process, shared cost assignment for one or more Network Upgrades with any remaining Interconnection Customers in the same Cluster based on the Cluster Study Report, Cluster Restudy Report(s), Interconnection Facilities Study Report, and any subsequent issued restudy report issued for the Cluster.

In Section 3.7.1.2 of this SGIP, shared cost assignments for Network Upgrades refers to the cost of Network Upgrades still needed for the same Cluster for which an Interconnection Customer, prior to withdrawing its Interconnection Request, shared the obligation to fund along with Interconnection Customers that have executed an SGIA, or requested the SGIA to filed unexecuted.

If System Operator's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, System Operator will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customer(s). Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this SGIP). System Operator must make such

disbursement within sixty (60) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; (2) executed an SGIA; or (3) requested an SGIA to be filed unexecuted. For the withdrawn Interconnection Customers that System Operator determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this SGIP, System Operator will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will be applied toward net increases in Network Upgrade shared costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this SGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this SGIP).

If the System Operator's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, System Operator will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the SGIA (or filed unexecuted), as described in Section 3.7.1.2.3(a) of this SGIP, or after such execution (or filing unexecuted) of an SGIA, as described in Section 3.7.1.2.3(b) of this SGIP.

As discussed in Section 3.7.1.2.4, System Operator will amend executed (or filed unexecuted) SGIAs of the remaining Interconnection Customers in the same Cluster to apply the remaining Withdrawal Penalty funds to reduce net increases in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 6.3 of the pro forma SGIA attributable to the impacts of withdrawn Interconnection Customers on Interconnection Customers remaining in the same Cluster that had a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customers.

3.7.1.2.3 Impact Calculations

3.7.1.2.3(a) Impact Calculation for Withdrawals During the Cluster Study Process

If an Interconnection Customer withdraws before it executes, or requests the unexecuted filing of, its SGIA, the System Operator will distribute in the following manner the Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment for a Network Upgrade with the withdrawn Interconnection Customer.

To calculate the reduction in the remaining Interconnection Customers' net increase in Network Upgrade costs and associated financial security requirements under Article 6.3 of the pro forma SGIA, the System Operator will determine the financial impact of a withdrawing Interconnection Customer on other Interconnection Customers in the same Cluster that shared an obligation to fund the same Network Upgrade(s). System Operator shall calculate this financial impact once all Interconnection Customers in the same Cluster either: (1) have withdrawn or have been deemed withdrawn; (2) executed an SGIA; or (3) request an SGIA to be filed unexecuted. System Operator will perform the financial impact calculation using the following steps.

First, System Operator must determine which withdrawn Interconnection Customers shared an obligation to fund Network Upgrades with Interconnection Customers from the same Cluster that have SGIAs that are executed or have been requested to be filed unexecuted. Next, System Operator shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

(1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);

(2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);

(3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);

(4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution or filing of an unexecuted SGIA;

(5) The Interconnection Facilities Study reflected in the executed, or filed unexecuted, SGIA to any subsequent restudy conducted after the execution or filing of an unexecuted SGIA.

If, based on the above calculations, System Operator determines:

(i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and

(ii) after the impacted Interconnection Customer's SGIA was executed or filed unexecuted, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade,

then System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial impact by reducing, in the same Cluster, the remaining Interconnection Customer's Network Upgrade costs and associated financial security requirements under Article 6.3 of the pro forma SGIA.

If System Operator determines that more than one Interconnection Customer in the same Cluster was financially impacted by the same withdrawn Interconnection Customer, System Operator will apply the relevant withdrawn Interconnection Customer's Withdrawal Penalty funds that have not already been applied to study costs to reduce the financial impact to each Interconnection Customer based on each Interconnection Customer's proportional share of the financial impact, as determined by either the Proportional Impact Method if it is a System Network Upgrade or on a per capita basis if it is a Substation Network Upgrade, as described under Section 4.2.1 of this SGIP.

3.7.1.2.3(b) Impact Calculation for Withdrawals in the Same Cluster After the Cluster Study Process

If an Interconnection Customer withdraws after it executes, or requests the unexecuted filing of, its SGIA, System Operator will distribute in the following manner the remaining Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster

who had a shared cost assignment with the withdrawn Interconnection Customer for one or more Network Upgrades.

System Operator will determine the financial impact on the remaining Interconnection Customers in the same Cluster within thirty (30) Calendar Days after the withdrawal occurs. The System Operator will determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customers shared with the withdrawn Interconnection Customer before the withdrawal of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, System Operator shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's increased cost assignment, as determined by System Operator.

3.7.1.2.4 Amending SGIA to Apply Reductions to Interconnection Customer's Assigned Network Upgrade Costs and Associated Financial Security Requirement with Respect to Withdrawals in the Same Cluster

Within thirty (30) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; (2) executed an SGIA; or (3) requested an SGIA to be filed unexecuted, System Operator must perform the calculations described in Section 3.7.1.2.3(a) of this SGIP and provide such Interconnection Customers with an amended SGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 6.3 of the pro forma SGIA, due from Interconnection Customer to the Interconnecting Transmission Owner.

Where an Interconnection Customer executes the SGIA (or requests the filing of an unexecuted SGIA) and is later withdrawn or its SGIA is terminated, System Operator must, within thirty (30) Calendar Days of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this SGIP and provide such Interconnection Customers in the same Cluster with an amended SGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 6.3 of the pro forma SGIA, due from Interconnection Customer to Interconnecting Transmission Owner.

Any repayment by Interconnecting Transmission Owner to Interconnection Customer under Article 6.1 of the pro forma SGIA of amounts advanced for Network Upgrades after the Generating Facility achieves Commercial Operation shall be limited to Interconnection Customer's total amount of Network Upgrade costs paid and associated financial security provided to Interconnecting Transmission Owner under Article 6.3 of the pro forma SGIA.

3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds

If Withdrawal Penalty funds remain for the Cluster after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, System Operator or Interconnecting Transmission Owner, as appropriate, will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

3.8 Identification of Contingent Facilities.

System Operator shall identify Contingent Facilities before the execution of the SGIA by reviewing the Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position, Large Load Network Upgrades, or the list of transmission projects planned or proposed for the New England Transmission System to identify those upgrades that are not yet in service but upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Planned or proposed upgrades will be identified as Contingent Facilities for an Interconnection Request if the absence of those upgrades would cause additional Adverse System Impacts to be identified in the Cluster Study, using the same conditions as those used in the Cluster Study. The thresholds for identification of Adverse System Impact for the purpose of identifying Contingent Facilities will be as follows: (i) an increase in the flow in an element by at least two percent of the element's rating and that causes that flow to exceed that element's appropriate thermal rating by more than two percent where the appropriate thermal rating is the normal rating with all lines in service and the long time emergency or short time emergency rating after a contingency; (ii) a change of at least one percent in a voltage that causes a voltage level that is higher or lower than the appropriate high or low rating by more than one percent; (iii) an increase of at least a one

percent change in the short circuit current experienced by an element and that causes a short circuit stress that is higher than an element's interrupting or withstand capability; or (iv) the introduction of a violation of stability criteria. Contingent Facilities that are identified during the evaluation of the Interconnection Request shall be documented in the Cluster Study report or the SGIA for the Small Generating Facility. System Operator shall also provide, upon request of Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time for each identified Contingent Facilities when this information is readily available and not commercially sensitive.

3.9 Penalties for Failure to Meet Study Deadlines.

(1) System Operator or Interconnecting Transmission Owner shall be subject to a penalty if it fails to complete a Cluster Study, Cluster Restudy, Interconnection Facilities Study, or Affected Systems Study by the applicable deadline set forth in this SGIP. The responsibilities of System Operator and Interconnecting Transmission Owner in the conduct of such studies are set forth in the Transmission Operating Agreement and ISO New England Planning Procedures. System Operator or Interconnecting Transmission Owner must pay the penalty for each late Cluster Study, Cluster Restudy, and Interconnection Facilities Study on a pro rata basis per Interconnection Request to all Interconnection Customer(s) included in the relevant study that did not withdraw, or were not deemed withdrawn, from System Operator's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. System Operator or Interconnecting Transmission Owner must pay the penalty for a late Affected Systems Study on a pro rata basis per interconnection request to all Affected System Interconnection Customer(s) included in the relevant Affected System Study that did not withdraw, or were not deemed withdrawn, from the host transmission provider's interconnection queue before the missed study deadline in proportion to each Interconnection Customer's final study cost. Except as provided below, the study delay penalty for each late study shall be distributed no later than forty-five (45) Calendar Days after the late study has been completed.

(2) For penalties assessed in accordance with this Section, the penalty amount will be equal to: $1,000 per Business Day for delays of Cluster Studies beyond the applicable deadline set forth in this SGIP; $2,000 per Business Day for delays of Cluster Re-Studies beyond the applicable deadline set forth in this SGIP; $2,000 per Business Day for delays of Affected System Studies beyond the applicable deadline set forth in this SGIP; and $2,500 per Business Day for delays of Interconnection Facilities Studies beyond the applicable deadline set forth in this SGIP. The total amount of a penalty assessed under this Section shall not exceed: (a) one hundred percent (100%) of the initial study deposit(s) received for all of the

Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (b) one hundred percent (100%) of the initial study deposit received for the single Interconnection Request in the study for Interconnection Facilities Studies; and (c) one hundred percent (100%) of the study deposit(s) that System Operator or Interconnecting Transmission Owner collects for conducting the Affected System Study.

(3) System Operator or Interconnecting Transmission Owner may appeal to the Commission any penalties imposed under this Section. Any such appeal must be filed no later than forty-five (45) Calendar Days after the late study has been completed. While an appeal to the Commission is pending, System Operator or Interconnecting Transmission Owner shall remain liable for the penalty, but need not distribute the penalty until forty-five (45) Calendar Days after (1) the deadline for filing a rehearing request has ended, if no requests for rehearing of the appeal have been filed, or (2) the date that any requests for rehearing of the Commission's decision on the appeal are no longer pending before the Commission. The Commission may excuse System Operator or Interconnecting Transmission Owner from penalties under this Section for good cause.

(4) No penalty will be assessed under this Section where a study is delayed by ten (10) Business Days or less. If the study is delayed by more than ten (10) Business Days, the penalty amount will be calculated from the first Business Day the System Operator or Interconnecting Transmission Owner misses the applicable study deadline.

(5) If (a) System Operator or Interconnecting Transmission Owner needs to extend the deadline for a particular study subject to penalties under this Section and (b) all Interconnection Customers or Affected System Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study shall be extended thirty (30) Business Days from the original deadline. In such a scenario, no penalty will be assessed for System Operator or Interconnecting Transmission Owner missing the original deadline.

(6) No penalties shall be assessed until the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after the Commission-approved effective date of this SGIP.

(7) System Operator and Interconnecting Transmission Owner must maintain on its OASIS or its public website summary statistics related to penalties assessed under this Section, updated quarterly. For each

calendar quarter, System Operator and Interconnecting Transmission Owner must calculate and post (1) the total amount of penalties assessed under this Section during the previous reporting quarter and (2) the highest penalty assessed under this Section paid to a single Interconnection Customer or Affected System Interconnection Customer during the previous reporting quarter. System Operator and Interconnecting Transmission Owner must post on their respective OASIS or website these penalty amounts for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. System Operator and Interconnecting Transmission Owner must maintain the quarterly measures posted on their respective OASIS or website for three (3) calendar years with the first required posting to be the third Cluster Study cycle (including any Transitional Cluster Study cycle, but not Transitional Serial Interconnection Facilities Studies) after System Operator transitions to the Cluster Study Process.

SECTION 4. INTERCONNECTION REQUEST EVALUATION PROCESS.

4.1 Queue Position.

4.1.1 Assignment of Queue Position.

System Operator shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request provided all items required pursuant to the provisions of Section 3.4.2 of this SGIP are received. A higher Queue Position assigned to an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of a Cluster initiated earlier in time than an instant Cluster Study shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant Cluster.

Any ongoing CSIS or CFACs as of June 13, 2024 shall include the Interconnection Requests that were identified as eligible to participate in the CSIS and CFAC and met the associated requirements for inclusion in said studies in accordance with Section 4.2 of this SGIP. Interconnection Requests included in such a CSIS or CFAC shall consider a higher queued Interconnection Request not included in the cluster. A lower queued Interconnection Request that is not included in such a CSIS or CFAC shall consider all of the higher queued Interconnection Requests that are part of such a CSIS or CFAC.

4.1.2 Considerations Related to Achieving CNR Interconnection Service.

Participation in a CNR Group Study was required to achieve CNR Interconnection Service and CNI Interconnection Service prior to September 4, 2025.

After September 4, 2025 CNR the Transitional Cluster Study, Transitional CNR Group Study or Cluster Study processes shall be the only means for Generating Facilities subject to the Interconnection Procedures to achieve CNR Interconnection Service.

Interconnection Requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included in Base Case for the Transitional CNR Group Study or a Cluster Study in order of submission/approval (the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates) provided that such Section I.3.9 approval was received at least ninety (90) Calendar days after the formation of the Base Case consistent with Section 2.3 of this SGIP.

4.2 General Study Process.

Interconnection Studies performed using clustering shall be conducted in such a manner to ensure the efficient implementation of the applicable Regional System Plan in light of the New England Transmission System's capabilities for the time period under study and consistent with Good Utility Practice.

The System Operator may use subgroups in the Cluster Study Process. If the System Operator elects to use subgroups in the Cluster Study Process, System Operator must publish the criteria used to define and determine subgroups on its OASIS or public website prior to the opening of a Cluster Request Window.

4.2.1 Triggers for CRPS.

The System Operator, at its discretion, may initiate a CRPS pursuant to Section 15 of Attachment K, Section II of the Tariff, when it identifies any of the following interconnection circumstances:

(1) the withdrawal from the Cluster Study Process of two (2) or more Interconnection Requests for resources in the same electrical part of the New England Control Area; or

(2) where procurements are underway for resources in the same electrical part of the New England Control Area;

and, none of the resources described in (1) or (2) above will be able to interconnect to the Administered Transmission System without the use of common significant new transmission line infrastructure rated at or above 115 kV AC or HVDC.

System Operator may also initiate a CRPS in an electrical part of the New England Control Area where System Operator previously identified the need for a CETU to interconnect new resources.

4.2.2 Notice of Initiation of CRPS.

When the System Operator identifies the interconnection circumstances in Section 4.2.1 of this SGIP, the System Operator will provide notice to the Planning Advisory Committee of the initiation of a CRPS in accordance with Section 15.1 of Attachment K, Section II of the Tariff. The System Operator will perform a CRPS to identify the CETU and associated system upgrades to enable the interconnection of potentially all of the resources for which the interconnection circumstances described in Section 4.2.1 of this SGIP were identified, consistent with Section 15.2 of Attachment K. The results of the CRPS performed under Attachment K will inform the Cluster entry process and requirements for Interconnection Requests for Generating Facilities that need the CETU to meet the interconnection standards in Schedules 22, 23, or 25 of the OATT.

The System Operator will provide notice to Interconnection Customers that have submitted an Interconnection Request during a Cluster Request Window that System Operator has identified as needing a CETU to meet the interconnection standards prior to or at the Cluster Scoping Meeting. System Operator shall determine whether 1) a CRPS has been completed in the relevant area of the system and the Interconnection Requests can enter the Cluster Study consistent with Section 4.2.3.2 of this SGIP or 2) a CRPS is currently underway, or may be initiated pursuant to Section 4.2.1 of this SGIP in the relevant area of the system, in which case, System Operator will deem the Interconnection Requests withdrawn without the cure period described in Section 3.7 of this SGIP, notify the Interconnection Customers, and refund any remaining deposits.

4.2.3 Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1 Cluster Entry Requirements for CETU-Eligible Interconnection Requests.

4.2.3.1.1 CRPS Completed Prior to Transitional Cluster Study For a CRPS that was completed prior to the start of the Transitional Cluster Study, and for which a CSIS has not commenced, all Interconnection Requests identified in the final CRPS report, by Queue Position as assigned in accordance with Section 4.1 of this SGIP, shall be eligible to elect to enter the Transitional Cluster Study under Section 5.1.1.2 of this SGIP. By the deadline to return the Transitional Cluster Study Agreement, an Interconnection Customer with an Interconnection Request identified in the final CRPS report as eligible to elect to enter the Transitional Cluster Study must, in writing:

1. withdraw the Interconnection Request, pursuant to Section 3.7; or
2. request to be included in the Transitional Cluster Study, meet the requirements specified in Section 5.1.1.2, (except for the Commercial Readiness Deposit) and submit to the System Operator the CETU Participation Deposit specified in Section 4.2.3.2 of this SGIP. Such deposit shall be in cash.

If, by the deadline to submit the Transitional Cluster Study Agreement, Interconnection Customer fails to withdraw its Interconnection Request or request to be included in the Transitional Cluster Study and meet the requirements specified in this Section 4.2.3.1.1, then the Interconnection Request will be automatically withdrawn from the interconnection queue without further opportunity to cure. If Interconnection Customer elects option (2) above and does not meet all of the CSIS entry requirements specified in this Section 4.2.3.1.1 by the deadline to submit the Transitional Cluster Study Agreement, the Interconnection Request will be automatically withdrawn from the interconnection queue as of that date without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of an otherwise incomplete Transitional Cluster Study entry requirements submission, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

4.2.3.1.2 CRPS Completed or Initiated After the Transition Cluster Study All Interconnection Requests that, based on a final CRPS report that the System Operator has completed pursuant to Attachment K, reasonably expect to, or have been notified by System Operator that they need, the CETU and associated system upgrades identified in that final CRPS report must request to be included in the Cluster Study, have a valid Interconnection Request pursuant to Section 3.4.2, and submit to the System Operator the CETU Participation Deposit specified in Section 4.2.3.2 of this SGIP by the close of the Customer Engagement Window. Such deposit shall be required to be in cash. If Interconnection

Customer does not meet all of the entry requirements specified in this Section 4.2.3.1.2 by close of the Customer Engagement Window, the Interconnection Request will be automatically withdrawn from the interconnection queue as of the Customer Engagement Window without further opportunity to cure. If an initial CETU Participation Deposit had been submitted as part of the incomplete Interconnection Request, the initial CETU Participation Deposit will be refunded at the time the Interconnection Request is withdrawn.

Where a CRPS under Attachment K has not been completed prior to the opening of a Cluster Request Window, Interconnection Requests in the electrical part of the system subject to the CRPS will be eligible to participate in the next Cluster Study following completion of the CRPS.

4.2.3.2 CETU Participation Deposit for CETU Eligible Interconnection Requests. For Interconnection Requests that are CETU eligible and System Operator has determined that a CRPS has been completed in the relevant area of the system, by the close of the Customer Engagement Window, Interconnection Customer must replace the Commercial Readiness Deposit submitted under Section 3.4.2 of this SGIP with a CETU Participation Deposit equal to five (5) percent of Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CRPS report. If the System Operator subsequently identifies that an Internal ETU has met the requirements to take the place of a CETU, or portion thereof, pursuant to Sections 5.1.1.2 and 7.3 of this SGIP, the initial CETU Participation Deposit will be reduced to exclude the costs associated with the CETU, or portion thereof, that is being replaced by the Internal ETU, and Interconnection Customer shall be refunded the corresponding amount. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The initial CETU Participation Deposit will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this SGIP) to Interconnection Customer with an Interconnection Request that met the cluster entry requirements: (i) if the CETU is initially undersubscribed by more than ten (10) percent of the quantity of megawatts that the CETU developed through the CRPS was designed to enable and Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, before the Cluster Study starts, (ii) if the CETU is initially oversubscribed as described in Section 4.2.3.3.2 of this SGIP (e.g., the CETU developed through the CRPS is designed to enable 1,000 MW and more than 1,000 MW meet the Cluster Study or Transitional Cluster Study entry requirements), in which case the CETU Participation Deposit CETU Participation Deposit will be refunded to Interconnection Customers with

Interconnection Requests corresponding to the oversubscribed megawatt quantities, (iii) if the cost estimates for the CETU and the associated system upgrades provided in the final CRPS report for the entire cluster have increased by twenty-five (25) percent or more when compared to the cost estimates provided in the draft Cluster Study report or the draft Transitional Cluster Study Report, draft Cluster Study or the draft Facilities Study Report and Interconnection Customer withdraws the Interconnection Request, pursuant to Section 3.7, within thirty (30) Calendar Days after receipt of the draft Transitional Cluster Study Report, draft Cluster Study Report or the draft Facilities Study Report in accordance with Sections 7.5 and 8.3 of this SGIP, respectively, (iv) if at the time Interconnection Customer with an Interconnection Request included in the CSIS provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this SGIP or (v) if all Interconnection Requests included in the cluster withdraw from the interconnection queue.

Otherwise, the CETU Participation Deposit shall be non-refundable if Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue at any time after the Customer Engagement Window. The non-refundable CETU Participation Deposit shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.2.3.3 CETU Filling and Oversubscription.

For purposes of the Transitional Cluster Study, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area that the System Operator previously identified as needing the CETU identified in the final CRPS report and that met the Transitional Cluster Study entry requirements by the Cluster Request Window up to the approximate megawatt quantity identified in the final CRPS report as potentially enabled by the CETU. The Interconnection Requests will be included Transitional Cluster Study in queue order, based on the Queue Positions assigned in accordance with Section 4.1 of this SGIP, relative to other eligible Interconnection Requests. In the event that the CETU is filled and lower queued Interconnection Requests remain, such requests shall be withdrawn by System Operator, all remaining deposits will be refunded, and System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

For Cluster Studies, the CETU shall be filled with all Interconnection Requests in the same electrical part of the New England Control Area submitted during the next Cluster Request Window following the

publication of the final CRPS report that the System Operator determines need the CETU identified in the final CRPS report and meet the Cluster Study entry requirements by close of the Cluster Request Window up to the approximate megawatt quantity identified in the final CRPS as potentially enabled by the CETU.

If the Interconnection Requests identified by the System Operator as needing the CETU identified in the final CRPS report that elect to enter the Cluster Study exceed the quantity of megawatts identified as potentially enabled by the CETU in the final CRPS report, the System Operator shall fill the CETU first with Interconnection Requests that have been selected in, or are contractually bound by, a state-sponsored request for proposals. In the event that the CETU is filled and additional Interconnection Requests are not able to be included, such requests will not proceed into the Cluster Study, all deposits will be refunded, System Operator may initiate a new CRPS under Attachment K in the same electrical area of the system.

4.2.4. Cluster Interconnection Facilities Study.

The following provisions shall only apply to Interconnection Customers that executed a CFAC prior to the effective date of this SGIP.

Notwithstanding any other provision in this SGIP, an Interconnection Customer with an Interconnection Request included in a completed CSIS will not be eligible to waive the, or request a separate, CFAC. All Interconnection Customers with an Interconnection Request included in a completed CSIS shall be studied together in the CFAC for the purpose of implementing the conclusions of the CSIS with respect to non-sole use facilities.

4.2.4.1 Cluster Interconnection Facilities Study Entry Requirements. An Interconnection Customer with an Interconnection Request that was included in a completed CSIS shall execute an Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator, together with the required technical data and refundable deposit for the Interconnection Facilities Study as specified in Section 8.1 of this SGIP.

4.2.4.2. Scope of Interconnection Facilities Study. The CFAC will be conducted in accordance with Sections 8.2 and 8.3 of this SGIP based on a +/- 20 percent good faith cost estimate.

4.2.4.3 Re-study of the Interconnection Facilities Study. In addition to the circumstances specified in Section 8.5 of this SGIP, a re-study of the CFAC is required due to the withdrawal of an Interconnection Request that had been included in the CFAC. A re-study of the CSIS and CFAC will be conducted to determine if there are any changes in the upgrades identified during the CSIS and CFAC with the exception of the CETU identified in the final CRPS report, which shall remain configured consistent with the megawatt quantity(ies) considered in the final CRPS report.

4.2.4.4 Additional CETU Participation Deposit. Within thirty (30) Calendar Days after receipt of the final CFAC report in accordance with Section 8.3 of this SGIP, an Interconnection Customer with an Interconnection Request included in the CFAC shall submit to the System Operator an additional CETU Participation Deposit equal to five (5) percent of Interconnection Customer's cost allocation responsibility for the CETU and associated system upgrades to be determined based on the cost estimates provided in the final CFAC report. Cost allocation of the CETU and associated system upgrades shall be in accordance with Schedule 11, Section II of this Tariff.

The additional CETU Participation Deposit provided under this Section 4.2.4 will be fully refunded (with interest to be calculated in accordance with Section 3.7 of this SGIP) to Interconnection Customer that submitted the additional CETU Participation Deposit (i) at the time Interconnection Customer with an Interconnection Request included in this CSIS provides to the Interconnecting Transmission Owner the deposit specified in Section 11.3.1.2 of this SGIP or (ii) if all Interconnection Requests included in the cluster withdraw from the interconnect queue.

Otherwise, the additional CETU Participation Deposit shall be non-refundable if Interconnection Customer withdraws its Interconnection Request or the Interconnection Request is withdrawn from the interconnection queue. The non-refundable additional CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in a cluster at the time the facilities proposed in the Interconnection Requests achieve Commercial Operation.

4.3 Transferability of Queue Position.

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

of any transfers of Queue Position and must provide the System Operator with the transferee's contact information, and System Operator shall notify Interconnecting Transmission Owner and any Affected Parties of the same.

4.4 Modifications.

Interconnection Customer shall submit to System Operator and Interconnecting Transmission Owner, in writing, modifications to any information provided in the Interconnection Request, including its attachments. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.4, or 7.5 of this SGIP or the predecessor rules under the SGIP, or are determined not to be Material Modifications pursuant to Section 4.4.2 of this SGIP. The System Operator will notify the Interconnecting Transmission Owner, and, when System Operator deems it appropriate in accordance with applicable codes of conduct and confidentiality requirements, it will notify any Affected Party or Internal Affected Party of such modifications.

A new Interconnection Request be shall be required to: (1) increase the energy capability or capacity capability output of a Generating Facility above that specified in an Interconnection Request, an existing Interconnection Agreement (whether executed or filed in unexecuted form with the Commission), or as established pursuant to Section 5.2 of this SGIP; or (2) change from NR Interconnection Service to CNR Interconnection Service, at any time.

During the course of the Interconnection Studies, the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes do not constitute a Material Modification and are acceptable to the Parties, such acceptance not to be unreasonably withheld, System Operator and the Interconnecting Transmission Owner shall modify the Point of Interconnection prior to the completion of a Cluster Study and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the Cluster Study Agreement or Transitional Cluster Study Agreement, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed Small Generating Facility, through either (1) a decrease in facility

size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1 of this SGIP) accomplished by applying System Operator-approved injection-limiting equipment proposed by Interconnection Customer and subject to review in the Cluster Study; (b) modifying the technical parameters associated with the Small Generating Facility technology or the Small Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

4.4.2 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.4, or 7.5 of this SGIP, Interconnection Customer may first request that the System Operator and Interconnecting Transmission Owner evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, the System Operator in consultation with the Interconnecting Transmission Owner, and in consultation with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall evaluate, at Interconnection Customer's cost, the proposed modifications prior to making them and the System Operator will inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1.2 or 4.4.1 of this SGIP or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.3 Interconnection Customer may request, and System Operator shall evaluate, the addition to the Interconnection Request of a Generating Facility with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Facility does not increase the requested Interconnection Service level. System Operator must evaluate such modifications prior to deeming them a Material Modification, but only if Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by Interconnection Customer to System Operator. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

4.4.4 Upon receipt of Interconnection Customer's request for modification that does not constitute a Material Modification and therefore is permitted under this Section 4.4 of this SGIP, the System Operator in consultation with the Interconnecting Transmission Owner and in consultation with any Affected Party

or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the System Operator, Interconnecting Transmission Owner, or Affected Party or Internal Affected Party commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.- Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to the Appendix 1 of this SGIP.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Small Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing, provided that the extension(s) do not exceed seven (7) years from the date the Interconnection Request was received by the System Operator. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an SGIA or requesting that the SGIA be filed unexecuted. After an SGIA is executed or requested to be filed unexecuted, the Commercial Operation Date reflected in the SGIA shall be used to calculate the permissible extension. Each cumulative extension may not exceed three years including both extensions requested after execution of the SGIA by Interconnection Customer or the filing of an unexecuted SGIA by System Operator and those requested prior to execution of the SGIA by Interconnection Customer or the filing of an unexecuted SGIA by System Operator.

4.4.6 Extensions of three (3) or more cumulative years in the Commercial Operation Date, In-Service Date or Initial Synchronization Date of the Small Generating Facility to which the Interconnection Request relates or any extension of a duration that results in the Initial Synchronization Date exceeding the date the Interconnection Request was received by the System Operator by seven (7) or more years is a Material Modification unless Interconnection Customer demonstrates to the System Operator due diligence, including At-Risk Expenditures, in pursuit of permitting, licensing and construction of the Small Generating Facility to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in the Interconnection Request. Such demonstration shall be based on evidence to be provided by Interconnection Customer of accomplishments in permitting, licensing, and construction in an effort to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date provided in this Interconnection Request. Such evidence may include filed

documents, records of public hearings, governmental agency findings, documentation of actual construction progress or documentation acceptable to the System Operator showing At-Risk Expenditure made previously, including the previous four (4) months. If the evidence demonstrates that Interconnection Customer did not undertake reasonable efforts to meet the Commercial Operation Date, In-Service Date or Initial Synchronization Date specified in the Interconnection Request, or demonstrates that reasonable efforts were not undertaken until four (4) months prior to the request for extension, the request for extension shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed Material Modification or proceed with a new Interconnection Request for such modification.

SECTION 5. PROCEDURES FOR TRANSITION.

5.1 Procedures for Transitioning to the Cluster Study Process

5.1.1 Any Interconnection Customer assigned a Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this SGIP) shall retain that Queue Position subject to the requirements in Sections 5.1.1.1 and 5.1.1.2 of this SGIP. Any Interconnection Customer that fails to meet these entry requirements shall have its Interconnection Request deemed withdrawn by System Operator pursuant to Section 3.7 of this SGIP. In such case, System Operator shall not assess Interconnection Customer any Withdrawal Penalty.

Any Interconnection Customer that has received a final Interconnection Facilities Study Report before the commencement of the studies under the transition process set forth in this section shall be tendered an SGIA pursuant to Section 11 of this SGIP, and shall not be required to enter this transition process.

System Operator shall not accept Interconnection Requests submitted after the thirty (30) Calendar Day period described in this section until the first Cluster Request Window opens.

5.1.1.1 Transitional Serial Study. An Interconnection Customer that has been tendered an Interconnection Facilities Study (Agreement (other than a CFAC Agreement) as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this SGIP) may opt to proceed with an Interconnection Facilities Study or proceed directly to SGIA negotiations. System Operator shall tender each eligible Interconnection Customer a Transitional Serial Interconnection Facilities Study Agreement, in the form of

Appendix 6 to this SGIP, on August 11, 2025. System Operator shall proceed with the Interconnection Facilities Study, provided that Interconnection Customer: (1) meets each of the following requirements; and (2) executes the Transitional Serial Interconnection Facilities Study Agreement within sixty (60) Calendar Days of August 11, 2025. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty. System Operator must commence the Transitional Serial Interconnection Facilities Study at the conclusion of this sixty (60) Calendar Day period. Transitional Serial Interconnection Facilities Study costs shall be allocated according to the method described in Section 13.3 of this SGIP.

All of the following must be included when an Interconnection Customer returns the Transitional Serial Interconnection Facilities Study Agreement:

(1) A deposit equal to one hundred percent (100%) of the costs identified for Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades in Interconnection Customer's system impact study report. If Interconnection Customer does not withdraw, the deposit shall be trued up to actual costs once they are known and applied to future construction costs described in Interconnection Customer's eventual SGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 6.1 of the pro forma SGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, System Operator shall refund the remaining deposit after the final invoice for study costs and Transitional Withdrawal Penalty is settled. The deposit shall be in the form of an irrevocable letter of credit, or cash where cash deposits shall be treated according to Section 3.7 of this SGIP.

(2) Exclusive Site Control for 100% of the proposed Generating Facility.

(3) A study deposit in the amount of the greater of $100,000 (for new NR Interconnection Service or CNR Interconnection Service requests), $50,000 (for Interconnection Requests for which Interconnection Studies for NR Interconnection Service have been completed but have not achieved CNR Interconnection Service or for Interconnection Requests seeking to change from existing NR Interconnection Service to CNR Interconnection Service or changes from existing NR Interconnection Service to CNR Interconnection Service) or estimated study costs

Interconnecting Transmission Owner or System Operator shall conduct each Transitional Serial Interconnection Facilities Study and issue the associated Transitional Serial Interconnection Facilities Study Report within one hundred fifty (150) Calendar Days of August 11, 2025.

After System Operator issues each Transitional Interconnection Facilities Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this SGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Withdrawal Penalty shall be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this SGIP).

5.1.1.2 Transitional Cluster Study

An Interconnection Customer with an assigned Queue Position as of thirty (30) Calendar Days after May 14, 2024 (the filing date of this SGIP) may opt to proceed with a Transitional Cluster Study. System Operator shall tender each eligible Interconnection Customer a Transitional Cluster Study Agreement, in the form of Appendix 5 to this SGIP, on August 11, 2025. System Operator shall proceed with the Transitional Cluster Study that includes each Interconnection Customer that: (1) meets each of the following requirements listed as (1) – (4) in this section; and (2) executes the Transitional Cluster Study Agreement within sixty (60) Calendar Days of August 11, 2025. All Interconnection Requests that enter the Transitional Cluster Study shall be considered to have an equal Queue Position that is lower than Interconnection Customer(s) proceeding with Transitional Serial Interconnection Facilities Study. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty and with no further opportunity to cure. System Operator must commence the Transitional Cluster Study at the conclusion of this sixty (60) Calendar Day period. All identified Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrade costs shall be allocated in the manner described in Schedule 11 to the OATT. Transitional Cluster Study costs shall be allocated according to the method described in Section 13.3 of this SGIP. If an Interconnection Customer accepted the results of its system impact study on or before April 4, 2025, the System Operator shall not include the Interconnection Request in the Transitional Cluster Study and instead tender a Small Generator Interconnection Agreement pursuant to Section 11 of this SGIP, and refund any deposits associated with participation in the Transitional Cluster Study.

Notwithstanding any other provision, an Interconnection Customer with a valid Queue Position prior to June 13, 2024 that includes a Commercial Operation Date earlier than April 28, 2028, may make a one-time extension to its requested Commercial Operation Date upon entry into the Transitional Cluster Study, where any such extension shall not result in a Commercial Operation Date later than April 28, 2028.

All of the following must be included when an Interconnection Customer returns the Transitional Cluster Study Agreement:

(1) A selection of either Network Resource Interconnection Service or Capacity Network Resource Interconnection Service. Upon making this selection, an Interconnection Customer requesting CNR Interconnection Service may request that System Operator reduce the Interconnection Request from CNR Interconnection Service to NR Interconnection Service if the System Operator identifies thermal violations in the analysis associated with CNR Interconnection Service testing conditions that are not identified in the analysis associated with the NR Interconnection Service testing conditions for the Interconnection Request. System Operator will notify Interconnection Customer that its Interconnection Request has been reduced to NR Interconnection Service, and list the thermal violations identified in the analysis associated with CNR Interconnection Service testing conditions in the Cluster Study Report.

(2) A deposit of five hundred thousand ($500,000) for Interconnection Requests seeking NR Interconnection Service or CNR Interconnection Service, and two hundred-fifty thousand ($250,000) for Interconnection Requests for which Interconnection Studies for NR Interconnection Service have been completed but have not achieved CNR Interconnection Service or for Interconnection Requests seeking to change from existing NR Interconnection Service to CNR Interconnection Service. The deposit shall be, in the form of an irrevocable letter of credit, or cash where cash deposits shall be treated according to Section 3.7 of this SGIP. If Interconnection Customer does not withdraw, the deposit shall be reconciled with and applied towards future construction costs described in the SGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 6.1 of the pro forma SGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial

Operation, System Operator must refund the remaining deposit once the final invoice for study costs and Transitional Withdrawal Penalty is settled.

(3) Exclusive Site Control for 100% of the proposed Generating Facility.

(4) A study deposit in the amount of one-hundred thousand ($100,000) for Interconnection Requests seeking NR Interconnection Service or CNR Interconnection Service, and fifty-thousand ($50,000) for Interconnection Requests for which Interconnection Studies for NR Interconnection Service have been completed but have not achieved CNR Interconnection Service or for Interconnection Requests seeking to change from existing NR Interconnection Service to CNR Interconnection Service-Any unused balance of the study deposit associated with the Interconnection Request shall be applied toward the study deposit associated with the Transitional Cluster Study Agreement.

(5) All technical data required under Appendix 1, Attachment A and Attachment A-1 (if applicable) of this SGIP to the extent Interconnection Customer has not already provided such data.

System Operator shall conduct the Transitional Cluster Study and issue both an associated interim Transitional Cluster Study Report and an associated final Transitional Cluster Study Report. The Study Case for the Transitional Cluster Study shall include any CETU and associated system upgrades identified in a final CRPS Report prior to the opening of the Transitional Cluster Study, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from the Transitional Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Transitional Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated by the end of the deadline to submit the Transitional Cluster Study Agreement that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

The interim Transitional Cluster Study Report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of Contingent Facilities
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

In addition to the information provided in the interim Transitional Cluster Study Report, the final Transitional Cluster Study Report shall provide a description of, estimated cost of, and schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades required to interconnect the Generating Facility to the Administered Transmission System that resolve issues identified in the interim Transitional Cluster Study Report.

The interim and final Transitional Cluster Study Reports shall be issued within three hundred (300) and three hundred sixty (360) Calendar Days of August 11, 2025, respectively, and shall be posted on System Operator's OASIS consistent with the posting of other study results pursuant to Section 3.5.1 of this SGIP. Interconnection Customer shall have thirty (30) Calendar Days to comment on the interim Transitional Cluster Study Report, once it has been received.

After System Operator issues the final Transitional Cluster Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this SGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Transitional Withdrawal Penalty will be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the System Operator's interconnection queue (including the cost of studies conducted under Section 5 of this SGIP).

5.1.1.3 Transitional CNR Group Study.

In accordance with Section III.13.1.1.2.3A, System Operator shall conduct a Transitional CNR Group Study following the effective date of this SGIP. An Interconnection Customer with an assigned Queue Position as of June 13, 2024 may participate in the Transitional CNR Group Study, and consistent with Section II.48 of the Tariff, achieve CNR Interconnection Service. Any Interconnection Customer seeking to establish CNR Interconnection Service through this study must (1) have a valid Interconnection Request seeking CNR Interconnection Service, (2) submit a New Capacity Show of Interest Form to participate in the interim reconfiguration auction qualification process, (3) have not secured a Capacity Supply Obligation prior to September 4, 2025, (4) have a completed System Impact Study or Interconnection Agreement establishing NR Interconnection Service on or before April 4, 2025, and 5) have a Commercial Operation Date prior to June 1, 2028.

System Operator shall conduct the study by performing an overlapping impacts analysis in the manner used for CNR Group Studies conducted prior to the effective date of this SGIP and as described in ISO Section III.13.1.1.2.3A and the ISO New England Planning Procedures. The Transitional CNR Group Study shall assure that Interconnection Customer's Small Generating Facility can be interconnected in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources and Elective Transmission Upgrades with CNI Interconnection Service, in accordance with the CC Interconnection Standard and as detailed in the ISO New England Planning Procedures.

Interconnection Requests for CNR Interconnection Service and CNI Interconnection Service submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section II of the Tariff and interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff shall be included in the Transitional CNR Group Study in order of submission/approval (the dates of submission shall be used for Interconnection Requests submitted to the System Operator and the dates of Proposed Plan Application approval shall be used for interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates). Interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates that have not yet received the System Operator's approval for their Proposed Plan Applications under Section I.3.9 of the Tariff at the commencement of the Transitional CNR Group Study shall be included in the Transitional CNR Group Study after all Interconnection Requests submitted to the System Operator pursuant to Schedules 22, 23, or 25 of Section

II of the Tariff and all interconnection requests submitted to Interconnecting Transmission Owners or their distribution company affiliates pursuant to the applicable state tariff, rules or procedures that have obtained Proposed Plan Application approval from the System Operator pursuant to Section I.3.9 of the Tariff have been included in the Transitional CNR Group Study in order of submission to the Interconnecting Transmission Owners or their distribution company affiliates.

Where an Interconnection Customer with a CNR or CNI Interconnection Service Interconnection Request submits a Show of Interest Form to participate in the Transitional CNR Group Study, and identifies in that Show of Interest Form that one or more Elective Transmission Upgrade Interconnection Request(s) for an Internal ETU (with a completed Interconnection System Impact Study), that is not already included in the network model pursuant to Section III.12 of the Tariff supports its deliverability, the CNR or CNI Interconnection Request will be included in the Transitional CNR Group Study at the lowest of the CNR or CNI Interconnection Request's or its associated Elective Transmission Upgrade Interconnection Request(s) for the Internal ETU's Queue Position. Where multiple Interconnection Customers' CNR or CNI Interconnection Service Interconnection Requests are associated with the same lower Queue Position for an Elective Transmission Upgrade Interconnection Request for an Internal ETU in the CNR Group Study, the CNR Interconnection Request's Queue Position will be used as the tie breaker to dictate the relative order in which the CNR Interconnection Service Interconnection Request will be included in the CNR Group Study.

Any Interconnection Customer seeking to participate in the Transitional CNR Group Study that receives a qualification determination notification under Section III.13.1.1.2.8 of the Tariff, must provide, a Commercial Readiness Deposit of one million dollars ($1,000,000) in the form of an irrevocable letter of credit, cash, or a combination thereof prior to the opening of the window to elect critical path schedule monitoring. Such deposit shall be refunded to Interconnection Customer: (a) upon the Generating Facility achieving Commercial Operation. If Interconnection Customer does not achieve Commercial Operation, System Operator shall refund the deposit to Interconnection Customer in accordance with Section 3.7 of this SGIP.

5.2 Grandfathering.

5.2.1 An Interconnection Customer's Generating Facility that is interconnected pursuant to an Interconnection Agreement executed or submitted to the Commission for approval prior to February 1,

2009, will maintain its status as a Network Resource with Network Resource Interconnection Service eligible to participate in the New England Markets, in accordance with the requirements of Market Rule 1, Section III of the Tariff, up to the megawatt amount specified in the Interconnection Agreement, subject to Interconnection Customer satisfying all requirements set forth in the Interconnection Agreement and this SGIP or the predecessor rules under the SGIP. If the Generating Facility does not meet the criteria set forth in Section 5.2.3 of this SGIP, Interconnection Customer will be eligible to make a one-time election, pursuant to Section 5.1.3, for Capacity Network Resource treatment without submitting a new Interconnection Request; however, Interconnection Customer will be required to comply with the requirements for CNR Interconnection Service set forth in Section 3.2.1. Upon completion of the requirements to obtain CNR Interconnection Service, Interconnection Customer's Interconnection Agreement shall be amended to conform to the SGIA in Appendix 11 of this SGIP.

5.2.2 An Interconnection Customer's Generating Facility governed by an Interconnection Agreement either executed or filed with the Commission in unexecuted form prior to August 1, 2008, shall maintain the Queue Position assigned as of August 1, 2008, and be eligible to participate in the New England Markets, in accordance with the requirements in Market Rule 1, Section III of the Tariff, as in effect as of August 1, 2008, so long as Interconnection Customer complies with all of the requirements specified in the Interconnection Agreement, including achieving the milestones associated with At-Risk Expenditures, subject to Section 4.4 of this SGIP.

5.2.3 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a CNR and obtain CNR Interconnection Service, in accordance with this SGIP, up to the CNR Capability of the resource. The grandfathered CNR Capability for these resources shall be equal to the megawatt amount established pursuant to the following hierarchy:

(a) First, the megawatt amount specified in an Interconnection Agreement (whether executed or filed in unexecuted form with the Commission).

(b) Second, in the absence of an Interconnection Agreement with a specified megawatt amount, the megawatt amount specified in an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision).

(c) Third, in the absence of an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) with a specified megawatt amount, as determined by the System Operator based on documented historic capability of the Generating Facility.

Where a resource has both an Interconnection Agreement and an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision), the lower megawatt amount will govern until the resource completes the applicable process(es) under the Tariff for obtaining the higher megawatt amount. The absence of an Interconnection Agreement or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) specifying a megawatt amount shall be confirmed by an affidavit executed by a corporate officer of the resource attesting that the resource does not have an Interconnection Agreement and/or an approval pursuant to Section I.3.9 of the Tariff (or its predecessor provision) that specifies a megawatt amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) specifies a megawatt amount at an ambient temperature consistent with the definition of CNR Capability, the grandfathered CNR Capability shall be equal to that amount.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of CNR Capability.

Where the implementation of this Section 5.2.3 results in a CNR Capability that is different than previously had been identified, the revised CNR Capability will be applied commencing with the next Forward Capacity Auction qualification process (after the revised CNR Capability value is identified), which is initiated by the closing deadline of the Show of Interest Submission Window in accordance with Section III.13 of the Tariff. The revised CNR Capability will continue to govern until the resource completes the applicable process(es) for obtaining the higher megawatt amount.

5.2.4 All resources that are treated as Existing Generating Capacity Resources in the fourth Forward Capacity Auction pursuant to Section III.13 of the Tariff shall receive treatment as a NR and obtain NR Interconnection Service, in accordance with this SGIP, up to the NR Capability of the resource. The grandfathered NR Capability shall be determined pursuant to the hierarchy set forth in Section 5.2.3.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) of a resource for which a temperature-adjustment curve is used for the claimed capability verification, as set forth in the ISO New England Manuals, specifies a megawatt amount at an ambient temperature, the grandfathered NR Capability shall be equal to a temperature-adjusted value consistent with the definition of NR Capability.

Where the governing document (as determined by the hierarchy set forth in Section 5.2.3) does not specify an ambient temperature, the megawatt amount will be deemed to be at the value consistent with the definition of NR Capability.

5.3 New System Operator or Interconnecting Transmission Owner.

If the System Operator transfers operational control of the New England Transmission System to a successor System Operator during the period when an Interconnection Request is pending, the System Operator shall transfer to the successor System Operator any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this SGIP shall be paid by or refunded to Interconnection Customer, as appropriate. The System Operator shall coordinate with the successor System Operator to complete any Interconnection Study, as appropriate, that the System Operator has begun but has not completed.

If the Interconnecting Transmission Owner transfers ownership of its transmission facilities to a successor transmission owner during the period when an Interconnection Request is pending, and System Operator in conjunction with Interconnecting Transmission Owner has tendered a draft SGIA to Interconnection Customer but Interconnection Customer has not either executed the SGIA or requested the filing of an unexecuted SGIA with the Commission, unless otherwise provided, Interconnection Customer must complete negotiations with the successor transmission owner.

SECTION 6. INTERCONNECTION INFORMATION ACCESS.

6.1 Publicly Posted Interconnection Information.

System Operator shall maintain and make publicly available: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each point of interconnection on the Administered Transmission System under N-1 conditions, and (2) a table of metrics concerning the

estimated impact of a potential Generating Facility on the Administered Transmission System based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular point of interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the distribution factor; (2) the megawatt impact (based on the megawatt values of the proposed Generating Facility and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the Administered Transmission System with the transfer simulated from each point of interconnection to the whole Administered Transmission System footprint (to approximate Capacity Network Resource Interconnection Service), and with the incremental capacity at each point of interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested interconnection service limit of the generation). These metrics must be updated within thirty (30) Calendar Days after the completion of each Cluster Study and Cluster Restudy. This information must be publicly posted, without a password or a fee. The website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

For Interconnection Requests that were identified for inclusion in a CRPS performed under Section 15 of Attachment K, Section II of the Tariff, prior to the effective date of this SGIP, the deposit also shall be applied toward the costs incurred by the Interconnecting Transmission Owner in developing the cost estimates in support of the CRPS. Any difference between the study deposit and the actual cost of the Interconnection Feasibility Study or the actual costs incurred by the Interconnecting Transmission Owner in developing the costs estimates in support of the CRPS shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3.

6.2 Pre-Application for Small Generators

6.2.1 The System Operator shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from Interconnection Customer presenting a proposed project for a specific site. The names, telephone numbers, and e-mail addresses of the System Operator's contact employees or offices shall be made available on the System Operator's public web site. Electric system information provided to

Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Administered Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The System Operator shall comply with reasonable requests for such information.

6.2.2 In addition to the information described in Section 6.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form to the System Operator along with a non-refundable fee of $500 for a pre-application report on a proposed project at a specific site. Within two (2) Business Days of receiving the pre-application report request form, the System Operator shall provide a copy of the pre-application request form to the Interconnecting Transmission Owner. The System Operator in conjunction with the Interconnecting Transmission Owner shall provide the pre-application data described in Section 6.2.3 to Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the $500 fee. The pre-application report produced by the System Operator in conjunction with the Interconnecting Transmission Owner is non-binding, does not confer any rights, and Interconnection Customer must still successfully apply to interconnect to the Administered Transmission System. The written pre-application report request form shall include the information in Sections 6.2.2.1 through 6.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

6.2.2.1 Project contact information, including name, address, phone number, and email address.
6.2.2.2 Project location (street address with nearby cross streets and town)
6.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.
6.2.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)
6.2.2.5 Size (alternating current kW)
6.2.2.6 Single or three phase generator configuration
6.2.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)
6.2.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.

6.2.3 Using the information provided in the pre-application report request form in Section 6.2.2., the System Operator in conjunction with the Interconnecting Transmission Owner will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. The selection by the System Operator in conjunction with the Interconnecting Transmission Owner does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. If the pre-application report request form seeks information about a Point of Interconnection that is on a distribution facility, Interconnection Customer shall follow the applicable state tariff, rules or procedures regarding generator interconnections. Subject to Section 6.2.4, the pre-application report will include the following information:

6.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.

6.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.

6.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.

6.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).

6.2.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.

6.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.

6.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.

6.2.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load and absolute minimum load, when available.

6.2.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.

6.2.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.

6.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.

6.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.

6.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

6.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate the System Operator or the Interconnecting Transmission Owner to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the System Operator in conjunction with the Interconnecting Transmission Owner cannot complete all or some of a pre-application report due to lack of available data, the System Operator in conjunction with the Interconnecting Transmission Owner shall provide Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on "available capacity" pursuant to Section 6.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, the System Operator in conjunction with the Interconnecting Transmission Owner shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

SECTION 7. CLUSTER STUDY.

7.1 Cluster Study Agreement.

No later than five (5) Business Days after the close of a Cluster Request Window, System Operator and Interconnecting Transmission Owner shall tender to each Interconnection Customer that submitted a valid Interconnection Request a Cluster Study Agreement in the form of Appendix 2 of this SGIP. The Cluster Study Agreement shall require Interconnection Customer to compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Cluster Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the SGIA, pursuant to Section 13.3 of this SGIP. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to Section 7.1 of this SGIP shall be subject to change by

System Operator and Interconnecting Transmission Owner following the conclusion of the Scoping Meeting.

7.2 Execution of the Cluster Study Agreement.

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

In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the estimated costs of the Cluster Study that are expected to be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Cluster Study, including the study agreement and its attachment(s) and the SGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Cluster Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection System Impact Study. Costs of Cluster Studies shall be allocated to all Interconnection Customers on a 50% per capita, and 50% per MW basis. Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposit until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

If at any time during the Cluster Study, including during the Customer Engagement Window, System Operator determines that Interconnection Customer is required to provide additional technical data, or that the data provided is incomplete or contains errors, including during the Customer Engagement Window that Interconnection Customer is required to provide additional technical data, or that the data provided is incomplete or contains errors, System Operator shall notify Interconnection Customer and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Cluster Study Agreement or required deposits.

7.3 Scope of Cluster Study.

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability and operation of the New England Transmission System. The Cluster Study will consider the Base Case as

well as all generating facilities and Elective Transmission Upgrades (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Cluster Study is commenced: (i) are directly interconnected to the New England Transmission System; (ii) are interconnected to Affected Systems or Internal Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the New England Transmission System and may have an impact on the Interconnection Request; and (iv) have no Queue Position but have executed an Interconnection Agreement or requested that an unexecuted Interconnection Agreement be filed with the Commission (the "Study Case" for the Cluster Study). The Study Case shall also include any CETU and associated system upgrades identified in a final CRPS report prior to the opening of the Cluster Request Window, provided that System Operator receives Interconnection Requests that require such CETU. Consistent with the NC Interconnection Standard, the evaluation will include conditions where the projects proposed in the Interconnection Requests that are included in the CSIS are not dispatched against each other if they do not share a system constraint that would provide the basis for a redispatch condition. The CETU shall remain configured consistent with the megawatt quantity(ies) specified in the final CRPS report. In the event that all CETU-eligible Interconnection Requests withdraw from a Cluster Study, the CETU shall be removed from the Study Case. An Internal ETU can be considered, and included in the Cluster Study, in place of a CETU, or portion thereof, if all of Interconnection Customers with Interconnection Requests included in the cluster that the ISO has determined need to use the Internal ETU have indicated by the end of the Customer Engagement Window that they have a contractual commitment in place providing for Interconnection Customers to fund and the right to use the Internal ETU.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall consider the level of Interconnection Service requested by Interconnection Customers in the Cluster. However, the Cluster Study shall consider the full Generating Facility capability to ensure the acceptability of the proposed control technology to restrict the facility's output and the safety and reliability of the system.

The Cluster Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, such as electromagnetic transient analysis, including thermal analysis and voltage analysis, a system protection analysis and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner, the results of which are documented in a single Cluster Study Report, as applicable. Interconnecting Transmission Owner(s) and Internal Affected Systems (if

applicable) shall provide to System Operator, within thirty (30) days of a request, and for purposes of inclusion in the Cluster Study Report, non-binding good faith estimates of cost responsibility for required upgrades, and a non-binding good faith estimated times to construct such upgrades.

At the conclusion of the Cluster Study, System Operator and Interconnecting Transmission Owner shall issue a Cluster Study Report. The Cluster Study Report will state the assumptions upon which it is based, state the results of the analyses, and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Cluster Study report will provide (i) a list of Interconnection Facilities and Network Upgrades that are required to reliably interconnect the Generating Facilities in that Cluster Study and a non-binding good faith estimate of cost responsibility; (ii) a non-binding good faith estimated time to construct; (iii) a protection assessment to determine the required protection upgrades; and may provide (iv) an evaluation of the siting of the Interconnection Facilities and Network Upgrades; and (v) identification of the likely permitting and siting process including easements and environment work. The Cluster Report shall identify each Interconnection Customer's estimated allocated costs for Interconnection Facilities and Network Upgrades pursuant to the method described in Schedule 11, Section II of the Tariff. System Operator shall hold an open stakeholder meeting pursuant to Section 7.4 of this SGIP.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall study Generating Facilities that include at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using net shoulder system load as defined in the ISO New England Planning Procedures. These requests for Interconnection Service also may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by Interconnection Customer.

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. System Operator shall evaluate each identified alternative transmission technology and determine, in the manner described in the ISO New England Planning Procedures, whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. System Operator shall

include an explanation of the results of the System Operator's evaluation for each technology in the Cluster Study Report.

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

7.4 Cluster Study Procedures.

The System Operator shall coordinate the Cluster Study with the Interconnecting Transmission Owner, and with any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, that is affected by the Interconnection Request pursuant to Section 3.6 of this SGIP. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and System Operator and Interconnecting Transmission Owner shall initiate the Cluster Study process pursuant to Section 7 of this SGIP.

The System Operator and Interconnecting Transmission Owner shall complete the Cluster Study within two hundred and seventy (270) Calendar Days of the close of the Customer Engagement Window. Within ten (10) Business Days of simultaneously issuing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on OASIS, the System Operator shall convene a Cluster Study Report Meeting.

At the request of Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Cluster Study, the System Operator shall notify Interconnection Customer as to the schedule status of the Cluster Study. If the System Operator and Interconnecting Transmission Owner are unable to complete the Cluster Study within the time period, the System Operator shall notify Interconnection Customers and provide an estimated start date if the study has not commenced and completion date with an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customers all supporting documentation, workpapers and relevant Study Case power flow, short circuit and stability databases that have been developed for the Cluster Study to any third party consultant retained by Interconnection

Customers. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to Interconnection Customers.

7.5 Cluster Study Restudies.

(1) Within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer must provide the following:

(a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this SGIP; and

(b) An additional deposit that brings the total Commercial Readiness Deposit submitted to System Operator five percent (5%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study, in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this SGIP. System Operator shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this SGIP.

Interconnection Customer shall promptly inform System Operator of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this SGIP. Upon System Operator determining that Interconnection Customer no longer satisfies the Site Control requirement, System Operator shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to System Operator's approval, not to be unreasonably withheld. Absent such demonstration, System Operator shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this SGIP (without the cure period provided under Section 3.7 of this SGIP).

At the same time that Interconnection Customer submits the information required under this Section 7.5(1)(a) and (b), an Interconnection Customer may also request a decrease in the size of the Small Generating Facility, provided that the Cluster Study identified that the Small Generating Facility proposed in Interconnection Customer's Interconnection Request does not share any Network Upgrades with a Generating Facility or Elective Transmission Upgrade proposed in a separate Interconnection

Request. If System Operator determines that a Cluster Restudy is required under this Section 7.5 of this SGIP, within ten (10) Business Days of that determination Interconnection Customer shall provide all required updated modeling and data associated with the requested decrease in the size of the Small Generating Facility for use in the Cluster Restudy. If the System Operator determines that a Cluster Restudy is not required, Interconnection Customer's request to decrease the size of the Small Generating Facility shall constitute a Material Modification pursuant to Section 4 of this SGIP.

(2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.7 of this SGIP after completion of the Cluster Study or Cluster Restudy, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.

(3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.7 of this SGIP, [System Operator and Interconnecting Transmission Owner] shall determine if a Cluster Restudy is necessary within thirty (30) Calendar Days after the Cluster Study Report Meeting. If [System Operator and Interconnecting Transmission Owner] determine a Cluster Restudy is not necessary, System Operator shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and System Operator shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination.

(4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this SGIP, and [System Operator and Interconnecting Transmission Owner] determine a Cluster Restudy is necessary as a result, System Operator shall notify Interconnection Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. System Operator and Interconnecting Transmission Owner shall continue with such restudies until System Operator and Interconnecting Transmission Owner determine that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this SGIP during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed SGIAs, or requested that unexecuted SGIAs be filed, and System Operator and Interconnecting Transmission Owner determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project subject to Section 4.4 of this SGIP, System Operator shall so notify affected Interconnection Customers in

writing. Except as provided in Section 3.7 of this SGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.

(5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this SGIP. System Operator and Interconnecting Transmission Owner shall complete the Cluster Restudy within ninety (90) Calendar Days of the System Operator informing Interconnection Customers in the cluster that restudy is needed. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). System Operator shall hold a meeting with Interconnection Customers in the Cluster, Interconnecting Transmission Owners, and any Affected Party or Internal Affected party as deemed appropriate by the System Operator (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on OASIS.

If additional restudies are required, Interconnection Customer and System Operator and Interconnecting Transmission Owner shall follow the procedures of this Section 7.5 of this SGIP until such time that System Operator and Interconnecting Transmission Owner determine that no further restudies are required. System Operator shall notify each Interconnection Customer within the Cluster when no further restudies are required.

Within twenty (20) Calendar Days following the Cluster Study Results Meeting, or Cluster Restudy Results Meeting (as appropriate) study results meeting, Interconnection Customer shall provide to the System Operator written notice that it will either pursue the Interconnection Facilities Study or waive the Interconnection Facilities Study and elect an expedited interconnection. Notwithstanding the foregoing sentence, the option to waive the Interconnection Facilities Study is not available for Interconnection Customers that share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy unless each Interconnection Customers agrees in writing to waiver the Interconnection Facilities Study. In a case where Interconnection Customers share responsibility for the same Network Upgrades identified in a Cluster Study or Cluster Restudy and do not agree to waive the Interconnection Facilities Study, such study shall be performed at a level of +/- 20 percent. Once Interconnection Customer notifies the System Operator of its election, such election is not subject to change. If Interconnection Customer elects to pursue the Facilities Study it must proceed with the study. If Interconnection Customer waives the Facilities Study, it shall commit to the following milestones in the SGIA: (i) Siting approval for the Generating Facility and Interconnection Facilities; (ii) Engineering of

Interconnection Facilities approved by Interconnecting Transmission Owner; (iii) Ordering of long lead time material for Interconnection Facilities and system upgrades; (iv) Initial Synchronization Date; and (v) Commercial Operation Date.

7.6 Operational Readiness.

The System Operator shall, as close to Interconnection Customer's actual Synchronization Date as reasonably possible, ensure that operational analysis, including current stability analyses, power flow analyses, and any other analyses deemed necessary by the System Operator, are performed, and that procedures are developed or updated to address the operation of the New England Transmission System with the addition of Interconnection Customer's Generating Facility. The operational analysis will also include tests of system performance with selected facilities out of service. Such studies shall be performed at the expense of Interconnection Customer.

The System Operator is not obligated to perform the operational analyses described in this Section 7.7 if, in the exercise of reasonable discretion, the System Operator in consultation with Interconnecting Transmission Owner determines that interconnection of Interconnection Customer's Generating Facility to the Administered Transmission System is remote and speculative.

Commissioning tests of Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The System Operator and the Interconnecting Transmission Owner must be given at least five (5) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

SECTION 8. INTERCONNECTION FACILITIES STUDY.

8.1 Interconnection Facilities Study Agreement.

Except as otherwise provided in Section 4.2.4 and 7.5 of this SGIP, Interconnection Customer may waive the Interconnection Facilities Study and instead elect expedited interconnection, which means that Interconnection Customer may enter into E&P Agreements under Section 13.7 if it had not already done so, and shall enter into an SGIA in accordance with the requirements specified in Section 11.

If Interconnection Customer waives the Interconnection Facilities Study, Interconnection Customer, subject to the specific terms of the E&P Agreements, assumes all risks and shall pay all costs associated

with equipment, engineering, procurement and construction work covered by the Cluster Study as described in Section 8.2 below.

Within five (5) Business Days following System Operator notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this SGIP), the System Operator shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 3 to this SGIP.

Interconnection Customer shall compensate the System Operator and Interconnecting Transmission Owner for the actual cost of the Interconnection Facilities Study, including the cost of developing the study agreement and its attachment(s) and the cost of developing the SGIA. Within five (5) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, the System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a non-binding good faith estimate of the cost for completing the Interconnection Facilities Study in accordance with requirements specified in Section 8.3 of this SGIP. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the System Operator within thirty (30) Calendar Days after its receipt, together with:

(1) any required technical data;

(2) demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to the System Operator in accordance with Section 3.4.2 of this SGIP;

(3) an additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit, a surety bond, or cash where cash deposits shall be treated according to Section 3.7 of this SGIP. In the case of a CETU-enabled Interconnection Request such deposit shall be made in cash.

System Operator/Interconnecting Transmission Owner shall refund the Commercial Readiness Deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this SGIP.

In accordance with Section 8.3, Interconnection Customer shall specify in Attachment A to the Interconnection Facilities Study Agreement whether it wants no more than a +/- 20 percent or a +/- 10 percent good faith cost estimate contained in the report. The deposit for the study shall be either: (i) the greater of twenty-five percent of the estimated cost of the study or $100,000;

Any difference between the study deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the cost of the Interconnection Facilities Studies that will be, or have been incurred by the System Operator and/or the Interconnecting Transmission Owner for the Interconnection Facilities Study, the study agreement and its attachment(s) and the SGIA. Interconnecting Transmission Owner shall provide System Operator on a monthly basis, and in the form and format specified by the System Operator, invoices for the work conducted on the Interconnection Facilities Study each month and shall include in such invoices all employee hours and third party consultant hours, including subcontractor hours, expended toward the Interconnection Facilities Study. For a CFAC that began before May 31, 2024, costs that are associated with an individual Interconnection Request assessed within the CFAC will be charged directly to that Interconnection Customer. CFAC costs that are associated with the CFAC as a whole will be divided equally, on a per-project basis, among Interconnection Customers in the cluster. The System Operator and the Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposit until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall be specific to each Interconnection Request and performed on an individual, i.e., non-clustered basis. The Interconnection Facilities Study shall specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study Report (and any associated restudies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Administered Transmission System. The Interconnection Facilities Study shall also identify the

electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study shall also identify any potential control technology for (1) requests for Interconnection Service at a level that is lower than the nameplate capability of the facility, and/or (2) or for Generating Facilities that include at least one electric storage resource, where study of the charging mode of the electric storage resource(s), was done using net shoulder system load as defined in the ISO New England Planning Procedures. The scope and cost of the Interconnection Facilities Study shall include completion of any engineering work limited to what is reasonably required to (i) estimate such aforementioned cost to the accuracy specified by Interconnection Customer pursuant to Section 8.3, (ii) identify, configurations of required facilities and (iii) identify time requirements for construction and installation of required facilities.

8.3 Interconnection Facilities Study Procedures.

The System Operator shall coordinate the Interconnection Facilities Study with Interconnecting Transmission Owner, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, pursuant to Section 3.6 of this SGIP. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The System Operator and Interconnecting Transmission Owner shall complete the study and the System Operator shall issue a draft Interconnection Facilities Study report to Interconnection Customer, Interconnecting Transmission Owner, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- twenty percent (20%) good faith cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- ten percent (10%) good faith cost estimate. Such cost estimates either individually or in the aggregate will be provided in the final study report.

At the request of Interconnection Customer or at any time the System Operator or Interconnecting Transmission Owner determines that it will not meet the required time frame for completing the Interconnection Facilities Study, System Operator shall notify Interconnection Customer, and any

Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, as to the schedule status of the Interconnection Facilities Study. If the System Operator is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report within the time required, the System Operator shall notify Interconnection Customer, Interconnecting Transmission Owner and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer and appropriate Affected Parties or Internal Affected Parties may, within thirty (30) Calendar Days after receipt of the draft Interconnection Facilities Study Report, provide written comments to the System Operator and Interconnecting Transmission Owner, which the System Operator shall include in the final Interconnection Facilities Study Report. The System Operator shall issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. The System Operator may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require the System Operator or Interconnecting Transmission Owner to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Study Report. Upon request, the System Operator and Interconnecting Transmission Owner shall provide Interconnection Customer and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, or any third party consultant retained by Interconnection Customer supporting documentation, with workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/ disclosure requirements, such information may be provided directly to Interconnection Customer.

8.4 Meeting with Parties.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study Report to Interconnection Customer, the System Operator will convene a meeting of the Interconnecting

Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Interconnection Facilities Study.

8.5 Restudy.

If Restudy of the Interconnection Facilities Study is required due to (i) a higher or equally queued project withdrawing from the queue, (ii) a modification of a higher or equally queued project subject to Section 4.4 of this SGIP, or (iv) a modification to a transmission project included in the Base Case, the System Operator shall notify Interconnection Customer and Interconnecting Transmission Owner in writing. Each Restudy shall be conducted serially based on the Queue Position of each Interconnection Customer, and each Restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Except as provided in Section 3.7 of this SGIP in the case of withdrawing Interconnection Customer, any cost of Restudy shall be borne by Interconnection Customer being restudied. If the original Interconnection Facilities Study is complete and the final invoice has been issued, the Restudy shall be performed under a new Interconnection Facilities Study Agreement.

SECTION 9. AFFECTED SYSTEM STUDY.

9.1 Applicability.

This Section 9 outlines the duties of System Operator and Interconnecting Transmission Owner when they receive notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System.

9.2 Response to Notifications

9.2.1 Response to Initial Notification

When System Operator receives initial notification either following the Cluster Study or a Cluster Restudy notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the New England Transmission System, System Operator must respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study.

By fifteen (15) Business Days after the System Operator responds with its affirmative intent to conduct an Affected System Study, System Operator shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

9.2.2 Response to Notification of Cluster Restudy.

Within five (5) Business Days of receipt of notification of Cluster Restudy System Operator will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that System Operator intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If System Operator decides to delay the Affected System Study, it is not required to meet its obligations under Section 9 of this SGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If System Operator decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 9 of this SGIP.

9.3 Affected System Queue Position.

System Operator must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the System Operator's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet received its Cluster Study Report and shall be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 9.7 of this SGIP, System Operator and Interconnecting Transmission Owner shall study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this SGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected

System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this SGIP.

9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement.
Unless otherwise agreed, System Operator shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 7 or Appendix 8 to this SGIP, as applicable, within ten (10) Business Days of System Operator sharing the schedule for the Affected System Study per Section 9.2.1 of this SGIP.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate System Operator and Interconnecting Transmission Owner for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it shall lose its Affected System Queue Position. System Operator shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement.
Affected System Interconnection Customer(s) shall execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to System Operator, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If System Operator notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 9.2.2 of this SGIP, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, System Operator shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer shall cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer shall lose its Affected System Queue Position.

9.6 Scope of Affected System Study.

The Affected System Study shall evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the New England Transmission System. The Affected System Study shall consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected the New England Transmission System; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to Transmission Provider's Transmission System; and (iv) have no queue position but have executed an SGIA or requested that an unexecuted SGIA be filed with FERC. System Operator and Interconnecting Transmission Owner has no obligation to study impacts of Affected System Interconnection Customers of which it is not notified.

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt if interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in

those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

9.7 Affected System Study Procedures.

System Operator shall use Clustering in conducting the Affected System Study and shall use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. System Operator and Interconnecting Transmission Owner shall complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s) and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) Calendar Days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, System Operator and Interconnecting Transmission Owner shall notify Affected System Interconnection Customer as to the status of the Affected System Study. If System Operator and Interconnecting Transmission Owner are unable to complete the Affected System Study within the requisite time period, it shall notify Affected System Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and shall provide an estimated completion date with an explanation of the reasons why additional time is required. If System Operator and Interconnecting Transmission Owner do not meet the deadlines in this section, System Operator and Interconnecting Transmission Owner shall be subject to the financial penalties as described in Section 3.9 of this SGIP. Upon request, System Operator shall provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 13.1 of this SGIP.

System Operator and Interconnecting Transmission Owner must study an Affected System Interconnection Customer using the Energy Resource Interconnection Service modeling standard used for Interconnection Requests on the New England Transmission System, regardless of the level of interconnection service that Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

9.8 Results Meeting.

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), System Operator, Interconnecting Transmission Owner and Affected System Interconnection Customer(s) shall meet to discuss the results of the Affected System Study.

9.9 Affected System Cost Allocation.

System Operator shall allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a Proportional Impact Method, consistent with Schedule 11 of the OATT.

9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement.

System Operator shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 9 or 10 to this SGIP, within thirty (30) Calendar Days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. System Operator shall execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, shall result in the loss of its Affected System Queue Position.

9.11 Restudy.

If restudy of the Affected System Study is required, System Operator shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. Such restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied.

SECTION 10. OPTIONAL INTERCONNECTION STUDY.

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Cluster Study Report and no later than five (5) Business Days after the study results meeting to review the report, Interconnection Customer may request in writing, and the System Operator in coordination with the Interconnecting Transmission Owner shall perform, an Optional Interconnection Study. The request shall describe the assumptions that Interconnection Customer wishes the System Operator to study within the scope described in Section 10.2 of this SGIP. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, the System Operator shall provide to the Interconnecting Transmission Owner and Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 4.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case, and (iii) specify the System Operator's and Interconnecting Transmission Owner's estimate of the cost of the Optional Interconnection Study. To the extent known by the System Operator, such estimate shall include any costs expected to be incurred by any Affected System or Internal Affected System whose participation is necessary to complete the Optional Interconnection Study. The Optional Interconnection Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Optional Interconnection Study, including the cost of developing the study agreement and its attachment(s). Notwithstanding the above, the System Operator and Interconnecting Transmission Owner shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the required

technical data and the refundable deposit for the Optional Interconnection Study to the System Operator. The deposit for the study shall be 100 percent of the estimated cost of the study. Any difference between the study deposit and the actual cost of the Optional Interconnection Study shall be paid by or refunded to Interconnection Customer, except as otherwise provided in Section 13.3. In accordance with Section 13.3, the System Operator and/or the Interconnecting Transmission Owner shall issue to Interconnection Customer an invoice for the costs of the Optional Interconnection Study that have been, or will be incurred by the System Operator and/or the Interconnecting Transmission Owner for the Optional Interconnection Study and the study agreement and its attachments(s). Interconnection Customer shall pay the invoiced amounts, to the extent such amounts are greater than the initial deposit, within thirty (30) Calendar Days of receipt of invoice. The System Operator shall continue to hold the amounts on deposits until settlement of the final invoice with Interconnection Customer and the Interconnecting Transmission Owner.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The System Operator shall use Reasonable Efforts to coordinate the study with any Affected Systems and Internal Affected Systems that may be affected by the types of Interconnection Services that are being studied. The System Operator and Interconnecting Transmission Owner shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

The Optional Interconnection Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, including thermal analysis and voltage analysis, a system protection analysis, and any other analyses that are deemed necessary by the System Operator in consultation with the Interconnecting Transmission Owner.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to the System Operator and Interconnecting Transmission Owner within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study

Agreement. The System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed-upon time period specified within the Optional Interconnection Study Agreement. If the System Operator and Interconnecting Transmission Owner are unable to complete the Optional Interconnection Study within such time period, the System Operator shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. In such circumstances, upon request, the System Operator and Interconnecting Transmission Owner shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study to any third party consultant retained by Interconnection Customer. The recipient(s) of such information shall be subject to the confidentiality provisions of Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. To the extent that any applicable information is not covered by any applicable confidentiality/disclosure requirements, such information may be provided directly to Interconnection Customer.

10.4 Meeting with Parties.

Within ten (10) Business Days of providing an Optional Interconnection Study report to Interconnection Customer, System Operator will convene a meeting of the Interconnecting Transmission Owner, Interconnection Customer, and any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements to discuss the results of the Optional Interconnection Study.

10.5 Interconnection Agreement Developed Based on Optional Interconnection Study.

If the SGIA for a Small Generating Facility is based on the results of an Optional Interconnection Study, the SGIA shall reflect the conditions studied and any obligations that may involve: (i) additional studies if such conditions change, (ii) operational limits, or (iii) financial support for transmission upgrades.

SECTION 11. STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA).

11.1 Tender.

Interconnection Customer shall tender comments or provide notice, in writing, to the System Operator and Interconnecting Transmission Owner that Interconnection Customer has no comments on the draft

Interconnection Facilities Study Report, within thirty (30) Calendar Days of receipt of the report. Except as provided in the E&P Agreement or any mutual agreement by the entities that would be Parties to the SGIA, the System Operator shall initiate the development of the SGIA process within fifteen (15) Calendar Days after the comments are submitted or waived, or within fifteen (15) Calendar Days of notifying System Operator that it will waive the Interconnection Facilities Study, by tendering to Interconnection Customer a draft SGIA, together with draft appendices completed by the System Operator, in conjunction with the Interconnecting Transmission Owner to the extent practicable. The draft SGIA shall be in the form of the System Operator's Commission-approved standard form SGIA, which is in Appendix 11 to Schedule 23. Interconnection Customer shall return Interconnection Customer specific information required to complete the form of SGIA, including the appendices, in Appendix 11 of Schedule 23 that Interconnection Customer is willing to execute within thirty (30) Calendar Days after receipt of the draft from the System Operator, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this SGIP has commenced, or (2) SGIA execution, or filing unexecuted, has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this SGIP.

11.2 Negotiation.

Notwithstanding Section 11.1 of this SGIP, at the request of Interconnection Customer, the System Operator and Interconnecting Transmission Owner shall begin negotiations with Interconnection Customer concerning the appendices to the SGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement or after the Cluster Study and/or Cluster Restudy is complete if Interconnection Customer intends to waive the Interconnection Facilities Study. In the event that Interconnection Customer waives the Interconnection Facilities Study and proceeds directly from the Cluster Study or Cluster Restudy to SGIA negotiation, Interconnection Customer shall an additional deposit that brings the total Commercial Readiness Deposit submitted to the System Operator to ten percent (10%), as required by Section 8.1 of this SGIP, within thirty (30) Calendar Days of the Cluster Study Report Meeting or Cluster Restudy Report meeting (as applicable). The System Operator, Interconnection Customer, and Interconnecting Transmission Owner shall negotiate concerning any disputed provisions of the appendices to the draft SGIA for not more than sixty (60) Calendar Days after tender by the System Operator of the draft SGIA pursuant to Section 11 of this SGIP. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft SGIA pursuant to Section 11.1 of this SGIP and request submission of the unexecuted SGIA with the Commission or initiate Dispute Resolution procedures pursuant to Section

13.5 of this SGIP. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted SGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the SGIA, requested filing of an unexecuted SGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 of this SGIP within sixty (60) Calendar Days of tender of by the System Operator of the draft SGIA pursuant to Section 11.1, it shall be deemed to have withdrawn its Interconnection Request. The System Operator and Interconnecting Transmission Owner shall provide to Interconnection Customer a final SGIA within fifteen (15) Business Days after the mutually agreed completion of the negotiation process.

11.2.1 Delay in SGIA Execution, or Filing Unexecuted, to Await Affected System Study Report.

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its SGIA (or request that its SGIA be filed unexecuted) pursuant to Section 11.1 of this SGIP, System Operator shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying SGIA execution, or requesting unexecuted filing, to await Affected System Study Report, decides to proceed to SGIA execution, or request unexecuted filing, without those results, it may notify System Operator of its intent to proceed with SGIA execution (or request that its SGIA be filed unexecuted) pursuant to Section 11.1 of this SGIP. If System Operator determines that further delay to the SGIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued interconnection customer, System Operator must notify Interconnection Customer of such impacts and set the deadline to execute the SGIA (or request that the SGIA be filed unexecuted) to thirty (30) Calendar Days after such notice is provided.

11.3 Evidence to be Provided by Interconnection Customer; Execution and Filing of SGIA.

11.3.1 Evidence to be Provided by Interconnection Customer.

11.3.1.1 Site Control and SGIA Deposit. Simultaneously with submitting the executed SGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer request that the SGIA be filed unexecuted at the Commission, Interconnection Customer shall provide (A) to the System

Operator demonstration of continued Site Control pursuant to Section 8.1(2) of this SGIP; and (B) to the Interconnecting Transmission Owner, in a form acceptable to the Interconnecting Transmission Owner, the SGIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft SGIA minus the total amount of Commercial Readiness Deposit that Interconnection Customer has provided to the System Operator for its Interconnection Request. Interconnecting Transmission Owner shall use SGIA Deposits as (or as a portion of) Interconnection Customer's security required under Article 6.3 of the SGIA. Interconnection Customer may not request to suspend its SGIA under Section 5.16 of the SGIP until Interconnection Customer has provided (A) to the System Operator and (B) to the Interconnecting Transmission Owner. If Interconnection Customer fails to provide (A) and (B) within the thirty (30) Calendar Days allowed for returning the executed SGIA and appendices under Section 11.1 of this SGIP, or within ten (10) Business Days after Interconnection Customer requests that the System Operator and Interconnecting Transmission Owner file the SGIA unexecuted at the Commission as allowed in this Section 11.3 of this SGIP, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this SGIP.

11.3.1.2 Development Milestones. Simultaneously with submitting the executed SGIA to the System Operator, or within ten (10) Business Days after Interconnection Customer requests that the SGIA be filed unexecuted, Interconnection Customer also shall provide to the System Operator reasonable evidence that one or more of the following milestones in the development of the Small Generating Facility, to be elected by Interconnection Customer, has been achieved (unless such milestone is inapplicable due to the characteristics of the Generating Facility): (i) the execution of a contract for the supply or transportation of fuel to the Small Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Small Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Small Generating Facility; (iv) execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Small Generating Facility; (v) application for an air, water, or land use permit. At the same time, Interconnection Customer shall commit to a schedule for the payment of upgrades identified in the Interconnection Studies or an E&P Agreement

Within fifteen (15) Business Days after receipt of the final SGIA, an Interconnection Customer with an Interconnection Request studied using the CSIS and CFAC processes where such studies were triggered prior to the effective date of this SGIP that provided the additional CETU Participation Deposit in accordance with Section 4.2.4.4 shall provide to the Interconnecting Transmission Owner, in cash, a potentially non-refundable deposit of twenty (20) percent of the total costs for the Interconnection

Facilities and other upgrades, including any CETUs, identified in the CFAC, unless the Interconnecting Transmission Owner's expenditure schedule for the Interconnection Facilities and other upgrades calls for an initial payment of greater than twenty (20) percent of the total upgrade costs, in which case the scheduled initial payment must instead be made within the fifteenth Business Day after receipt of the final SGIA. If Interconnection Customer does not submit this deposit (or make the initial payment) by the fifteenth Business Day after receipt of the final SGIA, the Interconnection Request shall be automatically withdrawn from the interconnection queue without further opportunity to cure, and Interconnection Customer's initial and additional CETU Participation Deposits shall become non-refundable. The non-refundable initial and additional CETU Participation Deposits shall be re-allocated, according to the cost allocation methodology contained in Schedule 11, to Interconnection Customers with Interconnection Requests included in the cluster at time the facilities proposed in the Interconnection Requests achieve Commercial Operation. If an Interconnection Request is withdrawn after Interconnection Customer's payment of twenty (20) percent of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner, then the payment shall be used to offset the costs of the CETU. Any unspent payments of the total cost responsibility for the upgrades to the Interconnecting Transmission Owner will be refunded to the respective Interconnection Customers that executed the Interconnection Agreement and provided to the Interconnecting Transmission Owner the twenty (20) percent deposit (or initial payment) if all the associated Interconnection Requests are withdrawn from the interconnection queue and the associated Interconnection Agreements are terminated.

11.3.2 Execution and Filing of SGIA. Within fifteen (15) Business Days after receipt of the final SGIA, (i) Interconnection Customer and Interconnecting Transmission Owner shall execute three (3) originals of the tendered SGIA and return them to the System Operator, who will send an original to Interconnecting Transmission Owner and Interconnection Customer; or (ii) Interconnection Customer shall request in writing that the System Operator and the Interconnecting Transmission Owner jointly file with the Commission an SGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the executed originals of the tendered SGIA (if it does not conform with a Commission-approved standard form of interconnection agreement) or the request to file an unexecuted SGIA, the System Operator and Interconnecting Transmission Owner, in accordance with Section 11.3.3 or Section 11.3.4, as appropriate, shall jointly file the SGIA with the Commission, together with its explanation of any matters as to which the System Operator, Interconnection Customer or Interconnecting Transmission Owner disagree and support for the costs that the Interconnecting Transmission Owner proposes to charge to Interconnection Customer under the SGIA. An unexecuted

SGIA should contain terms and conditions deemed appropriate by the System Operator and Interconnecting Transmission Owner for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted SGIA, they may proceed pending Commission action.

With respect to the interconnection of an Interconnection Customer under Schedule 23, the SGIA shall be a three-party agreement among the Interconnecting Transmission Owner, the System Operator and Interconnection Customer. If Interconnecting Transmission Owner, System Operator and Interconnection Customer agree to the terms and conditions of a specific SGIA, or any amendments to such an SGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file the executed SGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act. To the extent the Interconnecting Transmission Owner, System Operator and Interconnection Customer cannot agree to proposed variations from the standard form of SGIA in Appendix 11 or cannot otherwise agree to the terms and conditions of the SGIA for such small generating unit, or any amendments to such an SGIA, then the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted SGIA, or amendment thereto, with the Commission under Section 205 of the Federal Power Act and shall identify the areas of disagreement in such filing, provided that, in the event of disagreement on terms and conditions of the SGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of the Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets, then the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on such terms and conditions.

11.3.3 The Interconnecting Transmission Owner, acting on its own or jointly with the System Operator, may initiate a filing to amend this SGIP and the standard form of SGIA in Appendix 11under Section 205 of the Federal Power Act and shall include in such filing the views of System Operator, provided that the standard applicable under Section 205 of the Federal Power Act shall apply only to the Interconnecting Transmission Owner's position on any financial obligations of the Interconnecting Transmission Owner or Interconnection Customer(s), and any provisions related to physical impacts of the interconnection on the Interconnecting Transmission Owner's transmission facilities or other assets.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final SGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall perform their respective obligations in accordance with the terms of the SGIA, subject to modification by the Commission. Upon submission of an unexecuted SGIA, the System Operator, Interconnection Customer and Interconnecting Transmission Owner shall promptly comply with the unexecuted SGIA, subject to modification by the Commission.

SECTION 12. CONSTRUCTION OF INTERCONNECTING TRANSMISSION OWNER INTERCONNECTION FACILITIES AND NETWORK UPGRADES.

12.1 Schedule.

Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party shall negotiate in good faith concerning a schedule for the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General. In general, the Initial Synchronization Date of an Interconnection Customer seeking interconnection to the Administered Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer. An Interconnection Customer with an executed or unexecuted, but filed with the Commission, SGIA, in order to maintain its Initial Synchronization Date, may request that the Interconnecting Transmission Owner or appropriate Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such Initial Synchronization Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Administered Transmission System, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party; (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 5 of the SGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party has not refunded to Interconnection Customer. Payment by that entity with a contractual obligation to construct such Network Upgrades shall be due on the date that it would have been due had there been no request for advance construction. The Interconnecting Transmission Owner or appropriate Affected Party shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. The Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 5 of the SGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of the Regional System Plan of the System Operator. An Interconnection Customer with an SGIA, in order to maintain its Initial Synchronization Date, may request that Interconnecting Transmission Owner or appropriate Internal Affected Party advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such Initial Synchronization Date and (ii) would otherwise not be completed, pursuant to the Regional System Plan, in time to support such Initial Synchronization Date. Upon such request, the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay the Interconnecting Transmission Owner or appropriate Affected Party or Internal Affected Party any associated expediting costs.

12.2.4 Amended Cluster Study. A Cluster Study Report will be amended to determine the facilities necessary to support the requested Initial Synchronization Date. This amended study report will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested Initial Synchronization Date. The SGIA will also be amended to reflect the results of the amended Cluster Study and any changes in obligations, including financial support, of the Parties.

SECTION 13. MISCELLANEOUS.

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information treated as confidential under the ISO New England Information Policy, all information obtained from third parties under confidentiality agreements, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by any of the Parties to the others prior to the execution of an SGIA or LLCESGIA.

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

If requested by any Party, the other Party(ies) shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

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

13.1.2 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

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

13.1.4 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

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

13.1.6 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party(ies) with prompt notice of such request(s) or requirement(s) so that the other Party(ies) may seek an appropriate protective order or waive compliance with the terms of the SGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled

to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

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

13.1.8 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR ~~ection~~Section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the SGIP, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR ~~ection~~Section 388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the SGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR ~~ection~~Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules, regulations and Section 13.1.

13.1.9 Subject to the exception in Section 13.1.8 of this SGIP, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be

disclosed by the other Party(ies) to any person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this SGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Party's(ies') Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 The System Operator and Interconnecting Transmission Owner shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time when Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

The System Operator and Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party may use the services of subcontractors as it deems appropriate to perform its obligations under this SGIP. The Party using the services of a subcontractor shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this SGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay System Operator and

Interconnecting Transmission Owner the actual costs of processing its Interconnection Request. In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, the System Operator and the Interconnecting Transmission Owner shall charge, and Interconnection Customer shall pay, the actual costs of the Interconnection Studies.

Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customers or offset against the cost of any future Interconnection Studies associated with the applicable Cluster prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. If an Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this SGIP.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 7.4, 7.5 or 8.3 of this SGIP that the System Operator or Interconnecting Transmission Owner will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 7.4, 7.5 or 8.3 of this SGIP within the applicable timeframe for such Interconnection Study, then Interconnection Customer may request, which request will not be unreasonably denied, that the System Operator and Interconnecting Transmission Owner utilize a third party consultant reasonably acceptable to the System Operator, Interconnection Customer, Interconnecting Transmission Owner and any appropriate Affected Party or Internal Affected Party, to perform such Interconnection Study under the direction of the System Operator or Interconnecting Transmission Owner as applicable. At other times, System Operator or Interconnecting Transmission Owner may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 13.15 of the SGIA (Subcontractors) and limited to situations where the System Operator or Interconnecting Transmission

Owner determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with the System Operator and Interconnecting Transmission Owner's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer, System Operator and Interconnecting Transmission Owner shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. The System Operator and Interconnecting Transmission Owner shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1 of this SGIP and the ISO New England Information Policy, as well as any other applicable requirement under Applicable Laws and Regulations regulating the disclosure or confidentiality of such information. In any case, such third party contract may be entered into with the System Operator, Interconnection Customer, or Interconnecting Transmission Owner at the System Operator and Interconnecting Transmission Owner's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this SGIP, Article 13.15 of the SGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if the System Operator and Interconnecting Transmission Owner were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes.

The System Operator and Interconnecting Transmission Owner shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission. In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with the SGIA, the SGIP, or their performance, such Party (the "Disputing Party") shall provide the other Party(ies) with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party(ies). In

the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's(ies') receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, after thirty (30) Calendar Days, then (i) in the case of disputes arising out of or in conjunction with the SGIA, the System Operator and Interconnecting Transmission Owner shall jointly file an unexecuted SGIA, or amendment thereto, with the Commission in accordance with Section 11.3.4, or (ii) in the case of disputes arising out of or in connection with any other matter regarding the administration of the SGIP, the System Operator may terminate the Interconnection Request and Interconnection Customer may seek relief pursuant to Section 206 of the Federal Power Act. Each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Schedule 23.

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

13.5.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons for such decision. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the SGIA and SGIP and shall have no power to modify or change any provision of the SGIA and SGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision

itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one-third of any associated arbitration costs; or (2) one-third the cost of the single arbitrator jointly chosen by the Parties and one-third of any associated arbitration costs.

13.5.5 Non-binding Dispute Resolution Procedures. If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1 of this SGIP, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that the other Parties engage in Non-binding Dispute Resolution pursuant to this Section 13.5.5 by providing written notice to the other Parties ("Request for Non-binding Dispute Resolution"). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section 13.5.5 without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in this Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, System Operator must within thirty (30) Calendar Days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with the Parties. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the SGIP and SGIA and shall have no power to modify or change any provision of the SGIP and SGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 13.5 arbitration, or in a Federal Power Act Section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.6 Local Furnishing Bonds.

13.6.1 Facilities Financed by Local Furnishing Bonds. This provision is applicable only to interconnections associated with facilities financed for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this SGIA and SGIP, the Interconnecting Transmission Owner shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this SGIA and SGIP if the provision of such Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Interconnecting Transmission Owner's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service. If the Interconnecting Transmission Owner determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise Interconnection Customer within thirty (30) Calendar Days of receiving notice of the Interconnection Request. Interconnection Customer thereafter may renew its Interconnection Request using the process specified in the Tariff.

13.7 Engineering & Procurement ("E&P") Agreement

Prior to executing an SGIA, an Interconnection Customer may request, in order to advance the implementation of its interconnection, and the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party shall offer Interconnection Customer, an E&P Agreement that authorizes the Interconnecting Transmission Owner and any Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the Interconnecting Transmission Owner or any Affected Party or Internal Affected Party shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the SGIP. The E&P Agreement is an optional procedure and it will not alter Interconnection Customer's Queue Position or Initial Synchronization Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer, including a deposit of 100 percent of the estimated

engineering and study costs, and to make advance payments or provide other satisfactory security for such costs.

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

SECTION 14. LARGE LOAD CO-LOCATED GENERATORS AND LARGE LOAD ELECTRICALLY PROXIMATE GENERATORS.

14.1 Application of SGIP.

Large Load Co-Located Generators and Large Load Electrically Proximate Generators shall be subject only to Sections 3.7, 12, 13, 14, Attachment D to Appendix 1, and Appendix 12 of this SGIP, and shall not be subject to any other Sections of this SGIP. Sections 3.7, 12, and 13 of this SGIP shall be interpreted in such manner as to apply to Large Load Co-Located Generators and Large Load Electrically Proximate Generators.

14.2 Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Process.

Non-Firm Large Load Generator Arrangements result in a need for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to be interconnected to the Administered Transmission System at the same, or an electrically proximate, Point of Delivery as the Co-Located Large Load or Electrically Proximate Large Load. Under a Non-Firm Large Load Generator Arrangement, the Large Load Co-Located Generator or Large Load Electrically Proximate Generator: (i) shall be deemed to be providing all of its output to the Co-Located Large Load or Electrically Proximate Large Load; (ii) shall not have the right to inject any energy onto the Administered Transmission System except as permitted by the definitions of Electrically Proximate Large Load and Large Load Electrically Proximate Generator; (iii) shall receive zero MW of Network Resource Interconnection Service; and (iv) shall only be granted the right to physically interconnect at a designated Point of Interconnection in the LLCESGIA.

14.2.1 Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application.

System Operator shall start accepting Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Applications under this SGIP on June 1, 2027.

A Interconnection Customer for a Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall request to physically interconnect to the Administered Transmission System at a designated Point of Interconnection with zero MW of Network Resource Interconnection Service by submitting to the System Operator a completed Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application in the form contained in Attachment D to

Appendix 1 of this SGIP.

The Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application shall be accompanied by (1) written certification from the Large Load Eligible Customer (or the Large Load Entity on its behalf) that the Large Load Co-Located Generator or Large Load Electrically Proximate Generator has been designated to serve its Co-Located Large Load or Electrically Proximate Large Load; (2) the technical data required in Appendix 1 to this SGIP; (3) a non-refundable application deposit of $50,000 in cash (which shall be used to review the application and prepare the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Large Interconnection Agreement); (4) a study deposit of $150,000 in cash; and (5) proof of Site Control for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator. The study deposit shall be refundable, minus all costs incurred by System Operator in the event of a withdrawal of an application prior to the completion of studies.

14.2.2 Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Studies.

14.2.2.1 Study Scope

Studies for Interconnection Service for Co-Located or Electrically Proximate Generators may consist of reactive power, short circuit/fault duty, stability analyses, and/or other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. System Operator shall study a Large Load Co-Located Generator or Large Load Electrically Proximate Generator that includes at least one electric storage resource, when studying the charging mode of the electric storage resource(s), using a system load level as defined in System Operator's Planning Procedures. Studies shall be coordinated with Internal Affected Systems and Affected Systems to the extent required.

The study of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator may be conducted as part of the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load as described in Part II.J of the OATT. This study shall consider the full capability of the facility to ensure the acceptability of the proposed control technology needed to restrict the ability of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to inject energy onto the Administered Transmission System. The reactive power, short

circuit/fault duty, stability, and steady-state analyses for a Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall identify any Interconnection Facilities necessary to interconnect the Large Load Co-Located Generator or Large Load Electrically Proximate Generator. All non-Interconnection Facility upgrades identified in this study as needed to reliably interconnect both the Large Load and the Generating Facility shall be classified as Large Load Network Upgrades with costs allocated under the Large Load Cost Recovery Agreement in Attachment V of the OATT.

If a study of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator is conducted after the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load has been completed, then the Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall be studied on its own in the manner described in this section, and in the event that System Operator determines that Network Upgrades are required to accommodate the Large Load Co-Located Generator or Large Load Electrically Proximate Generator, the study shall terminate and the Interconnection Customer shall be required to submit an Interconnection Request to participate in the next Cluster Study conducted under this SGIP if the proposed Co-Located or Electrically Proximate Generator seeks to proceed.

14.2.2.2 Study Costs

The Interconnection Customer for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall be allocated 50% of the cost of the Large Load System Impact Study (with the remaining 50% to be paid by the Large Load Transmission Customer under Part II.J of the OATT) and shall be required to pay such costs consistent with Section 13 of this SGIP.

If a study of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator is conducted after the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load has been completed, then the Interconnection Customer for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall be responsible for all costs consistent with Section 13 of this SGIP.

14.2.2.3 Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Study Results.

Where the study of a Co-Located or Electrically Proximate Generator is conducted either as part of the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load, or on its own after the Large Load System Impact Study for the associated Co-Located Large Load or Electrically Proximate Large Load has been completed, the study results shall be communicated to the Interconnection Customer in the manner described in Part II.J of the OATT.

14.3 OASIS Posting

System Operator shall maintain on its OASIS a list of all Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Applications in its Control Area. The list shall identify, for each Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application: (i) the Large Load Co-Located Generator or Large Load Electrically Proximate Generator nameplate generating capability; (ii) the location by county and state; (iii) the substation or transmission line or lines where the interconnection will be made; (iv) the projected Initial Synchronization Date; (v) the status of the application; and (vi) the date the application was received by System Operator. System Operator shall post to its OASIS study reports subsequent to the meeting between the System Operator, the Interconnection Customer, and the Interconnecting Transmission Owner to discuss the applicable study report.

14.4 Modifications

The following shall constitute a Material Modification for a Large Load Co-Located Generator or Large Load Electrically Proximate Generator such that a new Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application shall be submitted for study: (i) any increase in capability; (ii) decrease of more than 60% of the capability originally studied; (iii) any change to a Non-Firm Large Load Generator Arrangement that impacts the Large Load Co-Located Generator or Large Load Electrically Proximate Generator; (iv) a modification to the Point of Interconnection that is not agreed upon by System Operator, the Interconnection Customer, and the Interconnecting Transmission Owner; (v) an extension to the Commercial Operation Date that exceeds for more than three (3) years from the Commercial Operation Date or that is more than seven (7) years from the date of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application, unless an extension request is made to the System Operator and the System Operator deems the extension to be non-material; (vi) during the study period any modifications to the Large Load Co-Located Generator, Large Load Electrically Proximate Generator, or Large Load models that take more

than fifteen (15) Calendar Days to address; and (vii) after the study period, any requested modification that significantly alters the performance of the studied project.

14.5 Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA. The interconnection of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator shall be governed by an agreement in the form of the *pro forma* LLCESGIA, contained in Appendix 12 to this SGIP and shall be between the Interconnection Customer, System Operator, and the Interconnecting Transmission Owner. The agreement shall be developed and negotiated in accordance with this Section 14.5 of this SGIP, at the Interconnection Customer's expense. Within twenty (20) days of the System Operator's issuance of the final Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Study report, System Operator shall tender a LLCESGIA in the form contained in Appendix 12 to this SGIP. System Operator, Interconnection Customer, and the Interconnecting Transmission Owner shall have sixty (60) Calendar Days to negotiate the LLCESGIA, including all construction milestones contained therein. At the end of the sixty (60) day period, the Interconnection Customer shall either request to execute the LLCESGIA or, in the event that the parties cannot agree on one or more terms of the agreement, request the filing of an unexecuted LLCESGIA with the Commission. Simultaneously with execution of the LLCESGIA, the Interconnection Customer shall provide (1) continued proof of 100% Site Control for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator and (2) security in an amount and form required by the Interconnecting Transmission Owner to secure the construction of any Interconnection Facilities needed to support the interconnection of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

APPENDICES TO SGIP

APPENDIX 1 INTERCONNECTION REQUEST

APPENDIX 2 CLUSTER STUDY AGREEMENT

APPENDIX 3 INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 4 OPTIONAL INTERCONNECTION STUDY AGREEMENT

APPENDIX 5 TRANSITIONAL CLUSTER STUDY AGREEMENT

APPENDIX 6 TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 7 TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 8 MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

APPENDIX 9 TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 10 MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

APPENDIX 11 STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

APPENDIX 12 LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR SGIA (LLCESGIA)

APPENDIX 1

INTERCONNECTION REQUEST

The undersigned Interconnection Customer submits this request to interconnect its Small Generating Facility to the Administered Transmission System under Schedule 23 - Small Generator Interconnection Procedures ("SGIP") of the ISO New England Inc. Open Access Transmission Tariff (the "Tariff"). Capitalized terms have the meanings specified in the Tariff.

PROJECT INFORMATION

Proposed Project Name:_____

1. This Interconnection Request is for (check one):

_____ **A proposed new Small Generating Facility**

_____ An increase in the generating capacity or a modification that has the potential to be a Material Modification of an existing Generating Facility

_____ Commencement of participation in the wholesale markets by an existing Generating Facility

_____ A change from Network Resource Interconnection Service to Capacity Network Resource Interconnection Service

2. The types of Interconnection Service requested:

_____ **Network Resource Interconnection Service (energy capability only)**

_____ **Capacity Network Resource Interconnection Service (energy capability and capacity capability)**

□ **Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing**

3. Interconnection Customer shall provide the following information:

Address or Location of the Facility (including Town/City, County and State):

_____

_____

_____

Requested Point of Interconnection:

_____

Type of Generating Facility to be Constructed:_____

Will the Generating Facility include electric storage capacity? Yes____No____
Will the electric storage device charge from the Administered Transmission System? Yes__No__
If yes, describe the electric storage device and specifications to include aggregate charging capability measured at the POI and the associated aggregate reactive capability measured at the high side of the main transformer:

_____

_____

Primary frequency response operating range for electric storage resources:

Generating Facility Fuel Type:

Generating Facility Capacity (MW):

Temperatures[1]	**Maximum Gross MW Electrical Output[2]**	**Maximum Net MW Electrical Output[3]**	**Net MW Capability at the Point of Interconnection[4]**
At or above 90 degrees F			
At or above 50 degrees F			
At or above 20 degrees F			
At or above 0 degrees F			

Requested Interconnection Service (in MW) :

Service Level[5]			**Requested Net MW Capability at the Point of Interconnection[4]**
CNR Capability Summer			
NR Capability Summer			
CNR Capability Winter			
NR Capability Winter			

Notes:

[1] In each row, insert all values corresponding to the given temperature, or a temperature greater than the given temperature, at which aggregate maximum gross output of the Generating Facility would be the highest. For example, if the aggregate maximum gross Generating Facility output occurs at 12 degrees F, all values in the "At or above 0 degrees F" row shall correspond to the 12 degrees F operating condition.

[2] Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility.

[3] Measured at the terminal(s) or inverter/converter terminal(s), as applicable, for each generating unit comprising the Generating Facility less any station service at each generating unit's terminal(s) or inverter/converter terminal(s), as applicable.

[4] Measured at Interconnection Customer's proposed Point of Interconnection. The values correspond to the requested levels of Interconnection Service pursuant to Section 3.1 of the SGIP. The values account for any station service, losses incurred in Interconnection Facilities, station or generator step up transformers, and any other auxiliary systems. After the Interconnection Request is deemed valid, any increases to these values shall be subject to a new, separate Interconnection Request.

[5] As described in Section II.48.1 for CNR Capability and Section II.48.2 for NR Capability.

General description of the equipment configuration, including any proposed control technologies to restrict the Small Generating Facility's output to the requested Interconnection Service levels, if applicable (# of units and GSUs):

_____

_____

Requested Commercial Operation Date:

_____

Requested Initial Synchronization Date:

_____

Requested In-Service Date:

_____

Evidence of Site Control (check one):

_____

_____ 100% exclusive Site Control in Interconnection Customer's name is provided herewith.

_____In lieu of evidence of Site Control,

_____ a $10,000/MW deposit subject to a minimum of $50,000 and a maximum of $200,000 is provided (refundable within the cure period as described in Section 3.4.3 of the SGIP), and.

_____ a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to Regulatory Limitations, and

_____ documentation sufficiently describing and explaining the source and effects of such Regulatory Limitations

_____ Site Control is not provided because the proposed modification is to Interconnection Customer's existing Small Generating Facility and, by checking this option, Interconnection Customer certifies that it has Site Control and that the proposed modification does not require additional real property.

The ISO will post the Project Information on the ISO web site under "Interconnection Service" and the Interconnection Request Tracking Tool or IRTT.

CUSTOMER INFORMATION

Company Name:_____

ISO Customer ID#:_____

(Interconnection Customer)

Company Address: **PO Box No.:**

_____

Street Address:_____

City, State ZIP: _____

Company Representative: **Name:** _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP:_ _____

Phone: _____ **FAX:** _____ **email:**_____

This Interconnection Request is submitted by:

Authorized Signature:_____

Name (type or print):_____

Title:_____

Date:_____

In order for an Interconnection Request to be considered a valid request, it must include:

(a) Be accompanied by all required deposits provided electronically and may be refundable in accordance with Section 3.4.2 of the SGIP;

(b) Required Cluster Study Deposit and may be refundable in accordance with Section 3.4.2 of the SGIP that is provided electronically;

(c) Commercial Readiness Deposit and may be refundable in accordance with Section 3.4.2 of the SGIP;

(d) For CNR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv). If for NR Interconnection Service, upload documentation demonstrating 100% Site Control in accordance with Section 3.4.2 (iv) or (1) a signed affidavit from an officer of Interconnection Customer indicating that Site Control is unobtainable due to Regulatory Limitations as such term is defined by the System Operator; and (2) documentation sufficiently describing and explaining the source and effects of such Regulatory Limitations, including a description of any conditions that must be met to satisfy the Regulatory Limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a cash deposit in lieu of Site Control of $10,000 per MW, subject to a minimum of $50,000 and a maximum of $200,000. An Interconnection Customer does not need to demonstrate Site Control for an Interconnection Request for a modification to its existing Small Generating Facility where Interconnection Customer has certified that it has Site Control and that the proposed modification does not require additional real property). Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use;

(e) Include a detailed map, such as a map of the quality produced by the U.S. Geological Survey, which clearly indicates the site of the new facility and pertinent surrounding structures.; and

(f) Include all information required on the Interconnection Request form and attachments thereto.

The Interconnection Request and attachments thereto must be submitted to the System Operator via the Interconnection Request Tracking Tool or IRTT, a web-based application for submitting, tracking and viewing Interconnection Requests available on the ISO New England website.

Attachment A to Appendix 1
Interconnection Request
Technical Data Required For Cluster Study

The technical data required below must be inputted directly into IRTT and submitted with the Interconnection Request pursuant to Section 3.4.2 of the SGIP.

SMALL GENERATING FACILITY DATA

UNIT RATINGS

Kva	°F	Voltage
Power Factor		
Speed (RPM)		Connection (e.g. Wye)
Short Circuit Ratio		Frequency, Hertz
Stator Amperes at Rated Kva		Field Volts
Max Turbine MW	°F	

Primary frequency response operating range for electric storage resources:

Minimum State of Charge:

Maximum State of Charge:

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 90 º OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (ºF)	

Interconnection Request

Technical Data Required For

Cluster Study

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 50º OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (ºF)	

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 20º OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (º F)	

GREATEST UNIT RATING AT AMBIENT TEMPERATURE OF 0º OR ABOVE

Gross Unit Rating (MW)	Gross Lagging (MVAR)
Net Unit Rating (MW)	Gross Leading (MVAR)
Station Service (MW)	Station Service (MVAR)
Temperature (ºF)	

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H	=	kW sec/kVA
Moment-of-Inertia, WR2	=	lb. ft.2

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS	**QUADRATURE AXIS**
Synchronous – saturated	Xdv	Xqv
Synchronous – unsaturated	Xdi	Xqi
Transient – saturated	X'dv	X'qv
Transient – unsaturated	X'di	X'qi
Subtransient – saturated	X"dv	X"qv
Subtransient – unsaturated	X"di	X"qi
Negative Sequence – saturated	X2v	
Negative Sequence – unsaturated	X2i	

FIELD TIME CONSTANT DATA (SEC)

Zero Sequence – saturated	X0v	
Zero Sequence – unsaturated	X0i	
Leakage Reactance	Xlm	
Open Circuit	T'qo	T'do
Three-Phase Short Circuit Transient	T'd3	T'q
Line to Line Short Circuit Transient	T'd2	
Line to Neutral Short Circuit Transient	T'd1	
Short Circuit Subtransient	T"d	T"q
Open Circuit Subtransient	T"do	T"qo

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	Ta3
Line to Line Short Circuit	Ta2
Line to Neutral Short Circuit	Ta1

NOTE: If requested information is not applicable, indicate by marking "N/A."

MW CAPABILITY AND PLANT CONFIGURATION

SMALL GENERATING FACILITY DATA

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R1		
Negative	R2		
Zero	R0		
Rotor Short Time Thermal Capacity I^2t	=		
Field Current at Rated kVA, Armature Voltage and PF	=	amps	
Field Current at Rated kVA and Armature Voltage, 0 PF	=	amps	
Three Phase Armature Winding Capacitance	=	microfarad	
Field Winding Resistance	=	ohms	°C
Armature Winding Resistance (Per Phase)	=	ohms	°C

CURVES

As applicable, provide Saturation, Vee, Capacity Temperature Correction curves. A Reactive Capability is required for all ~~Large~~Small Generating Facilities. As applicable, designate normal and emergency Hydrogen Pressure operating range for multiple curves.

MODELS FOR NON-SYNCHRONOUS GENERATORS

Models that meet the requirements of ISO New England Planning Procedures :

1. an appropriately parameterized library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, as defined by the selection in Table 1, a model otherwise approved by the Western Electricity Coordinating Council, or a model as otherwise reviewed and deemed acceptable by System Operator that corresponds to Interconnection Customer's Small Generating Facility, and,
2. a validated user-defined model where one exists for the equipment (i.e. where the manufacturer attests that a library model may fully capture the behavior of the equipment). The user model will only be used for the fuller understanding of equipment behavior and will not be used to finalize the upgrade requirements in the Cluster Study and will not be added to base cases going forward.
3. A validated electromagnetic transient model

Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from Interconnection Customer that the model accurately represents the entire Small Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Small Generating Facility; or test data).

Table 1: Acceptable Generic Library RMS Positive Sequence Dynamics Models

GE PSLF	**Siemens PSS/E***	**PowerWorld Simulator**	**Description**
pvd1		PVD1	Distributed PV system model
der_a	DERAU1	DER_A	Distributed energy resource model
regc_a	REGCAU1, REGCA1	REGC_A	Generator/converter model
regc_b	REGCBU1	REGC_B	Generator/converter model
wt1g	WT1G1	WT1G and WT1G1	Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)
wt2g	WT2G1	WT2G and WT2G1	Generator model for generic Type-2 wind turbines
wt2e	WT2E1	WT2E and WT2E1	Rotor resistance control model for wound-rotor induction wind-turbine generator wt2g
reec_a	REECAU1, REECA1	REEC_A	Renewable energy electrical control model
reec_c	REECCU1	REEC_C	Electrical control model for battery energy storage system
reec_d	REECDU1	REEC_D	Renewable energy electrical control model
wt1t	WT12T1	WT1T and WT12T1	Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)
wt1p_b	wt1p_b	WT12A1U_B	Generic wind turbine pitch controller for WTGs of Types 1 and 2
wt2t	WT12T1	WT2T	Wind turbine model for Type-2 wind turbines (directly connected induction generator wind turbines with an external rotor resistance)

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
wtgt_a	WTDTAU1, WTDTA1	WTGT_A	Wind turbine drive train model
wtga_a	WTARAU1, WTARA1	WTGA_A	Simple aerodynamic model
wtgp_a	WTPTAU1, WTPTA1	WTGPT_A	Wind Turbine Generator Pitch controller
wtgq_a	WTTQAU1, WTTQA1	WTGTRQ_A	Wind Turbine Generator Torque controller
wtgwgo_a	WTGWGOAU	WTGWGO_A	Supplementary control model for Weak Grids
wtgibffr_a	WTGIBFFRA	WTGIBFFR_A	Inertial-base fast frequency response control
wtgp_b	WTPTBU1	WTGPT_B	Wind Turbine Generator Pitch controller
wtgt_b	WTDTBU1	WTGT_B	Drive train model
repc_a	Type 4: REPCAU1 (v33), REPCA1 (v34) Type 3: REPCTAU1 (v33), REPCTA1 (v34)	REPC_A	Power Plant Controller

GE PSLF	Siemens PSS/E*	PowerWorld Simulator	Description
repc_b	PLNTBU1	REPC_B	Power Plant Level Controller for controlling several plants/devices In regard to Siemens PSS/E*: Names of other models for interface with other devices: REA3XBU1, REAX4BU1- for interface with Type 3 and 4 renewable machines SWSAXBU1- for interface with SVC (modeled as switched shunt in powerflow) SYNAXBU1- for interface with synchronous condenser FCTAXBU1- for interface with FACTS device
repc_c	REPCCU	REPC_C	Power plant controller

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity Self-cooled/Maximum Nameplate

/ Kva

Voltage Ratio Generator side/System side/Tertiary

/ kV

Winding Connections Generator side/System Side/Tertiary (Delta or Wye)

/

Fixed Taps Available

Present Tap Setting

IMPEDANCE

Positive Z1 (on self-cooled kVA rating) % X/R

Zero	Z0 (on self-cooled kVA rating)	%	X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer ("PSS") for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND AND INVERTER-BASED GENERATORS

A completed Attachment A-1 Supplementary Wind and Inverter-Based Generating Facility Form to this Attachment A, must be supplied for all Interconnection Requests for wind and inverter-based Generating Facilities.

INDUCTION GENERATORS:

(*) Field Volts:

(*) Field Amperes:

(*) Motoring Power (kW):

(*) Neutral Grounding Resistor (If Applicable):

(*) I_2^2t or K (Heating Time Constant):

(*) Rotor Resistance:

(*) Stator Resistance:

(*) Stator Reactance:

(*) Rotor Reactance:

(*) Magnetizing Reactance:

(*) Short Circuit Reactance:

(*) Exciting Current:

(*) Temperature Rise:

(*) Frame Size:

(*) Design Letter:

(*) Reactive Power Required In Vars (No Load):

(*) Reactive Power Required In Vars (Full Load):

(*) Total Rotating Inertia, H: Per Unit on KVA Base

Note: Please consult System Operator prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Attachment A to the Interconnection Request is true and accurate.

For Interconnection Customer:_____Date:_____

Attachment A-1
To Attachment A of Appendix 1
Supplementary Wind
and Inverter-Based
Generating Facility Form

SUPPLEMENTARY WIND AND INVERTER-BASED GENERATING FACILITY AND INTERCONNECTION FACILITIES DATA FORM

a) Attach a Geographic Map Demonstrating the Project Layout and its Interconnection to the Power Grid. *(Specify the name of the attachment here)*

b) Attach a Bus-Breaker Based One-line Diagram (The diagram should include each of the individual unit generators, generator number, HVDC rating and terminal voltage.) *(Specify the name of the attachment here)*

i. Collection system detail impedance sheet

If a collector system is used, attach a collector system data sheet in accordance with the one-line diagram attached above. The data sheet should include: the type, length Z_0, Z_1 and Xc/B of each circuit (feeder and collector string).

Specify the name of the attachment here: _____

ii. Collection system aggregate (equivalent) model data sheet

Attach an aggregate (equivalent) collection system data sheet. The data table should include: the type, length, Z_0, Z_1 and Xc/B of the equivalent circuits (feeders and collector strings).

Specify the name of the attachment here: _____

(c) Summary of the Unit Models in the wind or inverter-based Generating Facility *(List all different unit models in the facility)*

Manufacturer Model	Type of this WTG* (if applicable)	Generator Unit Numbers in the field	Number(s) of these Units	Maximum Output of this Unit (MW)	Total MW

* Type 1 – Cage rotor induction generators
  Type 2 – Induction generators with variable rotor resistance
  Type 3 – Doubly-fed asynchronous generators with rotor-side converter
  Type 4 – Full-power converter interface

Repeat the following sections from 4 to 12 for each different unit model.

d) Unit Detail Information

Unit Manufacturer Model	
Terminal Voltage	
Rating of Each Unit (MVA)	
Maximum Gross Electrical Output (MW)	
Minimum Gross Electrical Output (MW)	
Lagging Reactive Power Limit at Rated Real Power Output (MVAR)	
Leading Reactive Power Limit at Rated Real Power Output (MVAR)	
Lagging Reactive Power Limit at Zero Real Power Output (MVAR)	
Leading Reactive Power Limit at Zero Real Power Output (MVAR)	
Station Service Load (MW, MVAR)	
Minimum short circuit ratio (SCR) requirement by manufacturer	
On which bus the minimum SCR is required by manufacturer	
What voltage level the minimum SCR is required by manufacturer	
Positive sequence Xsource	
Zero sequence Xsource	

e) Unit GSU – _____

Nameplate rating (MVA)	
Total number of the GSUs	
Voltages, generator side/system side	
Winding connections, low voltage/high voltage	
Available tap positions on high voltage side	
Available tap positions on low voltage side	
Will the GSU operate as an LTC?	
Desired voltage control range if LTC	
Tap adjustment time (Tap switching delay + switching time) if LTC	
Desired tap position if applicable	
Impedance, Z1, X/R ratio	
Impedance, Z0, X/R ratio	

f) Low Voltage Ride Through (LVRT) – _____*(Specify the Manufacturer Model of this Unit)*

Does each Unit have LVRT capability?

Yes__ No__

If yes, please provide:

i. Unit LVRT mode activation and release condition:

When operating at maximum real power, what is the Unit terminal voltage for LVRT mode activation? _____

When operating at maximum real power, what is the Unit terminal voltage for releasing LVRT mode after it is activated? _____

If there is different LVRT activation and release logic, please state here _____

ii. A wind or other inverter-based generating facility technical manual from the manufacturer including description of LVRT functionality:

Attach the file and specify the name of the attachment here:

_____

iii. Does the wind or other inverter-based generating facility technical manual attached above include a reactive power capability curve?

Yes__ No__

If no, attach the file and specify the name of the attachment here:

_____

g) Low Voltage Protection (considering LVRT functionality)

(Specify the Manufacturer Model of this Unit)

Low Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

h) High Voltage Protection - _____(Specify the Manufacturer Model of this Unit)

High Voltage Setting (pu)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

i) Low Frequency Protection - _____(Specify the Manufacturer Model of this Unit)

Low Frequency Setting (Hz)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

j) High Frequency Protection - _____(Specify the Manufacturer Model of this Unit

High Frequency Setting (Hz)	Relay Pickup Time (Seconds)

*Add more rows in the table as needed

Please make sure the settings in sections 7 through 10 comply with NERC and NPCC standards for generator protection relays.

k) Unit Reactive Power Control - ____ (Specify the Manufacturer Model of this Unit)

i. What are the options for the Unit reactive power control (check all available)?

____Control the voltage at the Unit terminal
____Control constant power factor at the Unit terminal
____Control constant power factor at the low side of the station main transformer
____Control constant power factor at the high side of the station main transformer
____Control voltage at the low side of the station main transformer
____Control voltage at the high side of the station main transformer
____Other options. Please describe if select others_____

ii. In all the control options selected above, please list the options in which the Unit is able to control its terminal voltage to prevent low/high voltage tripping.

_____

iii. What is the desired control mode from the selected options above? Specify the control plan in this mode. For example: control voltage at which bus to what schedule.

_____

WIND OR INVERTER-BASED GENERATING FACILITYAND INTERCONNECTION FACILITIES MODELS MODELS

(All model files provided under this section should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

A. Power flow model

i. A *. RAW file including **aggregated/equivalent** wind or inverter-based generating facility and HVDC, if applicable, power flow model with appropriate parameters and settings.
Attach the *.RAW file and specify the name of the attachment(s) here:
_____

ii. A *. RAW file including **detailed** wind or inverter-based Generating Facility and Interconnection Facilities, if applicable, power flow model with appropriate parameters and settings.
Attach the *.RAW file and specify the name of the attachment(s) here:
_____

B. Dynamic simulation model(s)

(Please note that the dynamic model(s) must match the aggregated/equivalent power flow model(s) provided above. Attach the following information for each of the models.)

1. Wind or inverter-based Generating Facility and Interconnection Facilities, if applicable, Model(s) _____ (Please Specify the Manufacturer Model(s))

2. A compiled PSS/E dynamic model for the Generating Facility and Interconnection Facilities, if necessary (a *.LIB or *.OBJ file)
Attach the *.LIB or *.OBJ file(s) and specify the name(s) of the attachment(s) here:
_____

3. A dynamic data file with appropriate parameters and settings for the Generating Facility and Interconnection Facilities, if applicable, (typically a *.DYR file)

   Attach the *.DYR file(s) and specify the name(s) of the attachment(s) here:

   _____

4. PSS/E wind or inverter-based Generating Facility model user manual for the Generating Facility and Interconnection Facilities

   Attach and specify the name of the attachment here:

   _____

   Repeat the above sections for each different wind or inverter-based generating facility model.

C. Power Plant Controller

For wind or inverter-based Generating Facility,will PPC have the ability to centrally control the output of the units? Yes__ No__

1. Manufacturer model of the power plant controller

   _____

2. What are the reactive power control strategy options of the power plant controller?
3. Which of the control options stated above is being used in current operation?

   _____

4. Is the power plant controller able to control the unit terminal voltages to prevent low/high voltage tripping?

   Yes__ No__

   Please provide the park controller technical manual from the manufacturer

   Attach the file and specify the name of the attachment here:

   _____

D. Station Transformer

Transformer Name	

Nameplate ratings (MVA)		
Total number of the main transformer(s)		
Voltage, High/Low/Tertiary (kV)		
Winding connections, High/Low Tertiary		
Available tap positions on high voltage side		
Available tap positions on low voltage side		
Will the transformer operate as a LTC?		
Desired voltage control range if LTC		
Tap adjustment time (Tap switching delay + switching time) if LTC		
Desired tap position if applicable		
Tap adjustment time (Tap switching delay + switching time)		
Impedance Z_1, X/R ratio	Z_{1H-L}	X/R
	Z_{1H-T}	X/R
	Z_{1T-L}	X/R
Impedance Z_0, X/R ratio	Z_{0H-L}	X/R
	Z_{0H-T}	X/R
	Z_{0T-L}	X/R

E. Dynamic Simulation Model for the Power Plant Controller(s)

(All model files provided under this section should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England and must be a standard library model in PSS/E)

1. A compiled PSS/E dynamic model for the power plant controller(s) (a *.LIB or *.OBJ file)
   Attach the *.LIB or *.OBJ file and specify the name of the attachment here:

   _____

2. A dynamic data file with appropriate parameters and settings for the power plant controller(s) (typically a *.DYR file).

   Attach the *.DYR file and specify the name of the attachment here:

_____

3. PSS/E model user manual for the power plant controller(s)
   Attach the manual and specify the name of the attachment or specify the name of the attachment here:_____

F. Capacitors and Reactors

Please provide necessary modeling data for all the capacitors and reactors that are part of the Interconnection Facilities, including: size, basic electrical parameters, connecting bus, switched or fixed, etc.

G. Dynamic Device(s)

(All model files provided under this section 17 should be compatible with Siemens PTI's PSS/E version currently in use at ISO New England standard library models in PSS/E or applicable applications.)

1. Provide necessary modeling data file for all the dynamic devices belong to the facility.
   Attach the *.LIB or *.OBJ file and specify the name of the attachment here:
   _____

2. A dynamic data file containing the parameters for the units (typically a *.DYR file).
   Set the parameters in accordance with the desired control mode.
   Attach the *.DYR file and specify the name of the attachment here:
   _____

H. Collection System/Transformer Tap-Setting Design

Attach a collection system/transformer tap-setting design calculations, consistent with the requirements in the ISO New England Planning Procedures, that identify the calculations to support the proposed tap settings for the unit step-up transformers and the station step-up transformers.

Attached the design document and specify the name of the attachment here:

_____

I. Provide PSCAD Model and documentation for the wind or inverter-based Generating Facility, the Power Plant Controller(s) and Other Dynamic Devices or HVDC.

Attachment A-2
To Attachment A of Appendix 1
Cluster System Impact Study
Application Form

CLUSTER SYSTEM IMPACT STUDY APPLICATION FORM

The undersigned Interconnection Customer submits this form to request the inclusion of the Interconnection Request for its Small Generating Facility in a Cluster Interconnection System Impact Study pursuant to Section 4.2.3~~.2.2~~ of this SGIP.

To be included in a Cluster Interconnection System Impact Study, the following must be submitted together with this form to the System Operator by the Cluster Entry Deadline:

1. Project Information:

a. Project Name:_____

(a) Queue Position:_____

(b) Is the Interconnection Request contractually associated with an Interconnection Request for an Elective Transmission Upgrade? Yes ____ No ____

If yes, identify Queue Position of the associated Interconnection Request and provide evidence of the contractual commitment. Queue Position No.: _____

2. Initial CETU Participation Deposit as specified in Section 4.2.3

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

For Interconnection

Customer:_____Date:_____

SURPLUS INTERCONNECTION SERVICE REQUEST APPLICATION

The Surplus Interconnection Customer submits this application to request Surplus Interconnection Service pursuant to Section 3.3 of this SGIP.

SURPLUS INTERCONNECTION CUSTOMER AND ORIGINAL INTERCONNECTION CUSTOMER INFORMATION

Surplus Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address:_____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP:_ _____

Phone: _____ FAX: _____ E-mail:_____

Original Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address:

PO Box No.: _____

Street Address:_____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Phone: _____ FAX: _____ email: _____

PROJECT INFORMATION

Description of the Original Interconnection Customer's existing, commercial Small Generating Facility:

_____

_____

Description of the Surplus Interconnection Customer's Generating Facility:

_____

_____

Select Type of Interconnection Service for the Surplus Interconnection Customer's Generating Facility:

___ CNR Interconnection Service

___ NR Interconnection Service

Specify the amount of Unused Capability at the corresponding CNR Interconnection Service or NR Interconnection Service available for the Surplus Interconnection Customer's Generating Facility:

_____

_____

Requested Commercial Operations Date for the Surplus Interconnection Customer's Generating Facility:

_____

Requested Initial Synchronization Date for the Surplus Interconnection Customer's Generating Facility:

_____

Requested In-Service Date for the Surplus Interconnection Customer's Generating Facility:

_____

To request Surplus Interconnection Service, the Surplus Interconnection Customer shall provide the following, together with this Surplus Interconnection Service Request Application:

11 The Original Interconnection Customer's written consent for the Surplus Interconnection Customer's Generating Facility to use Unused Capability associated with Interconnection Service established under the Interconnection Agreement for the Original Interconnection Customer's Generating Facility, together with a copy of that Interconnection Agreement;

12 A detailed description of the Original Interconnection Customer's Generating Facility and the Surplus Interconnection Customer's Generating Facility and their respective Interconnection Facilities and existing Point of Interconnection and Point of Change of Ownership, together with a completed Attachment A and Attachment A-1, as applicable, to Appendix 1 of this SGIP, including a site electrical one-line diagram reflecting both the Original Interconnection Customer's Generating Facility and the proposed Surplus Interconnection Customer's Generating Facility and a plot plan; and

13 Site Control for the Surplus Interconnection Customer's Generating Facility.

System Operator and Interconnecting Transmission Owner reserve the right to request additional technical and non-technical information necessary from the Original Interconnection Customer or the Surplus Interconnection Customer as may reasonably become necessary to facilitate their review of the Surplus Interconnection Service request.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

Authorized Signature:_____

Name (type or print):_____

Title:_____

Date:_____

LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR INTERCONNECTION APPLICATION

The Interconnection Customer submits this application to request the interconnection of a Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR INFORMATION

Interconnection Customer Company Name: _____

ISO Customer ID# (If available): _____

Company Address: PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Company Representative: Name: _____

Title: _____

Company Representative's Company and Address (if different from above):

Company Name: _____

PO Box No.: _____

Street Address: _____

City, State ZIP: _____

Phone: _____ FAX: _____ E-mail: _____

PROJECT INFORMATION

Description of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator:

_____

_____

Requested Commercial Operation Date for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator:

_____

Requested Initial Synchronization Date for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator:

_____

Requested In-Service Date for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator:

_____

Attachment D (page 3)
To Appendix 1
Large Load Co-Located Generator/
Large Load Electrically Proximate Generator
Interconnection Application

To request interconnection of a Large Load Co-Located Generator Large Load Electrically Proximate Generator, the Large Load Co-Located/Large Load Electrically Proximate Generator shall provide the following, together with this Large Load Co-Located/Large Load Electrically Proximate Generator Interconnection Application:

1. Written confirmation from a Large Load Transmission Customer (or a Large Load Entity on its behalf) that the Large Load Co-Located Generator or Large Load Electrically Proximate Generator has been designated to serve the Large Load;
2. All technical data required by Attachment A to Appendix 1 to this SGIP;
3. A non-refundable application deposit of $50,000 in cash
4. A study deposit of $150,000 in cash; and
5. Proof of 100% Site Control for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

System Operator and Interconnecting Transmission Owner reserve the right to request additional technical and non-technical information necessary from the Interconnection Customer.

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this form is true and accurate.

Authorized Signature:_____

Name (type or print):_____

Title:_____

Date:_____

APPENDIX 2

CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer,") and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State of _____ ("Interconnecting Transmission Owner"). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility to the Administered Transmission System;

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform a Cluster Study to assess the impact of interconnecting the Small Generating Facility to the Administered Transmission System, and any Internal Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Small Generator Interconnection Procedure ("SGIP").

2.0 Interconnection Customer elects and System Operator and Interconnecting Transmission Owner shall cause to be performed a Cluster Study consistent with Section 7.0 of the SGIP in accordance with the Tariff.

3.0 The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Cluster Study will be based upon the technical information provided by Interconnection Customer in Attachment A (and Attachment A-1 as applicable) to the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the SGIP. System Operator and Interconnecting Transmission Owner reserve the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Cluster Study.

5.0 The Cluster Study Report shall provide the following information:

- identification of any circuit breaker or other facility short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload of any transmission facility or system voltage limit violations resulting from the interconnection;
- initial review of grounding requirements and electric system protection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- identification of Contingent Facilities
- description and non-binding, good faith estimated cost of and the time to construct the facilities required to interconnect the Small Generating Facility to the Administered Transmission System and to address the identified short circuit, instability, and power flow issues; and

- The Cluster Study Deposit shall be applied toward the cost of the Cluster Study and the development of this Cluster Study Agreement and its attachment(s) and the SGIA. Interconnecting Transmission Owner's and System Operator's good faith estimate for the times of commencement and completion of the Cluster Study is [insert dates].

Any difference between the deposit and the actual cost of the Cluster Study shall be paid by or refunded to Interconnection Customer, as appropriate.

The total estimated cost of the performance of the Interconnection System Impact Study consists of $_____ which is comprised of the System Operator's estimated cost of $_____ and the Interconnecting Transmission Owner's estimated cost of $_____.

Upon receipt of the Cluster Study, System Operator and Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection System Impact Study each month. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.

In accordance with the SGIP, in performing the Interconnection System Impact Study, System Operator and Interconnecting Transmission Owner shall coordinate with Internal Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

7.0 Miscellaneous.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection System Impact Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection System Impact Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection System Impact Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection System Impact Study, the content of the Interconnection System Impact Study, or the conclusions of the Interconnection System Impact Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement

is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, an Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an Interconnection System Impact Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection System Impact Study is completed. This

Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision,

rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator	Interconnecting Transmission Owner
By:	By:
Title:	Title:
Date:	Date:

[Insert name of Interconnection Customer]
By:
Title:
Date:

Attachment A
To Appendix 2
Cluster
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE CLUSTER STUDY

The Cluster Study will be based upon the *technical information provided by Interconnection Customer in the Interconnection Request* subject to any modifications in accordance with Section 4.4 of the SGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

APPENDIX 3

INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer,") and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State of _____ ("Interconnecting Transmission Owner"). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated ; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator and Interconnecting Transmission Owner have completed a Cluster Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Small Generator Interconnection Procedures ("SGIP"), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the "Tariff").

2.0 Interconnection Customer elects and System Operator shall cause an Interconnection Facilities Study consistent with Section 8.0 of the SGIP to be performed in accordance with the Tariff.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Small Generating Facility to the Administered Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.

5.0 The Interconnection Customer is providing a *Commercial Readiness Deposit per Section 8.1 of this SGIP to enter* the Interconnection Facilities Study and the greater of 25 percent of the estimated cost of the Interconnection Facilities Study or $100,000.

The deposit shall be applied toward the cost of the Interconnection Facilities Study and the development of this Interconnection Facilities Study Agreement and its attachment(s) and the SGIA. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

The total estimated cost of the performance of the Interconnection Facilities Study consists of $_____ which is comprised of the System Operator's estimated cost of $_____ and the Interconnecting Transmission Owner's estimated cost of $_____.
Any difference between the deposit and the actual cost of the Interconnection Facilities Study shall be paid by or refunded to the Interconnection Customer, as appropriate.
Upon receipt of the Interconnection Facilities Study, System Operator and Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study. System Operator and Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.
In accordance with the SGIP, in performing the Interconnection Facilities Study, Interconnecting Transmission Owner and System Operator shall coordinate with Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 Miscellaneous.

6.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

6.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility

Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

6.3 Force Majeure, Liability and Indemnification.

6.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

6.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in

performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

6.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by

Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

6.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

6.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

6.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed

severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

6.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

6.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

6.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

6.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

6.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

6.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

6.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a

third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator	Interconnecting Transmission Owner
By:	By:
Title:	Title:
Date:	Date:

[Insert name of Interconnection Customer]
By:
Title:
Date:

Attachment A
To Appendix 3
Interconnection Facilities
Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Interconnection Customer elects (check one):

b. +/- 20 percent cost estimate contained in the Interconnection Facilities Study report.

c. +/- 10 percent cost estimate contained in the Interconnection Facilities Study report.

Interconnecting Transmission Owner and System Operator shall complete the study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within the following number of days after receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

Attachment B (page 1)
Appendix 3
Interconnection Facilities
Study Agreement

DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing New England Transmission System station. Number of generation connections:

On the one line indicate the generation capacity attached at each metering location. (Maximum load on Current Transformer/Power Transformer ("CT/PT"))

On the one line indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes _____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____

(Please indicate on one line).

What type of control system or Power Line Carrier ("PLC") will be located at the Interconnection Customer's Small Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Interconnecting Transmission Owner's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with System Operator and Interconnecting Transmission Owner.

Is the Small Generating Facility in Interconnecting Transmission Owner's service area?

Yes _____ No _____ Local provider:
Please provide proposed schedule dates:
Begin Construction Date:
Generator step-up transformer Date:
Receives back feed power Date
Generation Testing Date:
Commercial Operation Date:

APPENDIX 4

OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____day of _____, 20___by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer,") and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State of _____ ("Interconnecting Transmission Owner"). Interconnection Customer, System Operator, and Interconnecting Transmission Owner may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer is proposing to establish an interconnection to the Administered Transmission System; and

WHEREAS, Interconnection Customer has submitted to System Operator an Interconnection Request; and

WHEREAS, on or after the date when the Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that the System Operator and Interconnecting Transmission Owner prepare an Optional Interconnection Study.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Commission-approved Small Generator Interconnection Procedures ("SGIP"), or in the other provisions of the ISO New England Inc. Transmission, Markets and Services Tariff (the "Tariff").

2.0 Interconnection Customer elects and System Operator shall cause an Optional Interconnection Study consistent with Section 10.0 of the SGIP to be performed in accordance with the Tariff.

3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Optional Interconnection Study shall be performed solely for informational purposes.

5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by the Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the assumptions specified by the Interconnection Customer in Attachment A.

In accordance with the SGIP, in performing the Optional Interconnection Study, the System Operator shall coordinate with Interconnecting Transmission Owner and Affected Parties and Internal Affected Parties, and shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

6.0 The Interconnection Customer is providing a deposit equal to 100 percent of the estimated cost of the study. Interconnecting Transmission Owner's and System

Operator's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

The total estimated cost of the performance of the Optional Interconnection Study consists of $_____ which is comprised of the System Operator's estimated cost of $_____ and the Interconnecting Transmission Owner's estimated cost of $_____.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to the Interconnection Customer, as appropriate. Upon receipt of the Optional Interconnection Study, System Operator and Interconnecting Transmission Owner shall charge and the Interconnection Customer shall pay the actual costs of the Optional Interconnection Study. Interconnection Customer shall pay any invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

7.0 Miscellaneous.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Optional Interconnection Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Optional Interconnection Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Optional Interconnection Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or

profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Optional Interconnection Study, the content of the Optional Interconnection Study, or the conclusions of the Optional Interconnection Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission

Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owners under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the

indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, an Optional Interconnection Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Optional Interconnection Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located, without regard to any choice of laws provisions.

7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

System Operator	Interconnecting Transmission Owner
By:	By:
Title:	Title:
Date:	Date:

[Insert name of Interconnection Customer]

By:

Title:

Date:

Attachment A

Appendix 4

Optional Interconnection

Study Agreement

ASSUMPTIONS USED IN CONDUCTING

THE OPTIONAL INTERCONNECTION STUDY

[To be completed by Interconnection Customer consistent with Section 10 of the SGIP.]

APPENDIX 5 to SGIP

TRANSITIONAL CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer"), and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("System Operator"), and _____, a _____ organized and existing under the laws of the State of _____ ("Interconnecting Transmission Owner"). System Operator, Interconnection Customer and Interconnecting Transmission Owner each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested Interconnecting Transmission Owner and System Operator to perform a "Transitional Cluster Study," which combines the Cluster Study and Interconnection Facilities Study, in a single cluster study, followed by any needed restudies, to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to physically and electrically connect the Small Generating Facility to the Administered Transmission System; and

WHEREAS, Interconnection Customer has a valid Queue Position as of the {Transmission Provider to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.

2.0 Interconnection Customer elects, and System Operator shall cause to be performed, a Transitional Cluster Study and Interconnection Customer elects that System Operator study the Small Generating Facility's request for.

_____ Network Resource Interconnection Service (energy capability only)

_____ Capacity Network Resource Interconnection Service (energy capability and capacity capability)

□ Interconnection Customers seeking to complete studies for CNRIS for Interconnection Requests for which NRIS milestones have already been completed shall check this box and fill in the table below

Service Level	**Requested Net MW Capability at the Point of Interconnection**
CNR Capability Summer	
CNR Capability Winter	

□ Interconnection Customer requests to be downgraded to Network Resource Interconnection Service where violations are identified in the thermal analysis associated with Capacity Network Resource Interconnection Service testing

3.0 The Transitional Cluster Study shall be based upon the technical information provided by Interconnection Customer in the Interconnection Request. System Operator reserves the right to request additional technical information from Interconnection Customer as may reasonably

become necessary consistent with Good Utility Practice during the course of the Transitional Cluster Study and Interconnection Customer shall provide such data as quickly as reasonable.

4.0 Pursuant to Section 5.1.1.2 of this SGIP, the interim Transitional Cluster Study Report shall provide the information below:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and

- Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

5.0 Pursuant to Section 5.1.1.2 of this SGIP, the final Transitional Cluster Study Report shall: (1) provide all the information included in the interim Transitional Cluster Study Report; (2) provide a description of, estimated cost of, and schedule for required facilities to interconnect the Generating Facility to the Transmission System; and (3) address the short circuit, instability, and power flow issues identified in the interim Transitional Cluster Study Report.

6.0 Interconnection Customer has met the requirements described in Section 5.1.1.2 of this SGIP.

7.0 Interconnection Customer previously provided a deposit for the performance of Interconnection Studies. Interconnection Customer shall provide additional study deposits in the form described in Section 5.1.1.2. System Operator may invoice for additional costs as appropriate such that Interconnection Customer shall pay the actual costs of the Transitional Cluster Study. Any difference between the study deposit and the actual cost of the study shall be paid by or

refunded to Interconnection Customer, in accordance with the provisions of Section 13.3 of this SGIP.

8.0 Miscellaneous.

8.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

8.2 Disclaimer of Warranty. In preparing and/or participating in the Transitional Cluster Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Transitional Cluster Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Transitional Cluster Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Transitional Cluster Study , the content of the Transitional Cluster Study , or the conclusions of the Transitional Cluster Study . Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

8.3 Force Majeure, Liability and Indemnification.

8.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to

make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

8.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the

foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

8.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

8.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Transitional Cluster Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

8.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Transitional Cluster Study is completed. This Agreement shall

automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

8.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

8.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

8.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

8.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

8.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

8.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

8.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the

Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

8.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: ___

Title: _

Date: _

{Insert name of Interconnecting Transmission Owner }

By: ___

Title: _

Date: _

{Insert name of Interconnection Customer}

By: ___

Title: _

Date: _

APPENDIX 6 to SGIP

TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of ___, 20__, by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer") and ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("System Operator"), and_____, a _____ organized and existing under the laws of the State of _____ ("Interconnecting Transmission Owner"). Interconnection Customer, System Operator, and Interconnecting Transmission Owner each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Administered Transmission System; and

WHEREAS, Interconnection Customer has requested System Operator and Interconnecting Transmission Owner to continue processing its Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the final Cluster Study (from the previously effective serial study process) in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility to the Administered Transmission System; and

WHEREAS, System Operator has provided an Interconnection Facilities Study Agreement to the Interconnection Customer on or before {System Operator to insert effective date of compliance filing}.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.

2.0 Interconnection Customer elects and Interconnecting Transmission Owner shall cause to be performed an Interconnection Facilities Study consistent with Section 8 of this SGIP.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A to this Agreement, which shall be the same assumptions as the previous Interconnection Facilities Study Agreement executed by the Interconnection Customer.

4.0 The Interconnection Facilities Study Report shall: (1) provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Small Generating Facility to the Administered Transmission System; and (2) address the short circuit, instability, and power flow issues identified in the most recently published Cluster Study Report.

5.0 Interconnection Customer has met the requirements described in Section 5.1.1.1 of this SGIP. The time for completion of the Interconnection Facilities Study is specified in Attachment A, and shall be no later than 150 Calendar Days after {System Operator to insert effective date accepted on compliance}.

6.0 Interconnection Customer previously provided a deposit of _____ dollars ($___) for the performance of the Interconnection Facilities Study.

7.0 Upon receipt of the Interconnection Facilities Study results, Interconnecting Transmission Owner shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study.

8.0 Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

9.0 Miscellaneous.

9.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

9.2 Disclaimer of Warranty. In preparing and/or participating in the Interconnection Facilities Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Interconnection Facilities Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Interconnection Facilities Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Interconnection Facilities Study, the content of the Interconnection Facilities Study, or the conclusions of the Interconnection Facilities Study. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

9.3 Force Majeure, Liability and Indemnification.

9.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to

perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

9.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

9.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission

Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

9.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Interconnection Facilities Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

9.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

9.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

9.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

9.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

9.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

9.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

9.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

9.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

9.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

9.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

{Insert name of Interconnecting Transmission Owner **}**

By: ___

Title: _

Date: _

ISO New England Inc.

By: ___

Title: _

Date: _

{Insert name of Interconnection Customer}

By: ___

Title: _

Date: _

Attachment A to Appendix 6

Transitional Serial Interconnection Facilities Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY

{Assumptions to be completed by Interconnection Customer and Interconnecting Transmission Owner}

APPENDIX 7 to SGIP

TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____, 20___, by and between _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customer and System Operatoreach may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}'s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.

2.0 System Operator shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of this SGIP.

3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and

- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer shall provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, System Operator shall charge, and Affected System Interconnection Customer shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the

System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents

from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, an Affected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. ____

Attachment A to Appendix 7

Two-Party Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customer and System Operator}

APPENDIX 8 to SGIP

MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____, 20___, by and among _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of_____ (Affected System Interconnection Customer); and _____, a _____ organized and existing under the laws of the State of _____ (System Operator). Affected System Interconnection Customers and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as the "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}'s transmission system;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this SGIP.

2.0 System Operatorshall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of this SGIP.

3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. System Operator reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on the New England Transmission System to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and

- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customers shall each provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the

Affected System Study by the Affected System Interconnection Customers, System Operator shall charge, and Affected System Interconnection Customers shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 Miscellaneous

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Affected System Study Agreement, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use Reasonable Efforts in preparing and/or participating in the Affected System Study Agreement (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Affected System Study Agreement), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Affected System Study Agreement, the content of the Affected System Study Agreement, or the conclusions of the Affected System Study Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither System Operator, Interconnecting Transmission Owner nor an Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the System Operator, the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. System Operator shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by System Operator in performing its obligations under this Agreement, except to the extent such act or omission by System Operator is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Interconnection Customer has claims against System Operator or Interconnecting Transmission Owner, the Interconnection Customer may only look to the assets of System Operator or Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either who, the Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of System Operator or Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of System Operator or Interconnecting Transmission Owner or Affiliate of either. In no event shall System Operator, Interconnecting Transmission Owner or any Interconnection Customer be liable for any

incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Interconnection Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless System Operator and the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by System Operator or Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Interconnection Customer, or the actions or omissions of the Interconnection Customer in connection with this Agreement, except in the case of System Operator, to the extent such Losses arise from the gross negligence or willful misconduct by System Operator or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify System Operator and Interconnecting Transmission Owners shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the System Operator and the Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limiting Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, review, or to assist in the conducting, participating in, or reviewing of, anAffected System Study Agreement shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Affected System Study Agreement is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request under Section 3.7 of the SGIP. The System Operator or the Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each

and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO New England Inc.

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. ____

{Insert name of Affected System Interconnection Customer}

By: _____

Title: _____

Date: _____

Project No. ____

Attachment A to Appendix 8

Multiparty Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE MULTIPARTY AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customers and System Operator}

APPENDIX 9 TO SGIP

TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and between _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and_____, an entity organized under the laws of the State of _____ (Interconnecting Transmission Owner). Affected System Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the New England Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this SGIP.

ARTICLE 2
TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the Parties agree to mutually terminate this Agreement; (2) earlier termination is permitted or provided for under Appendix A of this Agreement; or (2) Affected System Interconnection Customer terminates this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by System Operator and Interconnecting Transmission Owner.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if Affected System

Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by Interconnecting Transmission Owner for any such damages, including costs and expenses, incurred by Interconnecting Transmission Owner as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by Interconnecting Transmission Owner, Affected System Interconnection Customer shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs.

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC 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 FERC's rules and regulations thereunder, and Affected System Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of

Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

ARTICLE 3
CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to Interconnecting Transmission Owner written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer shall be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System

Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to Interconnecting Transmission Owner of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify Affected System Interconnection Customer. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or

delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject

to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customer shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customer with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that

Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or which Interconnecting Transmission Owner may be entitled with respect to such payment. Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and Affected System Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Affected System Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4
SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. Interconnecting Transmission Owner must use the SGIA Deposit required in Section 11.3 of the SGIP before requiring Interconnection Customer to submit security in addition to that SGIA Deposit. Interconnecting Transmission Owner must specify, in Appendix B of this SGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security.

4.2 Invoice. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii)), to Affected System

Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR Section 35.19a(a)(2)(iii).

ARTICLE 5
BREACH, CURE AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

(a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach**.**

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non--Defaulting Party may terminate this Agreement in accordance with Article 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6
TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this

Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, the termination of this Agreement by the non-Defaulting Party shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

(a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission

Owner shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, Interconnecting Transmission Owner shall convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7
SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, 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 for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR Section 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized

disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

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

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. Neither Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR Section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 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.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9

INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, to audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10
NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

<u>To Interconnecting Transmission Owner</u>:

<u>To Affected System Interconnection Customer</u>:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customer:

10.4 Execution and Filing. Affected System Interconnection Customer shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customer and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customer under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11
MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by

Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in

respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Attachment A to Appendix 9

Two-Party Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY, CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner.

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: Interconnecting Transmission Owner Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer's Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

Note: Affected System Interconnection Customer's payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 9

Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {Interconnecting Transmission Owner} and {Affected System Interconnection Customer}, dated _____, 20___.

On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}
{Interconnecting Transmission Owner Representative}

Attachment C to Appendix 9

Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement among Affected System Interconnection Customer and Interconnecting Transmission Owner.

Exhibit A1

Interconnecting Transmission Owner Site Map

Exhibit A2

Site Plan

Exhibit A3

Affected System Network Upgrade(s) Plan & Profile

Exhibit A4

Estimated Cost of Affected System Network Upgrade(s)

	Location	**Facilities to Be Constructed by Interconnecting Transmission Owner**	**Estimate in Dollars**
		Total:	

APPENDIX 10 TO SGIP

MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__, by and among _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and_____, an entity organized under the laws of the State of _____ (Interconnecting Transmission). Affected System Interconnection Customers and Interconnecting Transmission Owner each may be referred to as a "Party" or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host Interconnecting Transmission Owner}, dated _____, for which {name of host Interconnecting Transmission Owner} found impacts on New England Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host Interconnecting Transmission Owner}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of New England Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and Interconnecting Transmission Owner has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this SGIP.

ARTICLE 2
TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Interconnecting Transmission Owner of the amount funded by Affected System Interconnection Customers for Interconnecting Transmission Owner's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing Interconnecting Transmission Owner with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to Interconnecting Transmission Owner under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and

Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host Interconnecting Transmission Owner} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Interconnecting Transmission Owner.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Interconnecting Transmission Owner may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates Interconnecting Transmission Owner within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by Interconnecting Transmission Owner for any such damages, including costs and expenses incurred by Interconnecting Transmission Owner as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. Interconnecting Transmission Owner shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for Interconnecting Transmission Owner to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by Interconnecting Transmission Owner, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to Interconnecting Transmission Owner of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Interconnecting Transmission Owner in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Interconnecting Transmission Owner reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of

persons and property and the integrity and safe and reliable operation of New England Transmission System. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.2.4 Reservation of Rights. Interconnecting Transmission Owner shall have the right to make a unilateral filing with FERC 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 FERC's rules and regulations thereunder, and Affected System Interconnection Customers shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

2.3 Filing. Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, shall reasonably cooperate with Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

ARTICLE 3
CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 Interconnecting Transmission Owner Obligations. Interconnecting Transmission Owner shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Interconnecting Transmission Owner pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to Interconnecting Transmission Owner written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Interconnecting Transmission Owner determines that a Force Majeure event prevents construction. In the

event of (1), (2), or (3), any security paid to Interconnecting Transmission Owner under Article 4.1 of this Agreement shall be released by Interconnecting Transmission Owner upon the determination by Interconnecting Transmission Owner that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers shall be responsible for the costs which Interconnecting Transmission Owner incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of New England Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Interconnecting Transmission Owner cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Interconnecting Transmission Owner shall obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers shall be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customers to Interconnecting Transmission Owner for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.

Interconnecting Transmission Owner shall invoice Affected System Interconnection Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System Interconnecting Transmission Owner required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System Interconnecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Interconnecting Transmission Owner, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. Interconnecting Transmission Owner shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and

construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Interconnecting Transmission Owner. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. Interconnecting Transmission Owner may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. Interconnecting Transmission Owner shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall promptly notify all other Parties. In such circumstances, Interconnecting Transmission Owner shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. Interconnecting Transmission Owner shall also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Interconnecting Transmission Owner that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Interconnecting Transmission Owner shall, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers shall pay to Interconnecting Transmission Owner costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless Interconnecting Transmission Owner elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or Interconnecting Transmission Owner, Interconnecting Transmission Owner shall, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to Interconnecting Transmission Owner for the installation of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to Interconnecting Transmission Owner should be reported as income subject to taxation, or (2) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation. Affected System Interconnection Customers shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance

with this Article, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by Interconnecting Transmission Owner upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Interconnecting Transmission Owner is determined by any Governmental Authority to constitute income by Interconnecting Transmission Owner subject to taxation, Affected System Interconnection Customers shall protect, indemnify, and hold harmless Interconnecting Transmission Owner and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Interconnecting Transmission Owner shall provide Affected System Interconnection Customers with written notification within thirty (30) Calendar Days of such determination and notification. Interconnecting Transmission Owner, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), shall appeal, protest, seek abatement of, or otherwise oppose such determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that Interconnecting Transmission Owner shall cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) shall not be required to pay Interconnecting Transmission Owner for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Interconnecting Transmission Owner (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Interconnecting Transmission Owner is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to Interconnecting Transmission Owner,

Interconnecting Transmission Owner shall promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii)) or other payments Interconnecting Transmission Owner receives or to which Interconnecting Transmission Owner may be entitled with respect to such payment. Each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner with credit assurances sufficient to meet each Affected System Interconnection Customer's estimated liability for reimbursement of Interconnecting Transmission Owner for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Interconnecting Transmission Owner is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Interconnecting Transmission Owner represents, and the Parties acknowledge, that Interconnecting Transmission Owner is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to Interconnecting Transmission Owner for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to Interconnecting Transmission Owner for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), Interconnecting Transmission Owner shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. Interconnecting Transmission Owner and such Affected System Interconnection Customer(s) shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, Interconnecting

Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which such Affected System Interconnection Customer(s) may be required to reimburse Interconnecting Transmission Owner under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Affected System Interconnection Customer(s) to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4
SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Interconnecting Transmission Owner for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer shall provide Interconnecting Transmission Owner, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to Interconnecting Transmission Owner. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner and contain terms and conditions that guarantee payment of any amount that may be due from such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

4.2 Invoice. Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

4.3 Payment. Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund, with interest (calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR Section 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Interconnecting Transmission Owner shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then Interconnecting Transmission Owner may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR Section 35.19a(a)(2)(iii).

ARTICLE 5
BREACH, CURE, AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

(a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, shall give written notice of the Breach to

the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of Interconnecting Transmission Owner. Interconnecting Transmission Owner may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. Interconnecting Transmission Owner must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.3.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6
TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination and Removal. Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its entirety, shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Interconnecting Transmission Owner Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Interconnecting Transmission Owner:

(a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of New England Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Interconnecting Transmission Owner, each Affected System Interconnection Customer shall reimburse Interconnecting Transmission Owner for its share of any costs incurred by Interconnecting Transmission Owner in performance of the actions required or permitted by Article 6.3.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. Interconnecting Transmission Owner shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Interconnecting Transmission Owner may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid Interconnecting Transmission Owner for any or all of such costs, Interconnecting Transmission Owner shall refund Affected System Interconnection Customer for those payments. If Interconnecting Transmission Owner elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, Interconnecting Transmission Owner shall convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7
SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, 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 Parties for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Parties prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR Section 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential

Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

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

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

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The

Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR Section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 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.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as Interconnecting Transmission Owner or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing

Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9
INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to Interconnecting Transmission Owner, audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10
NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

<u>To Interconnecting Transmission Owner</u>:

To Affected System Interconnection Customers:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile, or email to the telephone numbers and email addresses set out below:

To Interconnecting Transmission Owner:

To Affected System Interconnection Customers:

10.4 Execution and Filing. Affected System Interconnection Customers shall either: (i) execute two originals of this tendered Agreement and return them to Interconnecting Transmission Owner; or (ii) request in writing that Interconnecting Transmission Owner file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, Interconnecting Transmission Owner shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and Interconnecting Transmission Owner disagree and support for the costs that Interconnecting Transmission Owner proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Interconnecting Transmission Owner for the

Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11
MISCELLANEOUS

11.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In conducting the duties described herein, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in carrying out such responsibilities. Affected System Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure, Liability and Indemnification.

11.3.1 Force Majeure. Neither Interconnecting Transmission Owner nor an Affected System Interconnection Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make

hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the Interconnecting Transmission Owner or the Affected System Interconnection Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

11.3.2 Liability. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Affected System Interconnection Customer for action or omissions by Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Affected System Interconnection Customer has claims against Interconnecting Transmission Owner, the Affected System Interconnection Customer may only look to the assets of Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either who, the Affected System Interconnection Customer acknowledges and agrees, have no personal or other liability for obligations of Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of Interconnecting Transmission Owner or Affiliate of either. In no event shall Interconnecting Transmission Owner or any Affected System Interconnection Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish an Affected System Interconnection Customer's obligations under the Indemnification section below.

11.3.3 Indemnification. Affected System Interconnection Customer shall at all times indemnify, defend, and save harmless the Interconnecting Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Affected System Interconnection Customer, or the actions or omissions of the Affected System Interconnection Customer

in connection with this Agreement, except in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents, and, in the case of Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Affected System Interconnection Customer to indemnify Interconnecting Transmission Owners shall be several, and not joint or joint and several.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Interconnection is located without regard to any choice of laws provisions.

11.5 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

11.6 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.7 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

11.8 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

11.9 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of

such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

11.10 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

11.11 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Interconnecting Transmission Owner

{Interconnecting Transmission Owner}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

Attachment A to Appendix 10

Multiparty Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY, CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

1.1 Affected System Network Upgrade(s) to be installed by Interconnecting Transmission Owner.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Interconnecting Transmission Owner Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: Interconnecting Transmission Owner Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that Interconnecting Transmission Owner has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.
{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

* Affected System Interconnection Customers' proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 ___._%
Affected System Interconnection Customer 2 ___._%
Affected System Interconnection Customer N ___._%

Note: Affected System Interconnection Customers' payment or provision of security as provided in this Agreement operates as a condition precedent to Interconnecting Transmission Owner's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 10

Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner. Where applicable, when Interconnecting Transmission Owner has completed construction of the Affected System Network Upgrade(s), Interconnecting Transmission Owner shall send notice to Affected System Interconnection Customers in substantially the form following:

{Date}

{Affected System Interconnection Customers Addresses}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among { Interconnecting Transmission Owner } and {Affected System Interconnection Customers}, dated _____, 20___.

On {Date}, Interconnecting Transmission Owner completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. Interconnecting Transmission Owner confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}
{ Interconnecting Transmission Owner Representative}

Attachment C to Appendix 10

Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Interconnecting Transmission Owner.

Exhibit A1

Transmission Provider Site Map

Exhibit A2

Site Plan

Exhibit A3

Affected System Network Upgrade(s) Plan & Profile

Exhibit A4

Estimated Cost of Affected System Network Upgrade(s)

	Location	**Facilities to Be Constructed by Transmission Provider**	**Estimate in Dollars**
		Total:	

_____

APPENDIX 11

STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

TABLE OF CONTENTS

Article. 1. Scope and Limitations of Agreement

1.1 Applicability

1.2 Purpose

1.3 No Agreement to Purchase or Deliver Power

1.4 Limitations

1.5 Responsibilities of the Parties

1.6 Parallel Operation Obligations

1.7 Metering

1.8 Reactive Power and Primary Frequency Response

1.9 Capitalized Term

1.10 Scope of Service

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

2.1 Equipment Testing and Inspection

2.2 Authorization Required Prior to Parallel Operation

2.3 Right of Access

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

3.1 Effective Date

3.2 Term of Agreement

3.3 Termination

3.4 Temporary Disconnection

3.4.1 Emergency Conditions

3.4.2 Routine Maintenance, Construction, and Repair

3.4.3 Forced Outages

3.4.4 Adverse Operating Effects

3.4.5 Modification of the Small Generating Facility

3.4.6 Reconnection

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

4.1 Interconnection Facilities

4.2 Distribution Upgrades

Article. 5. Cost Responsibility for Network Upgrades

5.1 Applicability

5.2 Network Upgrades
5.3 Special Provisions for Affected Systems
5.4 Rights Under Other Agreements
Article.6. Billing, Payment, Milestones, and Financial Security
6.1 Billing and Payment Procedures and Final Accounting
6.2 Milestones
6.3 Financial Security Arrangements
Article. 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default
7.1 Assignment
7.2 Limitation of Liability
7.3 Indemnity
7.4 Consequential Damages
7.5 Force Majeure
7.6 Default
Article. 8. Insurance Requirements
8.1 General Liability
8.2 Insurer Requirements and Endorsements
8.3 Evidence of Insurance
8.4 Self Insurance
8.5 Interconnecting Transmission Owner Insurance
Article. 9. Confidentiality
Article. 10. Disputes
Article. 11. Taxes
Article. 12. Miscellaneous
12.1 Governing Law, Regulatory Authority, and Rules
12.2 Amendment
12.3 No Third-Party Beneficiaries
12.4 Waiver
12.5 Entire Agreement
12.6 Multiple Counterparts
12.7 No Partnership
12.8 Severability
12.9 Security Arrangements

12.10 Environmental Releases
12.11 Subcontractors
12.12 Reservation of Rights

Article. 13. Notices

13.1 General
13.2 Billing and Payment
13.3 Alternative Forms of Notice
13.4 Designated Operating Representative
13.5 Changes to the Notice Information

Article. 14. Signatures

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
Attachment 7 – Commercial Operation Date

THIS STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Small Generating Facility), 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."

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).

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 ownership. The Interconnecting Transmission

Owner and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the New England Transmission System [or 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.

1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Article 2.1 of this Agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with the Interconnecting Transmission Owner's automatic load-shed program. The System Operator and Interconnecting Transmission Owner shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. The term "frequency ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems

during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. The term "voltage ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Interconnecting Transmission Owner, the New England Transmission System and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the New England Control Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through Applicable Reliability Standards, the non-synchronous Small Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless reactive power priority mode is enabled, or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

1.6 Parallel Operation Obligations; Limited Operation; Provisional Interconnection Service

1.6.1 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.

1.6.2 Limited Operation. If any of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Small Generating Facility, System Operator and the Interconnecting Transmission Owner shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Small Generating Facility and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this SGIA. System Operator and Interconnecting Transmission Owner shall permit Interconnection Customer to operate the Small Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

1.6.3 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities, System Operator and the Interconnecting Transmission Owner may execute a Provisional Small Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Small Generator Interconnection Agreement with the Interconnection Customer for Provisional Interconnection Service at the discretion of System Operator and Interconnecting Transmission Owner based upon an evaluation that will consider the results of available studies. System Operator and Interconnecting Transmission Owner shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Small Generating Facility or the New England Transmission System. System Operator and Interconnecting Transmission Owner shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of Electric Reliability Organization, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Small Generating Facility are in place prior to the commencement of Interconnection Service from the Small Generating Facility. Where available studies indicate that such Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Small Generating Facility are not currently in place, System Operator will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Small Generating Facility in the Provisional Small Generator Interconnection Agreement shall be studied and

updated each time the conditions assumed in the studies supporting the Provisional Interconnection Service change. Provisional Interconnection Service is an optional procedure and it will not alter the Interconnection Customer's Queue Position and associated cost and upgrade responsibilities. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Small Generator Interconnection Agreement and the Small Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

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. Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Commission, state, or local regulatory requirements and with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. 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 with dynamic reactive capability over the power factor 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 synchronous (and non-wind non-synchronous generators as specified in Appendix G, Section A.ii.4, to the SGIA) generators on a comparable basis and in accordance with Operating Requirements.

1.8.1.2 Non-Synchronous Generation. Generating Facilities shall be subject to the power factor design criteria specified in Appendix G to the SGIA. Wind and inverter-based Generating Facilities shall be subject to the Low Voltage Ride-Through Capability requirements specified in Appendix G to the SGIA.

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

1.8.3 Primary Frequency Response

Interconnection Customer with an Interconnection System Impact Study that commenced before May 15, 2018 is obligated to provide and maintain a functioning governor on all generating units comprising the Small Generating Facility in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnection Customer with an Interconnection System Impact Study that commenced on or after May 15, 2018 shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility's real power output in response to frequency deviations. The deadband shall be

implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify System Operator and Interconnecting Transmission Owner that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the New England Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Articles 1.8.3.1 and 1.8.3.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.3.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the New England Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with System Operator and Interconnecting Transmission Owner, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to System Operator and Interconnecting Transmission Owner upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify System Operator and Interconnecting Transmission Owner, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and

(3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the New England Transmission System.

1.8.3.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.3.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 1.8.3, 1.8.3.1, and 1.8.3.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 1.8.3, but shall be

otherwise exempt from the operating requirements in Articles 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.4 of this Agreement.

1.8.3.4 Electric Storage Resources. Interconnection Customer interconnecting a Small Generating Facility that contains an electric storage resource shall establish an operating range in Attachment 5 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 1.8.3, 1.8.3.1, 1.8.3.2 and 1.8.3.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by System Operator, Interconnecting Transmission Owner and Interconnection Customer. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 1.8.3.2 of this Agreement when it is online and dispatched to inject electricity to the New England Transmission System and/or receive electricity from the New England Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the New England Transmission System and/or dispatched to receive electricity from the New England Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop

parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

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 Internal 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 Internal 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.

1.10.1.3 Provision of Service. System Operator and Interconnecting Transmission Owner shall provide Interconnection Service for the Small Generating Facility at the Point of Interconnection.

1.10.1.4 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.

1.10.1.5 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.

1.10.1.6 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.

2.1.3 Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The System Operator and the Interconnecting Transmission Owner must be given at least five (5) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Interconnecting Transmission Owner [and System Operator] 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 New England Transmission System [or 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 Commission. 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 _____ years, (Term to be specified in individual Agreements, but in no case should the term be less than ten years from the Effective Date or such other longer period as the Interconnection Customer may request) 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 [and the System Operator] 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 designing, procuring, constructing, and installing the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer 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) or Internal Affected Systems 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 (1) 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.

1.3.2 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 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 Party affected is taking to mitigate the effects of the event on its performance. The Party affected shall keep the other Party(ies) informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Party affected 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 Party affected 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 Interconnecting Transmission Owner Insurance

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

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

10.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this SGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

10.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) a pro rata share of the cost of a single arbitrator chosen by the Parties.

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 state of _____ (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 currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

[To be supplied]

If to the Interconnecting Transmission Owner:

[To be supplied]

If to the System Operator:

ISO New England Inc.
Attention: Generation Interconnection, Transmission Planning Department
One Sullivan Road
Holyoke, MA 01040-2841
Phone: _____ 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: [To be supplied]

Interconnecting Transmission Owner[To be supplied]

System Operator: ISO New England Inc.

Attention: Generation Interconnection, Transmission Planning Department
One Sullivan Road
Holyoke, MA 01040-2841
Phone: _____ 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:

Phone: _____ Fax: _____
E-mail: _____

If to the Interconnecting Transmission Owner:

Phone: _____ Fax: _____
E-mail: _____

If to the System Operator:

Phone: _____ Fax: 413-540-4203
E-mail: geninterconn@iso-ne.com

With a copy to:

Billing Department
Facsimile: (413) 535-4024
E-mail: billingdept@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:

[To be supplied]

Interconnecting Transmission Owner's Operating Representative:

[To be supplied]

System Operator's Operating Representative:

ISO New England Inc.
Attention: Generation Interconnection, Transmission Planning Department

One Sullivan Road
Holyoke, MA 01040-2841
Phone: _____ Fax: (413) 540-4203
E-mail: geninterconn@iso-ne.com

DUNS Numbers:

Interconnection Customer: [To be supplied]

Interconnecting Transmission Owner: [To be supplied]

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.

[*Insert name of*] (Interconnecting Transmission Owner)

Name: _____

Title: _____

Date: _____

[*Insert name of*] (Interconnection Customer)

Name: _____

Title: _____

Date: _____

ISO New England Inc. (System Operator)

Name: _____

Title: _____

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 shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this SGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England-Transmission System.

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

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England Transmission System, as described in Section 9 of this SGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this SGIP that is made between System Operator and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.6 of this SGIP.

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Parties.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if the Interconnection Customer were to withdraw the Interconnection Request for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3.

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Small Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Small Generator Interconnection Agreement.

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

Capacity Capability Interconnection Standard ("CC Interconnection Standard") shall mean the criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service 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 seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource ("CNR") shall mean 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") shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study ("CNR Group Study") shall mean 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") shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Small 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.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade ("CETU") shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section II of the Tariff . The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study ("CRPS") shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study ("CFAC") shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study ("CSIS") shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this SGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this SGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this SGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this SGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this SGIP.
Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this SGIP.

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

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Attachment 7 to the Standard Small Generator Interconnection Agreement.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 5.1.1.3, 7.5, and 8.1 of this SGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position, Large Load Network Upgrades, or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's (or Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application's) costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request (or the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application) or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this SGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 7.6 of the Standard Small Generator Interconnection Agreement.

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

Distribution System shall mean the 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 shall mean 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 Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Small Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) or its successor organization

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, 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 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 Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Small Generator Interconnection Agreement to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes the Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the

establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

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

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

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities and shall not include a SATOA as defined in Section I of the Tariff.

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

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

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

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

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a 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.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Attachment 2 to the Standard Small Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this SGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Attachment 2 of the Standard Small Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

Interconnection Facilities shall mean Interconnecting Transmission Owner's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the 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 shall mean 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 Cluster Study, Cluster Restudy, or the Cluster 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 8 of this SGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of this SGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this SGIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this SGIP, 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) make a Material Modification to a proposed Generating Facility with an outstanding Interconnection Request; (iii) increase the energy capability or capacity capability of an existing Generation Facility; (iv) make a Material Modification to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System; (v) commence participation in the wholesale markets by an existing Generating Facility that is interconnected with the Administered Transmission System; or (vi) change from NR Interconnection Service to CNR Interconnection Service for all or part of a Generating Facility's capability. Interconnection Request shall not include 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 shall mean 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 SGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: Cluster Interconnection System Impact Study, Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service System Impact Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment and the Optional Interconnection Study described in the SGIP.

Interconnection Study Agreement shall mean any of the following agreements: the Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to this SGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's performance, or non-performance of its

obligations under the Standard Small Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification shall mean: (i) except as expressly provided in Section 4.4.1, those modifications to the Interconnection Request, including any of the technical data provided by the Interconnection Customer in Appendix 1, Attachment A (and Attachment A-1, if applicable) to the Interconnection Request or to the interconnection configuration, requested by the Interconnection Customer, that either require significant additional study of the same Interconnection Request and could substantially change the interconnection design, or have a material impact (*i.e.*, an evaluation of the proposed modification cannot be completed in less than ten (10) Business Days)on the cost or timing of any Interconnection Studies or upgrades associated with an Interconnection Request with an equal or later Queue Position; (ii) a change to the design or operating characteristics of an existing Generating Facility, including its Interconnection Facilities, that is interconnected with the Administered Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System; or (iii) a delay to the Commercial Operation Date, In-Service Date, or Initial Synchronization Date of greater than three (3) years where the reason for delay is unrelated to construction schedules or permitting which delay is beyond the Interconnection Customer's control.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Small Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 12 to this SGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this SGIP that is made among Interconnecting Transmission Owner, System Operator and multiple

Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Network Capability Interconnection Standard ("NC Interconnection Standard") shall mean the minimum criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service 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 seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource ("NR") shall mean 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") shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service ("NR Interconnection Service") shall mean 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 requested pursuant to Section 3.1 of this SGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Small Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean 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.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of this SGIP for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Attachment 2 to the Standard Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection 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 from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to the terms of the Provisional Small Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Small Generator Interconnection Agreement shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and the Interconnection Customer. This agreement shall take the form of the Standard Small Generator Interconnection Agreement, modified for

provisional purposes.

Queue Position shall mean 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 for Generating Facilities, Elective Transmission Upgrades, and requests for transmission service.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard 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.

Regulatory Limitations shall mean a federal, state, Tribal, or local law that makes it practically infeasible to obtain Site Control within the time frame detailed in Section 3.4.2 of this SGIP.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Interconnection Requests and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this SGIP, and analyzing such information.

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that the Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that the Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that the Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that the Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real

property for which new interconnection is sought; or (e) that the Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

SGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed SGIA, or within ten (10) Business Days of requesting that the SGIA be filed unexecuted at the Commission, in accordance with Section 11.3 of this SGIP.

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

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Attachment 2 to the Standard Small Generator Interconnection Agreement. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide the Interconnection Customer a written technical explanation outlining why System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Small Generator Interconnection Agreement ("SGIA") shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Small Generating Facility, that is included in this Schedule 23 to the Tariff.

Standard Small Generator Interconnection Procedures ("SGIP") shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that are included in this Schedule 23 to the Tariff.

Study Case shall have the meaning specified in Sections ~~6.2~~ 7.3 and 7.5 of this SGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions, and associated equipment that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for an ~~existing~~ Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection.

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

Transitional Capacity Network Resource Group Study ("Transitional CNR Group Study") shall mean the study performed by the System Operator under Section III.13.1.1.2.3A of the Tariff and Section 5.1.1.3 of this SGIP.

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this SGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this SGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this SGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Interconnection Facilities Study pursuant to Section 5.1.1.1 of this SGIP.

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

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the SGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this SGIP.

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.

[*insert*]

(2) The Small Generating Facility shall receive:

___ Network Resource Interconnection Service for the NR Capability at a level not to exceed [insert gross and net at or above 50 degrees F] MW for Summer, and [insert gross and net at or above 0 degrees F] MW for Winter.

___ Capacity Network Resource Interconnection Service for: (a)(i) the NR Capability at a level not to exceed [insert gross and net at or above 50 degrees F] MW for Summer and [insert gross and net at or above 0 degrees F] MW for Winter; and (ii) the CNR Capability at [insert net] MW for Summer and [insert net] MW for Winter, which shall not exceed [insert the maximum net MW 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].

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

Generator Data	
Number of Generators	
Manufacturer	
Model	
Designation of Generator(s)	
Excitation System Manufacturer	
Excitation System Model	
Voltage Regulator Manufacturer	
Voltage Regulator Model	
Generator Ratings	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 90 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 50 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 20 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above zero Degrees F	
Station Service Load For Each Unit	
Overexcited Reactive Power at Rated MVA and Rated Power Factor	
Underexcited Reactive Power at Rated MVA and Rated Power Factor	

Generator Short Circuit and Stability Data	
Generator MVA rating	
Generator AC Resistance	
Subtransient Reactance (saturated)	
Subtransient Reactance (unsaturated)	
Transient Reactance (saturated)	
Negative sequence reactance	
Transformer Data	
Number of units	
Self Cooled Rating	
Maximum Rating	
Winding Connection (LV/LV/HV)	
Fixed Taps	
Z1 primary to secondary at self cooled rating	
Z1 primary to tertiary at self cooled rating	
Z1 secondary to tertiary at self cooled rating	
Positive Sequence X/R ratio primary to secondary	
Z0 primary to secondary at self cooled rating	
Z0 primary to tertiary at self cooled rating	
Z0 secondary to tertiary at self cooled rating	
Zero Sequence X/R ratio primary to tertiary	

B. Interconnection Facilities

[*insert*]

C. Metering Equipment

[*insert*]

D. Other Components

[*insert*]

II. INTERCONNECTION EQUIPMENT OWNERSHIP, OPERATION AND MAINTENANCE

A. Point of Change of Ownership; Point of Interconnection

[*insert*]

B. Description of Responsibilities

[*insert*]

III. PRICING ESTIMATES

A. Interconnection Facilities

[*insert*]

B. Metering Equipment

[*insert*]

C. Operation and Maintenance

[*insert*]

Attachment 3

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

[*insert*]

Attachment 4

Milestones

1. **Milestones and Other Requirements:** The description and entries listed in the following table establish the required Milestones in accordance with the provisions of the SGIP and this SGIA. The referenced section of the SGIP or article of the SGIA should be reviewed to understand the requirements of each milestone.

Item No.	Milestone Description	Responsible Party	Date	SGIP/SGIA Reference
1	Submit updated data "as purchased"	Interconnection Customer	No later than 180 Calendar Days prior to Initial Synchronization Date	
2	Submit supplemental and/or updated data "as built/as-tested"	Interconnection Customer	Prior to Commercial Operation Date	
3	Provide quarterly written progress reports	Interconnection Customer and Interconnecting Transmission Owner	15 Calendar Days after the end of each quarter beginning the quarter that includes the date for Milestone #3 below and ending when the entire Small Generating Facility and all	

			required Interconnection Facilities and Network Upgrades are in place	
4	Deliver to Transmission Owner "as built" drawings, information and documents regarding Interconnection Customer's Interconnection Facility	Interconnection Customer	If requested, within 120 Calendar Days after Commercial Operation date	
5	SGIA Deposit	Interconnection Customer	Simultaneously with SGIA Execution, or within ten (10) Business Days after the Interconnection Customer request that the SGIA be filed unexecuted	§ 11.3.1.1 of SGIP

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 Customer	As agreed to by the Parties	SGIP § 7.5

	Interconnection Facilities			
2	Engineering of Interconnection Facilities approved by Interconnecting Transmission Owner	Interconnection Customer	As agreed to by the Parties	SGIP § 7.5
3	Commit to the ordering of long lead time material for Interconnection Facilities and system upgrades	Interconnection Customer	As agreed to by the Parties	SGIP § 5.2
4	In-Service Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	
5	Initial Synchronization Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	SGIP § 3.4.2, 4.4.4, 4.4.5, and 7.5
6	Commercial Operation Date	Interconnection Customer	Same as Interconnection Request unless subsequently modified	SGIP § 3.4.2, 4.4.4, 4.4.5, and 7.5
7	Provide evidence of 100% Site Control to System Operator	Interconnection Customer	Upon Execution of the SGIA	§ 11.3.1.1 of SGIP

8	Interconnection Customer with qualifying Regulatory Limitations must demonstrate 100% Site Control by or the SGIA may be terminated per Article 17 (Default) of this SGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of the System Operator's SGIP (Calculation of the Withdrawal Penalty).	Interconnection Customer	180 days from the effective date of this SGIA	

3. Milestones Applicable Solely for CNR Interconnection Service. In addition to the Milestones above, for projects that achieve a Capacity Supply Obligation prior to September 4, 2025, 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	Interconnection Customer		§ 3.2.1.3 of SGIP

	Facility's requested Commercial Operation Date, in accordance with Section III.13 of the Tariff			
2	Participate in a CNR Group Study	Interconnection Customer; System Operator		§ 3.2.1.3 of SGIP
3	Qualify and receive a Capacity Supply Obligation in accordance with Section III.13 of the Tariff	Interconnection Customer		§ 3.2.1.3 of SGIP
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		§ 3.2.1.3 of SGIP

Attachment 5

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

The Interconnecting Transmission Owner shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the New England Transmission System.

I. OPERATING REQUIREMENTS

[*Insert*]

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 to design, procure, construct and install, including overheads, the Upgrades. The Interconnecting Transmission Owner shall functionalize Upgrade costs as either transmission or distribution related.

I. DESCRIPTION OF UPGRADES

A. Distribution Upgrades

[*Insert*]

B. Network Upgrades

[*Insert*]

(1) Stand Alone Network Upgrades

(2) Other Network Upgrades

C. Affected System and/or Internal Affected System Upgrades

[Insert]

D. Contingent Facilities: [insert list of Contingent Facilities]

(1) Other Contingency Upgrades. [*e.g.*, list of upgrades associated with higher queued Interconnection Requests with SGIAs prior to this SGIA and any other contingency upgrades that the Parties may deem necessary for the interconnection of the Small Generating Facility.]

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

[*Insert any changes in upgrade obligations that result from re-study conducted post receiving a Capacity Supply Obligation in accordance with the Tariff*.]

Attachment 7

Commercial Operation Date

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

[*Date*]

[*Interconnecting Transmission Owner; Address*]

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

Re: _____ 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*]

APPENDIX 12

LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR SGIA

TABLE OF CONTENTS

Article 1 Definitions

Article 2 Effective Date, Term and Termination

Article 3 Regulatory Filings

Article 4 Scope of Service

Article 5 Interconnection Facilities Engineering, Procurement, and Construction

Article 6 Testing and Inspection

Article 7 Metering

Article 8 Communications

Article 9 Operations

Article 10 Maintenance

Article 11 Performance Obligation

Article 12 Invoice

Article 13 Emergencies

Article 14 Regulatory Requirements and Governing Law

Article 15 Notices

Article 16 Force Majeure

Article 17 Default

Article 18 Indemnity, Consequential Damages and Insurance

Article 19 Assignment

Article 20 Severability

Article 21 Comparability

Article 22 Confidentiality

Article 23 Environmental Releases

Article 24 Information Requirements

Article 25 Information Access and Audit Rights

Article 26 Subcontractors

Article 27 Disputes
Article 28 Representations, Warranties and Covenants
Article 29 Omitted
Article 30 Miscellaneous

THIS STANDARD LARGE LOAD CO-LOCATED GENERATOR/LARGE LOAD ELECTRICALLY PROXIMATE GENERATOR SGIA ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Load Co-Located Generator or Large Load Electrically Proximate Generator), 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."

RECITALS

WHEREAS, System Operator is the central dispatching agency provided for under the Transmission Operating Agreement ("TOA") which has responsibility for the operation of the New England Control Area from the System Operator control center and the administration of the Tariff; and

WHEREAS, Interconnecting Transmission Owner is the owner or possessor of an interest in the Administered Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Large Load Co-Located Generator or Large Load Electrically Proximate Generator identified as a Small Generating Facility in Appendix C to this Agreement (which, hereinafter shall be referred to as a Small Generating Facility); and

WHEREAS, System Operator, Interconnection Customer and Interconnecting Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to the Administered Transmission System; and

WHEREAS, the Large Load Co-Located Generator or Large Load Electrically Proximate Generator will serve a Large Load studied and operating consistent with Part II.J of the ISO's Open

Access Transmission Tariff, and will have zero megawatts of Network Resource Interconnection Service/Capacity Network Resource Interconnection Service and therefore this Agreement shall only govern the physical connection of the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to the Administered Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

ARTICLE 1. DEFINITIONS

The definitions contained in this Article 1 and those definitions embedded in an Article of this Agreement are intended to apply in the context of the generator interconnection process provided for in Schedule 23 (and its appendices). To the extent that the definitions herein are different than those contained in Section I.2.2 of the Tariff, the definitions provided below shall control only for purposes of generator interconnections under Schedule 23. Capitalized terms in Schedule 23 that are not defined in this Article 1 shall have the meanings specified in Section I.2.2 of the Tariff.

Administered Transmission System shall mean the PTF and the Non-PTF.

Adverse System Impact shall mean any significant negative effects on the stability, reliability or operating characteristics of the electric system.

Affected Party shall mean the entity that owns, operates or controls an Affected System, or any other entity operating outside of the New England Control Area that otherwise may be a necessary party to the interconnection process.

Affected System shall mean any electric system that is outside the New England Control Area that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 9 to this SGIP that is made between Interconnecting Transmission Owner and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system outside of the New England Control Area that may cause the need for Affected System Network Upgrades on the New England Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to New England Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than New England Transmission System.

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

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in System Operator's interconnection queue relative to System Operator's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system outside the New England Control Area that have an impact on the New England's Transmission System, as described in Section 9 of this SGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this SGIP that is made between System Operator and Affected System Interconnection Customer to conduct an External Affected System Study pursuant to Section 9 of this SGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.6 of this SGIP.

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the NPCC and the New England Control Area, including publicly available local reliability requirements of Interconnecting Transmission Owners or other Affected Parties or Internal Affected Party.

At-Risk Expenditure shall mean money expended for the development of the Generating Facility that cannot be recouped if the Interconnection Customer were to withdraw the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application for the Generating Facility. At-Risk Expenditure may include, but is not limited to, money expended on: (i) costs of federal, state, local, regional and town permits, (ii) Site Control, (iii) site-specific design and surveys, (iv) construction activities, and (v) non-refundable deposits for major equipment components. For purposes of this definition, At-Risk Expenditure shall not include costs associated with the Interconnection Studies.

Base Case shall have the meaning specified in Section 2.3 of the Small Generator Interconnection Procedures ("SGIP").

Base Case Data shall mean the Base Case power flow, short circuit, and stability data bases used for the Interconnection Studies by the System Operator, Interconnection Customer, Interconnecting Transmission Owner, or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA.

Breaching Party shall mean a Party that is in Breach of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA.

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

Capacity Capability Interconnection Standard ("CC Interconnection Standard") shall mean the criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service 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 seeking Capacity Network Resource Interconnection Service or an Elective Transmission Upgrade seeking Capacity Network Import Interconnection Service, and in a manner that ensures intra-zonal deliverability by avoidance of the redispatch of other Capacity Network Resources or Elective Transmission Upgrades with Capacity Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Capacity Network Resource ("CNR") shall mean 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") shall mean the MW quantity associated with CNR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Capacity Network Resource Group Study ("CNR Group Study") shall mean 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") shall mean the Interconnection Service selected by the Interconnection Customer to interconnect its Small 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.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study, Cluster Interconnection System Impact Study, and Cluster Interconnection Facilities Study.

Cluster Enabling Transmission Upgrade ("CETU") shall mean new significant transmission line infrastructure that consists of AC transmission lines and related terminal equipment having a nominal voltage rating at or above 115 kV or HVDC transmission lines and HVDC terminal equipment that is identified through the Clustering Enabling Transmission Upgrade Regional Planning Study conducted in accordance with Attachment K, Section 2 of the Tariff. The CETU shall be considered part of a Generator Interconnection Related Upgrade and be categorized as Interconnection Facilities or Network Upgrades.

Cluster Enabling Transmission Upgrade Regional Planning Study ("CRPS") shall mean a study conducted by the System Operator under Attachment K, Section II of the Tariff to identify the Cluster Enabling Transmission Upgrade and associated system upgrades to enable the interconnection of Interconnection Requests for which the conditions identified in Section 4.2.1 have been triggered.

Cluster Interconnection Facilities Study ("CFAC") shall mean an Interconnection Facilities Study performed using Clustering pursuant to Section 4.2.4.

Cluster Interconnection System Impact Study ("CSIS") shall mean an Interconnection System Impact Study performed using Clustering pursuant to Section 4.2.3.

CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in Section 4.2.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this SGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this SGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this SGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this SGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this SGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this SGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together instead of serially, as described in Sections 4.2.3, 4.2.4, and 7 of this SGIP.

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

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 4.4.2, 7.5, and 8.1 of this SGIP.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, but not be limited to, information that is confidential pursuant to the ISO New England Information Policy.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades associated with an Interconnection Request with a higher Queue Position, Large Load Network Upgrades, or a transmission project that is planned or proposed for the New England Transmission System upon which the Interconnection Request's (or Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application's) costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request (or the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application) or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this SGIP.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA.

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

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

Effective Date shall mean the date on which the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA becomes effective upon execution by the Parties subject to acceptance by the Commission or if filed unexecuted, upon the date specified by the Commission.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) or its successor organization.

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, 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 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 Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA to possess black start capability.

Engineering & Procurement ("E&P") Agreement shall mean an agreement that authorizes the Interconnection Customer, Interconnecting Transmission Owner and any other Affected Party or Internal Affected Party to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application.

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

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

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

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities and shall not include a SATOA as defined in Section I of the Tariff.

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

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous

constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants," or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

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

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

Interconnecting Transmission Owner shall mean a Transmission Owner that owns, leases or otherwise possesses an interest in, or a Non-Incumbent Transmission Developer that is not a Participating Transmission Owner that is constructing, a portion of the Administered Transmission System at the Point of Interconnection and shall be a Party to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA. The term Interconnecting Transmission Owner shall not be read to include the System Operator.

Interconnecting Transmission Owner's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Interconnecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA, including any modifications, additions or upgrades to such facilities and equipment. Interconnecting Transmission Owner's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Customer shall mean any entity, including a transmission owner or its Affiliates or subsidiaries, that interconnects or proposes to interconnect its Generating Facility with the Administered Transmission System under this SGIP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Administered Transmission System. Interconnection Customer's Interconnection Facilities may be sole use facilities or subject to shared use pursuant to arrangements filed with and approved by the Commission.

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

Interconnection Facilities Study shall mean 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 Cluster Study, Cluster Restudy or Cluster 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 8 of this SGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of the SGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this SGIP.

Interconnection Service shall mean the service provided by 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 LLCESGIA and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: Cluster Interconnection System Impact Study, Cluster Interconnection Facilities Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service System Impact Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Study, and Material Modification assessment and the Optional Interconnection Study described in the SGIP.

Interconnection Study Agreement shall mean any of the following agreements: Affected System Study Agreement, Cluster Study Agreement, the Interconnection Facilities Study Agreement, and the Optional Interconnection Study Agreement attached to the SGIP.

Internal Affected Party shall mean the entity that owns, operates or controls an Internal Affected System, or any other entity operating within the New England Control Area that otherwise may be a necessary party to the interconnection process.

Internal Affected System shall mean any electric system that is within the New England Control Area, including, but not limited to, generator owned facilities that may be affected by the proposed interconnection.

IRS shall mean the Internal Revenue Service.

Large Load Co-Located Generator/Large Load Electrically Proximate Generator Impact Studies shall mean the study conducted to evaluate the impacts of a proposed or modified Large Load Co-Located Generator or Large Load Electrically Proximate Generator pursuant to Section 3.2A of this Schedule 23 to the Tariff.

Large Load Co-Located/Large Load Electrically Proximate Generator SGIA ("LLCESGIA") shall mean the form of interconnection agreement applicable to a Large Load Co-

Located Generator or Large Load Electrically Proximate Generator, that is included in this Schedule 23 to the Tariff.

Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application shall mean a Large Load Co-Located Generator or Large Load Electrically Proximate Generator's request, in the form of Attachment D to Appendix 1 of this SGIP, in accordance with the Tariff to interconnect a new Large Load Co-Located Generator or Large Load Electrically Proximate Generator or make a Material Modification to a proposed or existing Large Load Co-Located Generator or Large Load Electrically Proximate Generator.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's performance, or non-performance of its obligations under the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Major Permits shall be as defined in Section III.13.1.1.2.2.2(a) of the Tariff.

Material Modification is defined in Section 14.4 of the SGIP.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Load Co-Located/Large Load Electrically Proximate Generator SGIA at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 10 to this SGIP that is made among Interconnecting Transmission Owner and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the New England Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 8 to this SGIP that is made among Interconnection Transmission Owner, System Operator and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this SGIP.

Network Capability Interconnection Standard ("NC Interconnection Standard") shall mean the minimum criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service 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 seeking Network Resource Interconnection Service or Elective Transmission Upgrade seeking Network Import Interconnection Service, as detailed in the ISO New England Planning Procedures.

Network Resource ("NR") shall mean 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") shall mean the MW quantity associated with NR Interconnection Service, calculated as described in Section II.48 of the Tariff.

Network Resource Interconnection Service ("NR Interconnection Service") shall mean 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 requested pursuant to Section 3.1 of the SGIP. NR Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Small Generating Facility to the Administered Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of the SGIP for conducting the Optional Interconnection Study.

Party shall mean the System Operator, Interconnection Customer and Interconnecting Transmission Owner or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA, where the Interconnection Customer's Interconnection Facilities connect to Interconnecting Transmission Owner's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA, where the Interconnection Facilities connect to the Administered Transmission System.

Proportional Impact Method shall mean a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Network Resource Interconnection 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 from the Generating Facility at the Point of Interconnection on a limited and temporary basis, pursuant to

the terms of the Provisional Small Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA shall mean the Interconnection Agreement for Provisional Interconnection Service established between the System Operator, the Interconnecting Transmission Owner, and the Interconnection Customer. This agreement shall take the form of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA, modified for provisional purposes.

Queue Position shall mean 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 for Generating Facilities, Elective Transmission Upgrades, and requests for transmission.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA, 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.

Regulatory Limitations shall mean a federal, state, Tribal, or local law that makes it practically infeasible to obtain Site Control within the time frame detailed in Section 3.4.2 of this SGIP.

Scoping Meeting shall mean the meeting between representatives of System Operator, Interconnection Customer(s), Interconnecting Transmission Owner(s), or any Affected Party or Internal Affected Party as deemed appropriate by the System Operator in accordance with applicable codes of conduct and confidentiality requirements, conducted for the purpose of discussing the proposed Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Applications and any alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this SGIP, and analyzing such information.

Site Control shall mean the exclusive right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control of sufficient size to construct and operate may be demonstrated by documentation establishing: (a) that the Interconnection Customer is the owner in fee simple of the real property or holds an easement for which new interconnection is sought; (b) that the Interconnection Customer holds a valid written leasehold or other contractual interest in the real property for which new interconnection is sought; (c) that the Interconnection Customer holds a valid written option to purchase or a leasehold interest in the real property for which new interconnection is sought; (d) that the Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or (e) that the Interconnection Customer has filed applications for required permits to site on federal or state property. System Operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

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

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Internal Affected System that Interconnection Customer may construct without affecting day-to-day operations of the New England Transmission System during their construction. The System Operator, Interconnection Customer, and Interconnecting Transmission Owner must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Load Co-Located Generator/Large Load Electrically Proximate Generator SGIA. If System Operator, Interconnecting Transmission Owner, and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, System Operator must provide the Interconnection Customer a written technical explanation outlining why the System Operator does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

Standard Small Generator Interconnection Procedures ("SGIP") shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that are included in this Schedule 23 to the Tariff.

Surplus Interconnection Service shall mean a form of Interconnection Service that allows an Interconnection Customer to use any Unused Capability of Interconnection Service established in an Interconnection Agreement for a Generating Facility, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the same Point of Interconnection would remain the same.

Study Case shall have the meaning specified in Section 7.3 of this SGIP.

Substation Network Upgrade shall mean Network Upgrades comprising breakers, bus positions and associated equipment that are required at the substation located at the Point of Interconnection.

System Network Upgrades shall mean Network Upgrades that are required beyond the substations located at the Point of Interconnection

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

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

Unused Capability shall mean: (i) in the case of NR Interconnection Service at a Generating Facility with an executed Interconnection Agreement, the MW quantity as determined by the Original Interconnection Customer (as defined in Section 3.3 of the SGIP), not to exceed the Generating Facility's NR Interconnection Service as specified in its Interconnection Agreement; and (ii) in the case of CNR Interconnection Service at an existing, commercial Generating Facility, for Summer, the Summer CNR Capability as specified in its Interconnection Agreement minus the latest Summer Qualified Capacity, and for Winter, the Winter CNR Capability as specified in its Interconnection Agreement minus the latest Winter Qualified Capacity.

Withdrawal Penalty shall mean the penalty assessed by System Operator to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from System Operator's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this SGIP.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date. This LLCESGIA 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 Commission. System Operator and Interconnecting Transmission Owner shall promptly and jointly file this LLCESGIA with the Commission upon execution in accordance with Section 11.3 of the SGIP and Article 3.1, if required.

2.2 Term of Agreement. This LLCESGIA , subject to the provisions of Article 2.3, and by mutual agreement of the Parties, shall remain in effect for a period of _____ years from the Effective Date (*term to be specified in individual Agreement, but in no case should the term be less than ten (10) years from the Effective Date or such other longer period as the Interconnection Customer may request)* and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LLCESGIA may be terminated by the Interconnection Customer, subject to continuing obligations of this LLCESGIA and the Tariff, after giving the System Operator and Interconnecting Transmission Owner ninety (90) Calendar Days advance written notice, or by System Operator or Interconnecting Transmission Owner notifying the Commission after a Generating Facility retires pursuant to the Tariff, provided that if an Interconnection Customer exercises its right to terminate on ninety (90) Calendar Days, any reconnection would be treated as a new Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application; or this LLCESGIA may be terminated by Interconnecting Transmission Owner or System

Operator by notifying the Commission after the Large Load Co-Located Generator or Large Load Electrically Proximate Generator permanently ceases Commercial Operation.

2.3.2 Default. Each Party may terminate this LLCESGIA in accordance with Article 17. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing, if applicable, with the Commission of a notice of termination of this LLCESGIA, which notice has been accepted for filing by the Commission. Termination of the LLCESGIA shall not supersede or alter any requirements for deactivation or retirement of a generating unit under ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

2.4 Termination Costs. If a Party elects to terminate this LLCESGIA pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party(ies), as of the date of such Party's(ies') receipt of such notice of termination, that are the responsibility of such Party(ies) under this LLCESGIA. In the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LLCESGIA, unless otherwise ordered or approved by the Commission:

2.4.1 With respect to any portion of the Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades to the extent covered by this LLCESGIA, that have not yet been constructed or installed, the Interconnecting Transmission Owner shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Interconnecting Transmission Owner shall deliver such material and equipment, and, if necessary, and to the extent possible, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent

that Interconnection Customer has already paid Interconnecting Transmission Owner for any or all such costs of materials or equipment not taken by Interconnection Customer, either (i) in the case of overpayment, Interconnecting Transmission Owner shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by the Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts, or (ii) in the case of underpayment, Interconnection Customer shall promptly pay such amounts still due plus any costs, including penalties incurred by Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LLCESGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which the Interconnecting Transmission Owner has incurred expenses and has not been reimbursed by the Interconnection Customer.

2.4.2 Interconnecting Transmission Owner may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LLCESGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LLCESGIA, Interconnection Service shall terminate and, the Parties will take all appropriate steps to disconnect the Small Generating Facility 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 a non-terminating Party's Default of this LLCESGIA or such non-terminating Party otherwise is responsible for these costs under this LLCESGIA.

2.6 Survival. This LLCESGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LLCESGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LLCESGIA was in effect; and to permit each Party to have access to the lands of the other Party(ies) pursuant to this LLCESGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

3.1 Filing. The System Operator and Interconnecting Transmission Owner shall jointly file this LLCESGIA (and any amendment hereto) with the appropriate Governmental Authority, if required, in accordance with Section 11.3 of the SGIP. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LLCESGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with the System Operator and Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by the System Operator and/or the Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

ARTICLE 4. SCOPE OF SERVICE

4.1 Interconnection Product Options. Interconnection Customer shall not have the right to inject energy at its Point of Interconnection, except as permitted by the definitions of an Electrically Proximate Large Load and Large Load Electrically Proximate Generator, and its NR Interconnection Service shall be for 0 MW.

4.1.1 Network Resource Interconnection Service (NR Interconnection Service).

4.1.1.1 The Product. The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and Interconnecting Transmission Owner and Internal 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 while being studied at a 0 MW injection capability.

4.2 Provision of Service. System Operator and Interconnecting Transmission Owner shall provide physical interconnection rights for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LLCESGIA 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 LLCESGIA for its compliance therewith. If such Party is the Interconnecting Transmission Owner, then that Party shall amend the LLCESGIA and System Operator, in conjunction with the Interconnecting Transmission Owner, shall submit the amendment to the Commission for approval.

4.4 No Transmission Delivery Service. The execution of this LLCESGIA does not constitute a request for, nor the provision of, any service except for Interconnection Service as limited herein, including, but not limited to, transmission delivery service, local delivery service, distribution service, capacity service, energy service, or Ancillary Services under any applicable tariff, but allows a Large Load Electrically Proximate Generator to deliver electricity to a specific customer at a designated Point of Delivery consistent with Part II.J of the OATT.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LLCESGIA are set forth in Article 9.6 and Article 13.4. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall specify the In-Service Date, Initial Synchronization Date, and Commercial Operation Date as specified in the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application or as subsequently revised pursuant to Section 4.4 of the SGIP; and select either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B (Milestones). At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Interconnecting Transmission Owner, Interconnecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Interconnecting Transmission Owner, the Interconnection Customer shall notify Interconnecting Transmission Owner within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build. In accordance with Section 8 of the SGIP and unless otherwise mutually agreed, the Alternate Option is not an available option if the Interconnection Customer waived the Interconnection Facilities Study.

5.1.1 Standard Option. The Interconnecting Transmission Owner shall design, procure, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B (Milestones). The Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Interconnecting Transmission Owner reasonably expects that it will not be able to complete the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades by the specified dates, the Interconnecting Transmission Owner shall

promptly provide written notice to the Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Interconnecting Transmission Owner, the Interconnecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities by the designated dates.
If Interconnecting Transmission Owner subsequently fails to complete Interconnecting Transmission Owner's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B (Milestones); Interconnecting Transmission Owner shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable System Operator refuses to grant clearances to install equipment.

5.1.3 Option to Build. Individual or Multiple Interconnection Customer(s) shall have the option to assume responsibility for the design, procurement and construction of new Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2 if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to Interconnecting Transmission Owner an agreement regarding responsibilities and payment for the construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades planned to be

built under this option. The System Operator, Interconnecting Transmission Owner, and the individual Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to the LLCESGIA. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Interconnecting Transmission Owner, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), Interconnecting Transmission Owner shall assume responsibility for the design, procurement and construction of all facilities other than the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades,

(1) The Interconnection Customer shall commit in the LLCESGIA to a schedule for the completion of, and provide the System Operator evidence of proceeding with: (a) engineering and design of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades, (b) procurement of necessary equipment and ordering of long lead time material, and (c) construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(2) The Interconnection Customer shall engineer, procure equipment, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Interconnecting Transmission Owner;

(3) Interconnection Customer's engineering, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Interconnecting Transmission Owner would be subject in the engineering, procurement or construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(4) Interconnecting Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(5) Prior to commencement of construction, Interconnection Customer shall provide to Interconnecting Transmission Owner any changes to the schedule for construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades reflected in Appendix B (Milestones), and shall promptly respond to requests for information from Interconnecting Transmission Owner;

(6) At any time during construction, Interconnecting Transmission Owner shall have the right to gain unrestricted access to the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(7) At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Interconnecting Transmission Owner, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

(8) The Interconnection Customer shall indemnify the Interconnecting Transmission Owner for claims arising from the Interconnection Customer's construction of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 (Indemnity);

(9) The Interconnection Customer shall transfer control of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to the Interconnecting Transmission Owner prior to the In-Service Date;

(10) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner prior to the In-Service Date;

(11) Interconnecting Transmission Owner shall approve and accept for operation and maintenance the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2;

(12) Interconnection Customer shall deliver to Interconnecting Transmission Owner "as built" drawings, information, and any other documents that are reasonably required by Interconnecting Transmission Owner to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by Interconnecting Transmission Owner; and

(13) Interconnection Customer shall pay Interconnecting Transmission Owner the agreed upon amount of [$ PLACEHOLDER] for Interconnecting Transmission Owner to execute responsibilities enumerated to Interconnecting Transmission Owner under this Article 5.2. Interconnecting Transmission Owner shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to the Interconnection Customer, in the event the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades are not

completed by the dates designated by the Interconnection Customer and accepted by the Interconnecting Transmission Owner pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Interconnecting Transmission Owner to the Interconnection Customer in the event that Interconnecting Transmission Owner does not complete any portion of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, in the aggregate, for which Interconnecting Transmission Owner has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades for which the Interconnecting Transmission Owner has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Interconnecting Transmission Owner to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LLCESGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Interconnecting Transmission Owner's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades to take the delivery of power for the Small Generating Facility's Trial Operation or to export power from the Small Generating Facility on the specified dates, unless the Interconnection Customer would have been able to commence use of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades to take the delivery of power for Small Generating Facility's Trial Operation or to export power from the Small Generating Facility, but for Interconnecting Transmission Owner's delay; (2) the Interconnecting Transmission Owner's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other Interconnection Customer who

has entered into a LLCESGIA with the Interconnecting Transmission Owner or any cause beyond Interconnecting Transmission Owner's reasonable control or reasonable ability to cure, including, but not limited to, actions by the System Operator that cause delays and/or delays in licensing, permitting or consents where the Interconnecting Transmission Owner has pursued such licenses, permits or consents in good faith; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. If a Power System Stabilizer is required to be installed on the Small Generating Facility for the purpose of maintaining system stability, the Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the System Operator and Interconnecting Transmission Owner, and consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The System Operator and Interconnecting Transmission Owner reserve the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Small Generating Facility. If the Small Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the System Operator and Interconnecting Transmission Owner, or their designated representative. The requirements of this paragraph shall not apply to non-synchronous power production equipment.

5.5 Equipment Procurement. If responsibility for construction of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades is to be borne by the Interconnecting Transmission Owner, then the Interconnecting Transmission Owner shall commence design of the Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 The Interconnecting Transmission Owner has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 The Interconnecting Transmission Owner has received written authorization to proceed with design and procurement from the Interconnection Custo0mer by the date specified in Appendix B (Milestones); and

5.5.3 The Interconnection Customer has provided security to the Interconnecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B (Milestones).

5.6 Construction Commencement. The Interconnecting Transmission Owner shall commence construction of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades;

5.6.3 The Interconnecting Transmission Owner has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B (Milestones); and

5.6.4 The Interconnection Customer has provided security to Interconnecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B (Milestones).

5.7 Work Progress. The Interconnection Customer and the Interconnecting Transmission Owner shall keep each Party informed, by written quarterly progress reports, as to the progress of their respective design, procurement and construction efforts in order to meet the dates specified in

Appendix B (Milestones). Any Party may also, at any other time, request a written progress report from the other Parties. If, at any time, the Interconnection Customer determines that the completion of the Interconnecting Transmission Owner's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer, upon the System Operator's approval that the change in the In-Service Date will not constitute a Material Modification pursuant to Section 4.4 of the SGIP, will provide written notice to the Interconnecting Transmission Owner of such later date upon which the completion of the Interconnecting Transmission Owner's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the New England Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options.

5.9.1 Limited Operation. If any of the Interconnecting Transmission Owner's Interconnection Facilities, Large Load Network Upgrades, or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Small Generating Facility, System Operator and the Interconnecting Transmission Owner shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Small Generating Facility and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Interconnecting Transmission Owner's Interconnection Facilities, Large Load Network Upgrades, or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LLCESGIA. System Operator and Interconnecting Transmission Owner shall permit Interconnection Customer to operate the Small Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Large Load Network Upgrades, Network Upgrades, System Protection Facilities, or other limiting devices, System Operator and the

Interconnecting Transmission Owner may execute a Provisional LLCESGIA or Interconnection Customer may request the filing of an unexecuted Provisional LLCESGIA with the Interconnection Customer for Provisional Interconnection Service at the discretion of System Operator and Interconnecting Transmission Owner based upon an evaluation that will consider the results of available studies. System Operator and Interconnecting Transmission Owner shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Small Generating Facility or the New England Transmission System. System Operator and Interconnecting Transmission Owner shall determine whether any Interconnection Facilities, Large Load Network Upgrades, Network Upgrades, Distribution Upgrades, System Protection Facilities, or other limiting devices that are necessary to meet the requirements of Electric Reliability Organization, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Small Generating Facility are in place prior to the commencement of Interconnection Service from the Small Generating Facility. Where available studies indicate that such Interconnection Facilities, Large Load Network Upgrades, Network Upgrades, Distribution Upgrades, System Protection Facilities, and/or other limiting devices that are required for the interconnection of a new, modified and/or expanded Small Generating Facility are not currently in place, System Operator will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Small Generating Facility in the Provisional LLCESGIA shall be studied and updated each time the conditions assumed in the studies supporting the Provisional Interconnection Service change. Provisional Interconnection Service is an optional procedure and it will not alter the Interconnection Customer's associated cost and upgrade responsibilities. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional LLCESGIA and the LLCESGIA, including changes in output limits and Interconnection Facilities, Large Load Network Upgrades, Distribution Upgrades, System Protection Facilities, and/or other limiting devices cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ("ICIF"). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades).

5.10.1 Small Generating Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Interconnecting Transmission Owner at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Interconnecting Transmission Owner shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Interconnecting Transmission Owner and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Interconnecting Transmission Owner's Review. Interconnecting Transmission Owner's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Small Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Interconnecting Transmission Owner, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Interconnecting Transmission Owner.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Interconnecting Transmission Owner "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Small Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Small Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Small Generating Facilities. The Interconnection Customer shall provide Interconnecting

Transmission Owner specifications for the excitation system, automatic voltage regulator, Small Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Interconnecting Transmission Owner's Interconnection Facilities Construction. The Interconnecting Transmission Owner's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnecting Transmission Owner shall deliver to the Interconnection Customer the following "as-built" drawings, information and documents for the Interconnecting Transmission Owner's Interconnection Facilities. The appropriate drawings and relay diagrams shall be included in Appendix A of this LLCESGIA.

The System Operator will obtain operational control of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities pursuant to the TOA.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at the incremental cost to another Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents if allowed under the applicable agency agreement, that are necessary to enable the Access Party solely to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Small Generating Facility with the Administered Transmission System; (ii) operate and maintain the Small Generating Facility, the Interconnection Facilities and the New England Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LLCESGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of the Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Interconnecting Transmission Owner, the Interconnecting Transmission Owner shall at Interconnection Customer's expense use Reasonable Efforts, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property. Notwithstanding the foregoing, the Interconnecting Transmission Owner shall not be obligated to exercise eminent domain authority in a manner inconsistent with Applicable Laws and Regulations or when an Interconnection Customer is authorized under Applicable Laws and Regulations to exercise eminent domain on its own behalf.

5.14 Permits. System Operator, Interconnecting Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Interconnecting Transmission Owner shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Interconnecting Transmission Owner's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Interconnecting Transmission Owner to construct, and Interconnecting Transmission Owner shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Large Load Network Upgrades or Network Upgrades required for Interconnection Customer to be interconnected to the Administered Transmission System, which are included in the Base Case of the Interconnection Facilities Study for the Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date. The Interconnection Customer shall reimburse the Interconnecting Transmission Owner for all costs incurred related to early construction to the extent such costs are not recovered from other Interconnection Customers included in the base case.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Interconnecting Transmission Owner and System Operator, to suspend all work by Interconnecting Transmission Owner associated with the construction and installation of Interconnecting Transmission Owner's Interconnection Facilities and/or Network Upgrades required under this LLCESGIA at any time with the condition that the New England Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and the System Operator's and Interconnecting Transmission Owner's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Interconnecting Transmission Owner (i) has incurred pursuant to this LLCESGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the New England Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Interconnecting Transmission Owner cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Interconnecting Transmission Owner shall obtain Interconnection Customer's authorization to do so. Interconnecting Transmission Owner shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Interconnecting Transmission Owner required under this LLCESGIA pursuant to this Article 5.16, and has not requested Interconnecting Transmission Owner to recommence the work required under this LLCESGIA on or before the expiration of three (3) years following commencement of such suspension, this LLCESGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Interconnecting Transmission Owner and System Operator, if no effective date is specified. A suspension under this Article 5.16 does not automatically permit an extension of the In-Service Date, the Initial Synchronization Date or the Commercial Operation Date. A request for extension of such dates is subject to Section 4.4.5 of the SGIP. Notwithstanding the extensions permitted under Section 4.4.5 of the SGIP, the three-year period shall in no way result in an extension of the In-Service Date, the Initial Synchronization Date or the Commercial Operation Date that exceeds seven (7) years from the date of the Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application; otherwise, this LLCESGIA shall be deemed terminated.

5.17 Taxes.

5.17.1 Payments Not Taxable. The Parties intend that all payments or property transfers made by any Party for the installation of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Small Generating Facility will pass to another party prior to the transmission of the electricity on the New England Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to the Interconnecting Transmission Owner for the Interconnecting Transmission Owner's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of the Interconnecting Transmission Owner's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Small Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Interconnecting Transmission Owner's request, Interconnection Customer shall provide Interconnecting Transmission Owner with a report from an independent engineer confirming its representation in clause (iii), above. Interconnecting Transmission Owner represents and covenants that the cost of the Interconnecting Transmission Owner's

Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Interconnecting Transmission Owner. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Interconnecting Transmission Owner from the cost consequences of any current tax liability imposed against Interconnecting Transmission Owner as the result of payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner under this LLCESGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Interconnecting Transmission Owner.

The Interconnecting Transmission Owner shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LLCESGIA unless (i) Interconnecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner should be reported as income subject to taxation or (ii) any Governmental Authority directs Interconnecting Transmission Owner to report payments or property as income subject to taxation; provided, however, that Interconnecting Transmission Owner may require Interconnection Customer to provide security, in a form reasonably acceptable to Interconnecting Transmission Owner (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Interconnecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Interconnecting Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period, and the applicable statute of limitation, as it may be extended by the Interconnecting Transmission Owner upon request of the IRS, to keep these years

open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Interconnecting Transmission Owner, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Interconnecting Transmission Owner ("Current Taxes") on the excess of (a) the gross income realized by Interconnecting Transmission Owner as a result of payments or property transfers made by Interconnection Customer to Interconnecting Transmission Owner under this LLCESGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit the Interconnecting Transmission Owner to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1). For this purpose, (i) Current Taxes shall be computed based on Interconnecting Transmission Owner composite federal and state tax rates at the time the payments or property transfers are received and Interconnecting Transmission Owner will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Interconnecting Transmission Owner's anticipated tax depreciation deductions as a result of such payments or property transfers by Interconnecting Transmission Owner current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades).

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Interconnecting Transmission Owner shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Interconnecting Transmission Owner under this LLCESGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Interconnecting Transmission Owner and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Interconnecting Transmission Owner shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Interconnecting Transmission Owner shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which the relevant Interconnecting Transmission Owner's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenant contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LLCESGIA terminates and Interconnecting Transmission Owner retains ownership of the Interconnection Facilities and Network Upgrades, the Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Interconnecting Transmission Owner, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Interconnecting Transmission Owner's receipt of payments or property constitutes income that is subject

to taxation, Interconnecting Transmission Owner shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Interconnecting Transmission Owner may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Interconnecting Transmission Owner may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Interconnecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Interconnecting Transmission Owner shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Interconnecting Transmission Owner may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Interconnecting Transmission Owner, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Interconnecting Transmission Owner for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Interconnecting Transmission Owner which holds that any amount paid or the value of any property transferred by Interconnection Customer to Interconnecting Transmission Owner under the terms of this LLCESGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Interconnecting Transmission Owner in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Interconnecting Transmission Owner under the terms of this LLCESGIA is not taxable to Interconnecting Transmission Owner, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Interconnecting Transmission Owner are not subject to federal income tax, or (d) if Interconnecting Transmission Owner receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Interconnecting Transmission Owner pursuant to this LLCESGIA, Interconnecting Transmission Owner shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Interconnecting Transmission Owner for such taxes which Interconnecting Transmission Owner did not submit to the taxing authority, interest calculated in accordance with the methodology set forth in the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Interconnecting Transmission Owner refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Interconnecting Transmission Owner, any refund or credit Interconnecting Transmission Owner receives or to

which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to the Interconnecting Transmission Owner for such overpayment of taxes (including any reduction in interest otherwise payable by Interconnecting Transmission Owner to any Governmental Authority resulting from an offset or credit); provided, however, that Interconnecting Transmission Owner will remit such amount promptly to Interconnection Customer only after and to the extent that Interconnecting Transmission Owner has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to the Interconnecting Transmission Owner's Interconnection Facilities.

The intent of this provision is to leave Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Interconnecting Transmission Owner for which Interconnection Customer may be required to reimburse Interconnecting Transmission Owner under the terms of this LLCESGIA. Interconnection Customer shall pay to Interconnecting Transmission Owner on a periodic basis, as invoiced by Interconnecting Transmission Owner, Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due

and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Interconnecting Transmission Owner.

5.18 Tax Status. Each Party shall cooperate with the others to maintain the other Party's(ies') tax status. Nothing in this LLCESGIA is intended to adversely affect any Interconnecting Transmission Owner's tax-exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Interconnection Customer or Interconnecting Transmission Owner may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, the facilities of any Affected Parties or Internal Affected Parties, or the New England Transmission System, that Party shall provide to the other Parties and any Affected Party or Internal Affected Parties: (i) sufficient information regarding such modification so that the other Party(ies) may evaluate the potential impact of such modification prior to commencement of the work; and (ii) such information as may be required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Small Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party(ies) at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed. Notwithstanding the foregoing, no Party shall be obligated to proceed with a modification that would constitute a Material Modification and therefore require a Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application under the SGIP, except as provided under and pursuant to the SGIP.

In the case of Small Generating Facility or Interconnection Customer's Interconnection Facility modifications that do not require Interconnection Customer to submit an Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application, Interconnecting Transmission Owner shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the New England Transmission System, Interconnecting Transmission Owner's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LLCESGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Interconnecting Transmission Owner makes to the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System to facilitate the interconnection of a third party to the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System, or to provide transmission service to a third party under the Tariff, except as provided for under the Tariff or any other applicable tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Small Generating Facility or Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, the Interconnecting Transmission Owner shall test Interconnecting Transmission Owner's Interconnection Facilities, Large Load Network Upgrades, and Network Upgrades and

Interconnection Customer shall test the Small Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Small Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Interconnection Customer and Interconnecting Transmission Owner shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, as may be necessary to ensure the continued interconnection of the Small Generating Facility to the Administered Transmission System in a safe and reliable manner. The Interconnection Customer and Interconnecting Transmission Owner each shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's(ies') facilities, at the requesting Party's expense, as may be in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The System Operator shall also have the right to require reasonable additional testing of the other Party's (ies') facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

6.3 Right to Observe Testing. Each Party shall notify the System Operator and other Party(ies) in advance of its performance of tests of its Interconnection Facilities. The other Party(ies) has the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's(ies') tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's(ies') System Protection Facilities and other protective equipment; and (iii) review the other Party's(ies') maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. Each Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Parties. The exercise or

non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be governed by Article 22.

ARTICLE 7. METERING

7.1 General. Each Party shall comply with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding metering. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment. Unless the System Operator otherwise agrees, the Interconnection Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under this Tariff and to communicate the information to the System Operator. Unless otherwise agreed, such equipment shall remain the property of the Interconnecting Transmission Owner.

7.2 Check Meters. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Interconnecting Transmission Owner's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LLCESGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Interconnecting Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards. Interconnecting Transmission Owner shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards and the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

7.4 Testing of Metering Equipment. Interconnecting Transmission Owner shall inspect and test all Interconnecting Transmission Owner-owned Metering Equipment upon installation and thereafter as specified in the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnecting Transmission Owner shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than the values specified within ISO New England Operating Documents, or successor documents, from the measurement made by the standard meter used in the test, the Interconnecting Transmission Owner shall adjust the measurements, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

7.5 Metering Data. At Interconnection Customer's expense, metered data shall be telemetered to one or more locations designated by System Operator and Interconnecting Transmission Owner. The hourly integrated metering, established in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, used to transmit Megawatt hour ("MWh") per hour data by electronic means and the Watt-hour meters equipped with kilowatt-hour ("kwh") or MWh registers to be read at month's end shall be the official measurement of the amount of energy delivered from the Small Generating Facility to the Point of Interconnection. Instantaneous metering is required for all Generators in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 8. COMMUNICATIONS

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with the System Operator and Interconnecting Transmission Owner in accordance with applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Small Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer or Interconnecting Transmission Owner at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by System Operator and Interconnecting Transmission Owner through use of a dedicated point-to-point data circuit(s). The communication protocol for the data circuit(s) shall be specified by System Operator and Interconnecting Transmission Owner. All information required by the ISO New England Operating Documents, or successor documents, must be telemetered directly to the location(s) specified by System Operator and Interconnecting Transmission Owner.

Each Party will promptly advise the other Party(ies) if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party(ies). The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 9. OPERATIONS

9.1 General. Each Party shall comply with applicable provisions of ISO New England Operating Documents, Reliability Standards, or successor documents, regarding operations. Each Party shall provide to the other Party(ies) all information that may reasonably be required by the other Party(ies) to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. Before Initial Synchronization Date, the Interconnection Customer shall notify the System Operator and Interconnecting Transmission Owner in writing in accordance with ISO New England Operating Documents, Reliability Standards, or successor documents. If the Interconnection Customer elects to have the Small Generating Facility dispatched and operated from a remote Control Area other than the Control Area in which the Small Generating Facility is physically located, and if permitted to do so by the relevant

transmission tariffs and ISO New England Operating Documents, Reliability Standards, or successor documents, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LLCESGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Small Generating Facility in the other Control Area for dispatch and operations.

9.3 Interconnecting Transmission Owner and System Operator Obligations. Interconnecting Transmission Owner and System Operator shall cause the Interconnecting Transmission Owner's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LLCESGIA and ISO New England Operating Documents, Reliability Standards, or successor documents. Interconnecting Transmission Owner or System Operator may provide operating instructions to Interconnection Customer consistent with this LLCESGIA, ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Interconnecting Transmission Owner's and System Operator's operating protocols and procedures as they may change from time to time. Interconnecting Transmission Owner and System Operator will consider changes to their operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Small Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LLCESGIA and ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.5 Start-Up and Synchronization. The Interconnection Customer is responsible for the proper start-up and synchronization of the Small Generating Facility to the New England Transmission System in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Small Generating Facility and all generating units comprising the Small Generating Facility, as applicable, to maintain a composite power delivery at continuous rated power output at the Point of Interconnection with dynamic reactive capability over the power factor 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 synchronous (and non-wind non-synchronous generators as specified in Appendix G, Section A.ii.4 to the LLCESGIA) generators in the Control Area on a comparable basis and in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6.1.2 Non-Synchronous Generation. The power factor design criteria requirements applicable to non-synchronous Generating Facilities shall be as specified in Appendix G to the LLCESGIA. The Low Voltage Ride-Through Capability requirements applicable to wind and inverter-based Generating Facilities shall be as specified in Appendix G to the LLCESGIA.

9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized the Small Generating Facility to the New England Transmission System, Interconnection Customer shall operate the Small Generating Facility at the direction of System Operator and Interconnecting Transmission Owner in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding voltage schedules in accordance with such requirements.

9.6.2.1 Voltage Regulators. The Interconnection Customer must keep and maintain a voltage regulator on all generating units comprising a Small Generating Facility in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. All Interconnection Customers that have, or are required to have, automatic voltage regulation shall normally

operate the Small Generating Facility with its voltage regulators in automatic operation.

It is the responsibility of the Interconnection Customer to maintain the voltage regulator in good operating condition and promptly report to the System Operator and Interconnecting Transmission Owner any problems that could cause interference with its proper operation.

9.6.2.2 System Protection. The Interconnection Customer shall install and maintain protection systems in accordance with applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.6.3 Payment for Reactive Power.

Interconnection Customers shall be compensated for Reactive Power service in accordance with Schedule 2 of Section II of the Tariff.

9.6.4 Primary Frequency Response.

Interconnection Customer with an Interconnection System Impact Study or Cluster Study that commenced on or after May 15, 2018, shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating

Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify System Operator and Interconnecting Transmission Owner that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the New England Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Articles 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the New England Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with System Operator and Interconnecting Transmission Owner, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to System Operator and Interconnecting

Transmission Owner upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify System Operator and Interconnecting Transmission Owner, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the New England Transmission System.

Equipment that limits injection into the Administered Transmission System may override governor action, but the Generator Facility's governor or equivalent controls must remain in service as otherwise required by this agreement.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-

approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 9.6.4, but shall be otherwise exempt from the operating requirements in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 Electric Storage Resources. Interconnection Customer interconnecting a Small Generating Facility that contains an electric storage resource shall establish an operating range in Appendix C of its LLCESGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by System Operator, Interconnecting Transmission Owner and Interconnection Customer. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during

its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the New England Transmission System and/or receive electricity from the New England Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the New England Transmission System and/or dispatched to receive electricity from the New England Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 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.

9.7.1.2 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.

9.7.2 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.

9.7.3 Ride Through Capability and Performance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Small Generating Facility as required by the applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Small Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with System Operator and Interconnecting Transmission Owner in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnection Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by Electric Reliability Organization to ensure voltage "ride through" capability of the Transmission System. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the New England Transmission System during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other Generating Facilities in the New England Control Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous Small

Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Small Generating Facility or the Interconnection Customer's Interconnection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Interconnecting Transmission Owner shall install at Interconnection Customer's expense, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, any System Protection Facilities that may be required on the Interconnecting Transmission Owner Interconnection Facilities or the New England Transmission System as a result of the interconnection of the Small Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.4.4 Each Party's protective relay design shall allow for tests required in Article 6.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.7.5 Requirements for Protection. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and compliance with Good Utility Practice , Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Small Generating Facility to any short circuit occurring on the New England Transmission System not otherwise isolated by Interconnecting Transmission Owner's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the New England Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Small Generating Facility and the New England Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Small Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Small Generating Facility and Interconnection Customer's other equipment if conditions on the New England Transmission System could adversely affect the Small Generating Facility.

9.7.6 Power Quality. A Party's facilities shall not cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by

ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party(ies) with a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting Large Load Co-Located Generator or Large Load Electrically Proximate Generator and any Large Load associated with the Large Load Co-Located Generator or Large Load Electrically Proximate Generator to the Administered Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Interconnecting Transmission Owner's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Interconnecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed-upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Interconnecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon

some other mutually agreed-upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to the Commission for resolution. This section shall not apply to Interconnection Customer's relationship with the Large Load Eligible Customer associated with the Generating Facility.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Small Generating Facility or the New England Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 10. MAINTENANCE

10.1 Interconnecting Transmission Owner and Customer Obligations. Interconnecting Transmission Owner and Interconnection Customer shall each maintain that portion of its respective facilities that are part of the New England Transmission System and the Interconnecting Transmission Owner's Interconnection Facilities in a safe and reliable manner and in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

10.2 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Interconnecting Transmission Owner's Interconnection Facilities.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Interconnection Customer's Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) at its sole expense.

11.2 Interconnecting Transmission Owner's Interconnection Facilities. Interconnecting Transmission Owner shall design, procure, construct, install, own and/or control the Interconnecting Transmission Owner's Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Interconnecting Transmission Owner shall design, procure, construct, install, and own the Network Upgrades, and to the extent provided by Article 5.1, Stand Alone Network Upgrades, and Distribution Upgrades described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades). The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless the Interconnecting Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by the Interconnection Customer.

11.4 Cost Allocation; Compensation; Rights; Affected Systems and Internal Affected Systems.

11.4.1 Cost Allocation. All costs for any Interconnection Facilities shall be borne entirely by the Interconnection Customer.

11.4.2 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.

11.4.3 Rights. Notwithstanding any other provision of this LLCESGIA, 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.

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

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of an Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Interconnecting Transmission Owner a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Interconnecting Transmission Owner in accordance with Section 7 of Schedule 11 of the Tariff. Such security for payment, as specified in Appendix B of this LLCESGIA, shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Interconnecting Transmission Owner's Interconnection Facilities and shall be reduced on a dollar-for-dollar basis for payments made to Interconnecting Transmission Owner for these purposes. Interconnecting Transmission Owner must specify, in Appendix B of this LLCESGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security. In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Interconnecting Transmission Owner, and contain terms and conditions that guarantee

payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Interconnecting Transmission Owner and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If System Operator or Interconnecting Transmission Owner requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.4.1 of this LLCESGIA, Interconnection Customer shall be compensated pursuant to the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Interconnection Customer shall be compensated for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the New England Transmission System during an Emergency Condition in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 12. INVOICE

12.1 General. Each Party shall submit to the other Party(ies), on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party(ies) under this LLCESGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades, Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of the Interconnecting Transmission Owner's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Interconnecting Transmission Owner shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice. Interconnection Customer shall pay to Interconnecting Transmission Owner any amount by which the actual payment by Interconnection Customer for estimated costs falls short of the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by any Party will not constitute a waiver of any rights or claims the other Party(ies) may have under this LLCESGIA.

12.4 Disputes. In the event of a billing dispute between Interconnecting Transmission Owner and Interconnection Customer, Interconnecting Transmission Owner shall continue to provide Interconnection Service under this LLCESGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Interconnecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Interconnecting Transmission Owner may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in the Commission's Regulations at 18 CFR § 35.19a(a)(2)(iii).

ARTICLE 13. EMERGENCIES

13.1 Obligations. Each Party shall comply with the Emergency Condition procedures of the System Operator in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

13.2 Notice. Interconnecting Transmission Owner or System Operator as applicable shall notify Interconnection Customer and System Operator or Interconnecting Transmission Owner as applicable, promptly when it becomes aware of an Emergency Condition that affects the Interconnecting Transmission Owner's Interconnection Facilities or the New England Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Interconnecting Transmission Owner and System Operator promptly when it becomes aware of an Emergency Condition that affects the Small Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the New England Transmission System or the Interconnecting Transmission Owner's Interconnection Facilities. 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 Interconnection Customer's or Interconnecting Transmission Owner's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.3 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Interconnecting Transmission Owner and System Operator, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Small Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by the Interconnecting Transmission Owner or the System Operator or otherwise regarding the New England Transmission System.

13.4 System Operator's and Interconnecting Transmission Owner's Authority.

13.4.1 General. System Operator or Interconnecting Transmission Owner may take whatever actions or inactions with regard to the New England Transmission System or the Interconnecting Transmission Owner's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the New England Transmission System or Interconnecting Transmission Owner's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. System Operator and Interconnecting Transmission Owner may, on the basis of technical considerations, require the Small Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Small Generating Facility; implementing a reduction or disconnection pursuant to Article 13.4.2; directing the Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Small Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of System Operator's and Interconnecting Transmission Owner's operating instructions concerning Small Generating Facility real power and reactive power output within the manufacturer's design limitations of the Small Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection. System Operator and Interconnecting Transmission Owner may disconnect the Small Generating Facility or the Interconnection Customer's Interconnection Facilities when such disconnection is necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. These rights are separate and distinct from any right of curtailment of the

System Operator and Interconnecting Transmission Owner pursuant to the Tariff. When the System Operator and Interconnecting Transmission Owner can schedule the disconnection in advance, System Operator and Interconnecting Transmission Owner shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. System Operator and Interconnecting Transmission Owner shall coordinate with the Interconnection Customer in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and the System Operator and Interconnecting Transmission Owner. Any reduction or disconnection shall continue only for so long as reasonably necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The Parties shall cooperate with each other to restore the Small Generating Facility, the Interconnection Facilities, and the New England Transmission System to their normal operating state as soon as practicable in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

13.5 Interconnection Customer Authority. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents and the LLCESGIA and the SGIP, the Interconnection Customer may take whatever actions or inactions with regard to the Small Generating Facility or the Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Small Generating Facility or the Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the New England Transmission System and the Interconnecting Transmission Owner's Interconnection Facilities. System Operator and Interconnecting Transmission Owner shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.6 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LLCESGIA, a Party shall not be liable to another Party for any action it takes in responding to an Emergency

Condition so long as such action is made in good faith and in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements. Each Party's obligations under this LLCESGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LLCESGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended. To the extent that a condition arises that could result in Interconnection Customer's inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, the Parties shall engage in good faith negotiations to address the condition so that such result will not occur and so that this LLCESGIA can be performed.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LLCESGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LLCESGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

ARTICLE 15. NOTICES

15.1 General. Unless otherwise provided in this LLCESGIA, any notice, demand or request required or permitted to be given by a Party to another Party and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F (Addresses for Delivery of Notices and Billings).

A Party may change the notice information in this LLCESGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to another Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party(ies) in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 A Party shall not be considered to be in Default with respect to any obligation hereunder (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of

Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party(ies) in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 Default.

17.1.1 General. No Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LLCESGIA or the result of an act or omission of the other Party(ies). Upon a Breach, the non-Breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the non-Breaching Party(ies) shall have the right to terminate this LLCESGIA 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 LLCESGIA, to recover from the Breaching Party all amounts

due hereunder, plus all other damages and remedies to which they are entitled at law or in equity. The provisions of this Article will survive termination of this LLCESGIA.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

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 Interconnecting 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.

18.1 Indemnity. Each Party shall at all times indemnify, defend, and save the other Party(ies) 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 inactions of their obligations under this LLCESGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by an indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, 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.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, 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.

18.1.3 Indemnity Procedures. 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 Article 18.1 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.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in which event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

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

18.3 Insurance. The Interconnecting Transmission Owner and the Interconnection Customer shall, at their own expense, maintain in force throughout the period of this LLCESGIA, and until released by the other Party(ies), the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death, and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party(ies), its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LLCESGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LLCESGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LLCESGIA.

18.3.9 Within ten (10) Business Days following execution of this LLCESGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, each Party shall provide certification of all insurance required in this LLCESGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program, provided that such Party's senior secured debt is rated at investment grade, or better, by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party(ies) that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LLCESGIA.

ARTICLE 19. ASSIGNMENT

19.1 Assignment. This LLCESGIA may be assigned by any Party only with the written consent of the other Parties; provided that the Parties may assign this LLCESGIA 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 LLCESGIA; and provided further that the Interconnection Customer shall have the right to assign this LLCESGIA, without the consent of the Interconnecting Transmission Owner or 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 System Operator of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the Interconnecting Transmission Owner and System Operator of the date and particulars of any such exercise of assignment right(s), including providing the Interconnecting Transmission Owner with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this LLCESGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

20.1 Severability. If any provision in this LLCESGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LLCESGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Interconnecting Transmission Owner) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality. 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, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by a Party to another prior to the execution of this LLCESGIA.

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

If requested by a Party, the other Party(ies) shall provide, in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term. During the term of this LLCESGIA, and for a period of three (3) years after the expiration or termination of this LLCESGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the

receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LLCESGIA; or (6) is required, in accordance with Article 22.1.7 of this LLCESGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LLCESGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party(ies) that it no longer is confidential.

22.1.3 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or are considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LLCESGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

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

22.1.5 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any

particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party(ies) under this LLCESGIA or its regulatory requirements.

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

22.1.8 Termination of Agreement. Upon termination of this LLCESGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party(ies), use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party(ies)) or return to the other Party(ies), without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party(ies).

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its

obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Parties shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR Section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LLCESGIA, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) to this LLCESGIA prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to the LLCESGIA when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 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.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LLCESGIA ("Confidential Information") shall not be disclosed by the other Party(ies) to any

person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LLCESGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Parties' Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. ENVIRONMENTAL RELEASES

23.1 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: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party(ies) copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENTS

24.1 **Information Acquisition.** Subject to any applicable confidentiality restrictions, including, but not limited to, codes of conduct, each Party shall submit specific information regarding the

electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by System Operator and Interconnecting Transmission Owner. The initial information submission by System Operator and Interconnecting Transmission Owner shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date and shall include information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise mutually agreed to by the Parties. On a monthly basis Interconnecting Transmission Owner shall provide Interconnection Customer a status report on the construction and installation of Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date. Interconnection Customer shall submit a completed copy of the Small Generating Facility data requirements contained in Appendix 1 to the SGIP. It shall also include any additional information provided to Interconnecting Transmission Owner and System Operator for the Cluster Study, Transitional Cluster Study, and Interconnection Facilities Study. Information in this submission shall be the most current Small Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Interconnecting Transmission Owner and System Operator standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is different from what was originally provided to Interconnecting Transmission Owner pursuant to the Interconnection Study Agreement between Interconnecting Transmission Owner and Interconnection Customer, then the System Operator will review it and conduct appropriate studies, as needed, at the Interconnection Customer's cost,

to determine the impact on the New England Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Small Generating Facility information and "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Small Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Small Generating Facility to verify proper operation of the Small Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Small Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Small Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Small Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Small Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Small Generating Facility terminal or field voltages is provided. Small Generating Facility testing shall be conducted and results provided to the Interconnecting Transmission Owner for each individual generating unit in a station.

The Interconnection Customer shall provide the Interconnecting Transmission Owner and System Operator with any information changes due to proposed equipment replacement, repair, or adjustment. Interconnecting Transmission Owner shall provide the Interconnection Customer and System Operator with any information changes due to proposed equipment replacement, repair or adjustment in the directly connected substation or any adjacent Interconnecting Transmission Owner-owned substation that may affect the Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information in accordance with Article 5.19 of this Agreement.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Parties information that is in the possession of the disclosing Party and is necessary in order for the other Party(ies) to: (i) verify the costs incurred by the disclosing Party for which the other Party(ies) are responsible under this LLCESGIA; and (ii) carry out its obligations and responsibilities under this LLCESGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LLCESGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party(ies) when the notifying Party becomes aware of its inability to comply with the provisions of this LLCESGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory Breach of this LLCESGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LLCESGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party(ies), to audit at its own expense the other Party's(ies') accounts and records pertaining to a Party's performance or a Party's satisfaction of obligations under this LLCESGIA. Such audit rights shall include audits of the other Party's(ies') costs, calculation of invoiced amounts, the efforts to allocate responsibility for the provision of reactive support to the New England Transmission System, the efforts to allocate responsibility for interruption or reduction of generation on the New England Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LLCESGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four (24) months following Interconnecting Transmission Owner's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to a Party's performance or satisfaction of all obligations under this LLCESGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four (24) months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party(ies) together with those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LLCESGIA. 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 Article 5 of this LLCESGIA. Any applicable obligation imposed by this LLCESGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

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

27.2 External Arbitration Procedures. Any arbitration initiated under this LLCESGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration

panel. The arbitrator so chosen by the System Operator shall chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable Commission regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LLCESGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) a pro rata share of the cost of a single arbitrator chosen by the Parties.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Small Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LLCESGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LLCESGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LLCESGIA, to become a Party hereto and to perform its obligations hereunder. This LLCESGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LLCESGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LLCESGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LLCESGIA, and it will provide to any Governmental Authority notice of any actions under this LLCESGIA that are required by Applicable Laws and Regulations.

ARTICLE 29. [OMITTED]

ARTICLE 30. MISCELLANEOUS

30.1 Binding Effect. This LLCESGIA and the rights and obligations hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LLCESGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LLCESGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LLCESGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LLCESGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LLCESGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LLCESGIA or such Appendix of this LLCESGIA, or such Section of the SGIP or such Appendix of the SGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LLCESGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including."

30.4 Entire Agreement. Except for the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, this LLCESGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to

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

30.5 No Third Party Beneficiaries. This LLCESGIA 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.

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

Any waiver at any time by a Party of its rights with respect to this LLCESGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this LLCESGIA. Termination or Default of this LLCESGIA for any reason by the 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 LLCESGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LLCESGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LLCESGIA.

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

30.9 Amendment. The Parties may by mutual agreement amend this LLCESGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LLCESGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LLCESGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Consistent with Section 11.3 of the SGIP, Interconnecting Transmission Owner and System Operator shall have the right to make unilateral filings with the Commission to modify this LLCESGIA 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 Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this LLCESGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and the Commission's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Parties and to participate fully in any proceeding before the Commission in which such modifications may be considered. In the event of disagreement on terms and conditions of the LLCESGIA related to the costs of upgrades to such Interconnecting Transmission Owner's transmission facilities, the anticipated schedule for the construction of such upgrades, any financial obligations of Interconnecting Transmission Owner, and any provisions related to physical impacts of the interconnection on Interconnecting Transmission Owner's transmission facilities or other assets, then the standard applicable under Section 205 of the Federal Power Act shall apply only to Interconnecting Transmission Owner's position on such terms and conditions. Nothing in this LLCESGIA 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 thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LLCESGIA 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.

IN WITNESS WHEREOF, the Parties have executed this LLCESGIA in triplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

ISO New England Inc. (System Operator)

By:

Title:

Date:

[*Insert Name of*] (Interconnecting Transmission Owner)

By:

Title:

Date:

[*Insert name of*] (Interconnection Customer)

By:

Title:

Date:

APPENDICES TO LLCESGIA

Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix B Milestones

Appendix C Interconnection Details

Appendix D Security Arrangements Details

Appendix E Commercial Operation Date

Appendix F Addresses for Delivery of Notices and Billings

Appendix G Interconnection Requirements for a Wind Generating Plant

APPENDIX A TO LLCESGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

Interconnection Facilities:

i. **Point of Interconnection and Point of Change of Ownership**. The Point of Interconnection shall be at the point where [*insert description of location*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

The Point of Change of Ownership shall be at the point where *[insert description of location]*. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

If not located at the Point of Interconnection, the metering point(s) shall be located at: [*insert location*].

If not located at the Point of Interconnection, the Point of Delivery from the Small Generating Facility to the Co-Located Load or Electrically Proximate Load it is designated to serve shall be located at: [*insert location*].

ii. **Interconnection Customer's Interconnection Facilities (including metering equipment)**. The Interconnection Customer shall construct [*insert Interconnection Customer's Interconnection Facilities*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

iii. **Interconnecting Transmission Owner's Interconnection Facilities (including metering equipment)**. The Interconnecting Transmission Owner shall construct [*insert Interconnecting Transmission Owner's Interconnection Facilities, including any Cluster Enabling Transmission Upgrades*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

b. **Network Upgrades**:

i. **Stand Alone Network Upgrades.** [*insert Stand Alone Network Upgrades*].

ii. **Substation Network Upgrades**. [*insert Substation Network Upgrades*].

iii. **System Network Upgrades [*insert System Network Upgrades,* ***including any Cluster Enabling Transmission Upgrades***]**.

c. **Distribution Upgrades**. [*insert Distribution Upgrades*].

d. **Affected System and/or Internal Affected System Upgrades.** [*insert Affected System Upgrades*].

e. **Contingent Facilities:** [*insert list of Contingent Facilities, including any applicable Large Load Network Upgrades*].

APPENDIX B TO LLCESGIA

Milestones

1. **Selected Option Pursuant to Article 5.1:** Interconnection Customer selects the [*insert*]. Options as described in Articles 5.1.[*insert*], 5.1.[*insert*], and 5.1.[*insert*] shall not apply to this LLCESGIA.

2. **Milestones and Other Requirements 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 LLCESGIA. The referenced section of the SGIP or article of the LLCESGIA should be reviewed by each Party to understand the requirements of each milestone.

Item No.	Milestone Description	Responsible Party	Date	SGIP/LLCESGIA Reference
1	Provide evidence of 100% Site Control to System Operator	Interconnection Customer	Upon Execution of the LLCESGIA	§ 11.3.1.1 of SGIP
2	Provide evidence of one or more milestones specified in § 11.3 of SGIP	Interconnection Customer	Upon Execution of the LLCESGIA	§ 11.3.1.2 of SGIP
3	Commit to a schedule for payment of upgrades	Interconnection Customer	Within 15 BD of final LLCESGIA receipt	§ 11.3.1.2 of SGIP
4	Provision of security	Interconnection Customer	Simultaneously with LLCESGIA Execution, or within ten (10) Business Days after the Interconnection Customer request that the	§ 11 of SGIP

			LLCESGIA be filed unexecuted	
5	Provide certificate of insurance	Interconnection Customer and Interconnecting Transmission Owner	Within 10 Calendar Days of execution of LLCESGIA	§ 18.3.9 of LLCESGIA
6	Provide siting approval for Generating Facility and Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	As may be agreed to by the Parties	§ 7.5 of SGIP
7A	Receive Governmental Authority approval for any facilities requiring regulatory approval	Interconnection Customer and/or Interconnecting Transmission Owner	If needed, as may be agreed to by the Parties	§ 5.6.1 of LLCESGIA
7B	Obtain necessary real property rights and rights-of-way for the construction of a discrete aspect of the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades	Interconnection Customer and/or Interconnecting Transmission Owner	If needed, as may be agreed to by the Parties	§ 5.6.2 of LLCESGIA
7C	Provide to Interconnecting Transmission Owner written authorization to	Interconnection Customer	As may be agreed to by the Parties	§ 5.5.2 and § 5.6.3 of LLCESGIA

	proceed with design, equipment procurement and construction			
7D	Provide System Operator evidence of proceeding with design, equipment procurement, and construction	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LLCESGIA
7E	Provide quarterly written progress reports	Interconnection Customer and Interconnecting Transmission Owner	15 Calendar Days after the end of each quarter beginning the quarter that includes the date for Milestone 7C and ending when the entire Small Generating Facility and all required Interconnection Facilities, Large Load Network Upgrades, and Network Upgrades are in place	§ 5.7 of LLCESGIA
8	Provision of Security to Interconnecting Transmission Owner pursuant to Section 11.5 of LLCESGIA	Interconnection Customer	At least 30 Calendar Days prior to design, procurement and construction	§§ 5.5.3 and 5.6.4 of LLCESGIA

9	Provision of Security Associated with Tax Liability to Interconnecting Transmission Owner pursuant to Section 5.17.3 of LLCESGIA	Interconnection Customer	As may be agreed to by the Parties	§ 5.17.3 of LLCESGIA
10A	Commit to the ordering of long lead time material for Interconnection Facilities and Network Upgrades	Interconnection Customer	As may be agreed to by the Parties	§ 7.5 of SGIP
10B	Commit to ordering of long lead time material for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LLCESGIA
11A	Provide initial design, engineering and specification for Interconnection Customer's Interconnection Facilities to	Interconnection Customer	180 Calendar Days prior to Initial Synchronization Date	§ 5.10.1 of LLCESGIA § 7.5 of SGIP

	Interconnecting Transmission Owner			
11B	Provide comments on initial design, engineering and specification for Interconnection Customer's Interconnection Facilities	Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	§ 5.10.1 of LLCESGIA § 7.5 of SGIP
11C	Provide to Interconnecting Transmission Owner initial design, engineering and specification for Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 LLCESGIA
11D	Provide to Interconnection Customer comments on initial design, engineering and specification for Interconnecting	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LLCESGIA

	Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
12A	Provide final design, engineering and specification for Interconnection Customer's Interconnection Facilities to Interconnecting Transmission Owner	Interconnection Customer	90 Calendar Days prior to Initial Synchronization Date	§ 5.10.1 of LLCESGIA § 7.5 of SGIP
12B	Provide comments on final design, engineering and specification for Interconnection Customer's Interconnection Facilities	Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	§ 5.10.1 of LLCESGIA § 7.5 of SGIP
12C	Provide to Interconnecting Transmission Owner final design, engineering and specification for Interconnecting	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LLCESGIA

	Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
12D	Provide to Interconnection Customer comments on final design, engineering and specification of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LLCESGIA
13A	Deliver to Interconnecting Transmission Owner "as built" drawings, information and documents regarding Interconnection Customer's	Interconnection Customer	Within 120 Calendar Days of Commercial Operation date	§ 5.10.3 of LLCESGIA

	Interconnection Facilities			
13B	Deliver to Interconnecting Transmission Owner "as built" drawings, information and documents regarding Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LLCESGIA
14	Provide protective relay settings to Interconnecting Transmission Owner for coordination and verification	Interconnection Customer	At least 90 Calendar Days prior to Initial Synchronization Date	§§ 5.10.1 of LLCESGIA
15A	Commencement of construction of Interconnection Facilities	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.6 of LLCESGIA
15B	Commencement of construction of Interconnecting Transmission Owner's Interconnection	Interconnection Customer	As may be agreed to by the Parties	§ 5.2 of LLCESGIA

	Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
16	Submit updated data "as purchased"	Interconnection Customer	No later than 180 Calendar Days prior to Initial Synchronization Date	§ 24.3 of LLCESGIA
17	In Service Date	Interconnection Customer	Same as Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application unless subsequently modified	§ 3.4.2 and 4.4.5 of SGIP, § 5.1 of LLCESGIA
18	Initial Synchronization Date	Interconnection Customer	Same as Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application unless	§ 3.4.2, 4.4.4, 4.4.5, and 7.5 of SGIP

			subsequently modified	
19	Submit supplemental and/or updated data – "as built/as-tested"	Interconnection Customer	Prior to Commercial Operation Date	§ 24.4 of LLCESGIA
20	Commercial Operation Date	Interconnection Customer	Same as Large Load Co-Located Generator/Large Load Electrically Proximate Generator Interconnection Application unless subsequently modified	§ 3.4.2, 4.4.4, 4.4.5, and 7.5 of SGIP
21A	Deliver to Interconnection Customer "as built" drawings, information and documents regarding Interconnecting Transmission Owner's Interconnection Facilities	Interconnecting Transmission Owner	If requested, within 120 Calendar Days after Commercial Operation Date	§ 5.11 of LLCESGIA
21B	Approve and accept for operation and maintenance the Interconnecting Transmission Owner's Interconnection	Interconnecting Transmission Owner	As may be agreed to by the Parties	§ 5.2 of LLCESGIA

	Facilities and Stand Alone Network Upgrades to be constructed by the Interconnection Customer			
22	Provide Interconnection Customer final cost invoices	Interconnecting Transmission Owner	Within 6 months of completion of construction of Interconnecting Transmission Owner Interconnection Facilities and Network Upgrades	§ 12.2 of LLCESGIA
23	Transfer control of Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner to be constructed by the Interconnection Customer	Interconnection Customer	Prior to In-Service Date	§ 5.2 of LLCESGIA
24	Transfer ownership of Interconnecting Transmission Owner's Interconnection	Interconnection Customer	Prior to In-Service Date	§ 5.2 of LLCESGIA

	Facilities and Stand Alone Network Upgrades to Interconnecting Transmission Owner to be constructed by the Interconnection Customer			
25	Interconnection Customer with qualifying Regulatory Limitations must demonstrate 100% Site Control by or the LLCESGIA may be terminated per Article 17 (Default) of this LLCESGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of the System Operator's SGIP (Calculation of the Withdrawal Penalty).	Interconnection Customer	180 days from the effective date of this LLCESGIA	

APPENDIX C TO LLCESGIA

Interconnection Details

1. Description of Interconnection:

Interconnection Customer shall install a [*insert*] MW Small Generating Facility, rated at [*insert*] MW gross and [*insert*] MW net, with all studies performed at or below these outputs. The Small Generating Facility is comprised of [*insert*] units in a [*insert description of facility type - combined cycle, wind farm, etc.*] rated at: [*insert*] MW each, and will located at [*insert location*].

The Large Load Co-Located Generator/Large Load Electrically Proximate Generator shall only receive the right to physically interconnect to, and operate in parallel with, the Administered Transmission System. It shall have Network Resource Interconnection Service of 0 MW.

2. Detailed Description of Generating Facility and Generator Step-Up Transformer, if applicable:

Generator Data	
Number of Generators	
Manufacturer	
Model	
Designation of Generator(s)	
Excitation System Manufacturer	
Excitation System Model	
Voltage Regulator Manufacturer	
Voltage Regulator Model	
Generator Ratings	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 90 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 50 Degrees F	

Greatest Unit Gross and Net MW Output at Ambient Temperature at or above 20 Degrees F	
Greatest Unit Gross and Net MW Output at Ambient Temperature at or above zero Degrees F	
Station Service Load For Each Unit	
Overexcited Reactive Power at Rated MVA and Rated Power Factor	
Underexcited Reactive Power at Rated MVA and Rated Power Factor	
Maximum Charging Load (MW) at Point of Interconnection	
Will BESS be charged from the Administered Transmission System? (Yes/No)	
Primary Frequency Response Operating Range	
Minimum State of Charge	
Maximum State of Charge	
Generator Short Circuit and Stability Data	
Generator MVA rating	
Generator AC Resistance	
Subtransient Reactance (saturated)	
Subtransient Reactance (unsaturated)	
Transient Reactance (saturated)	
Negative sequence reactance	
Transformer Data	
Number of units	
Self Cooled Rating	
Maximum Rating	
Winding Connection (LV/LV/HV)	

Fixed Taps	
Z1 primary to secondary at self cooled rating	
Z1 primary to tertiary at self cooled rating	
Z1 secondary to tertiary at self cooled rating	
Positive Sequence X/R ratio primary to secondary	
Z0 primary to secondary at self cooled rating	
Z0 primary to tertiary at self cooled rating	
Z0 secondary to tertiary at self cooled rating	
Zero Sequence X/R ratio primary to tertiary	

3. Detailed Description of Large Load Associated with the Generating Facility

[*Insert description relating to Large Load associated with the Generating Facility.*]

APPENDIX D TO LLCESGIA

Security Arrangements Details

Infrastructure security of the New England Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day New England Transmission System reliability and operational security. The Commission will expect 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 Critical Infrastructure Protection Committee and, eventually, best practice recommendations from Electric Reliability Organization. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

APPENDIX E TO LLCESGIA

Commercial Operation Date

This Appendix E is a part of the LLCESGIA between System Operator Interconnecting, Transmission Owner and Interconnection Customer.

[*Date*]

[*Interconnecting Transmission Owner; Address*]
[to be supplied]

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

Re: _____ 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*]

APPENDIX F TO LLCESGIA

Addresses for Delivery of Notices and Billings Notices:

System Operator:

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

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

Interconnecting Transmission Owner:

[To be supplied.]

Interconnection Customer:

[*To be supplied.*]

Billings and Payments:

System Operator:

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

With copy to:

Billing Department

ISO New England Inc.

One Sullivan Road

Holyoke, MA 01040-2841

Interconnecting Transmission Owner:

[*To be supplied.*]

Interconnection Customer:

[*To be supplied.*]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

System Operator:

Facsimile: (413) 540-4203

E-mail: geninterconn@iso-ne.com

With copy to:

Facsimile: (413) 535-4024

E-mail: billingdept@iso-ne.com

Interconnecting Transmission Owner:

[*To be supplied.*]

Interconnection Customer:

[*To be supplied.*]

DUNS Numbers:

Interconnection Customer: [To be supplied]

Interconnecting Transmission Owner: [To be supplied]

ATTACHMENT S
LARGE LOAD TRANSMISSION SERVICE AGREEMENT

This Large Load Transmission Service Agreement ("Agreement"), dated as of _____, is entered into, by and between ISO New England ("ISO"), and _____ ("Large Load Transmission Customer"). Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the ISO New England Transmission, Markets, and Services Tariff ("Tariff").

PART I – General Terms and Conditions

1. The Large Load Transmission Customer has submitted a Completed Application for the following transmission services under the ISO Open Access Transmission Tariff ("OATT") (check all that apply):

   [ ] Firm Contract Demand Service

   [ ] Non-Firm Contract Demand Service

2. Check if applicable:

   [ ] The Large Load is the result of an increment to a load that did not previously meet the definition of Large Load. This Large Load will receive transmission service as described in Part II.J of the OATT.

3. The Large Load Transmission Customer agrees to supply, or shall cause to be supplied, information the ISO deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

4. The ISO agrees to provide and the Large Load Transmission Customer agrees to take and pay for the transmission services selected in Section I.1 of this Agreement, and Interim Contract Demand Service, as applicable, in accordance with the provisions of the ISO New England Operating Documents and this Large Load Transmission Service Agreement.

5. Large Load Transmission Customer agrees to pay all applicable charges under Section IV of the Tariff.

6. Any notice or request made to or by either party regarding this Large Load Transmission Service Agreement shall be made to the representative of the other party as indicated below.

The ISO:

c/o ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841

Large Load Transmission Customer:

7. The Tariff is incorporated herein and made a part hereof.

8. General description of Large Load served by the Large Load Transmission Customer

a. Total gross peak demand (must match the sum of all services covered in this Agreement):

b. Point(s) of Delivery:

c. Project Name:

d. Location:

e. Transformer nameplate rating:

f. Additional facilities and/or associated equipment:

9. Termination of Agreement. This Agreement may be terminated by the Large Load Transmission Customer, after giving the ISO thirty (30) days written notice. To resume provision of services, the Large Load Transmission Customer shall submit a new Large Load Transmission Service Application. The ISO may terminate this Agreement pursuant to Part II.J of the OATT. The Large Load Transmission Customer shall be responsible for any charges or costs incurred up to the date of termination, or as a result of termination.

PART II – Firm Contract Demand Service

1. The ISO has determined that the Large Load Transmission Customer has a Completed Application for Firm Contract Demand Service under the OATT.

2. Service shall commence on the later of: (l) _____, or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facility or Large Load Network Upgrades are completed, or (3) the date on which sufficient capacity resources have been designated for the Large Load and achieve commercial operation pursuant to Section II.59.1 of the OATT.

   For a Large Load or a portion of a Large Load that is converting existing service to Firm Contract Demand Service as the result of an increment to a load that did not previously meet the definition of Large Load, service shall comment on: _____

3. Specifications for Firm Contract Demand Service.

   a. Total gross peak demand served by Firm Contract Demand Service (MW and MVAR):

   b. Term of Service:

   c. Point(s) of Delivery:

   d. Description of designated capacity resource(s):

PART III – Interim Contract Demand Service

1. The ISO has determined that the Large Load Transmission Customer has a Completed Application for Firm Contract Demand Service under the OATT.

2. Service shall commence on _____ and shall expire on the later of: (1) 7 years from the date service commences, or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or Large Load Network Upgrades are completed. Should Interim Contract Demand Service expire without meeting the requirements of Firm Contract Demand Service, then the service will transition to Non-Firm Contract Demand

Service. The ISO shall provide Non-Firm Contract Demand Service until the Large Load Transmission Customer requests termination of the service.

3. Specifications for Interim Contract Demand Service.

a. Total gross peak demand served by Interim Contract Demand Service:

b. Term of Service:

c. Point(s) of Delivery:

d. Description of a Non-Firm Large Load Generator Arrangement (if applicable):

PART IV – Non-Firm Contract Demand Service

1. The ISO has determined that the Large Load Transmission Customer has a Completed Application for Non-Firm Contract Demand Service under the OATT.

2. Service shall commence on the later of: (l) _____, or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or Large Load Network Upgrades are completed. The ISO shall provide Non-Firm Contract Demand Service until the Large Load Transmission Customer requests termination of the service.

3. Specifications for Non-Firm Contract Demand Service.

a. Total gross peak demand served by Firm Contract Demand Service (MW and MVAR):

b. Term of Service:

c. Point(s) of Delivery:

d. Description of a Non-Firm Large Load Generator Arrangement (if applicable):

IN WITNESS WHEREOF, the Parties have caused this Large Load Transmission Service Agreement to be executed by their respective authorized officials.

Large Load Transmission Customer:

By: _____ _____ _____

Name Title Date

ISO:

By: _____ _____ _____

Name Title Date

APPENDIX A TO LARGE LOAD TRANSMISSION SERVICE AGREEMENT

1. **Large Load Interconnection Facilities**:

a. **Point of Delivery and Large Load Point of Change of Ownership**. The Point of Delivery shall be at the point where [*insert description of location*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

The Large Load Point of Change of Ownership shall be at the point where *[insert description of location]*. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

If not located at the Point of Delivery, the metering point(s) shall be located at: [*insert location*].

b. **Large Load Transmission Customer's Interconnection Facilities (including metering equipment)**. The Large Load Transmission Customer shall construct [*insert Large Load Transmission Customer's Interconnection Facilities*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

c. **Large Load Interconnecting Transmission Owner's Interconnection Facilities (including metering equipment)**. The Large Load Interconnecting Transmission Owner shall construct [*insert Large Load Interconnecting Transmission Owner's Interconnection Facilities, including any Cluster Enabling Transmission Upgrades*]. See Appendix A-[*insert*], which drawing is attached hereto and made part hereof.

2. **Large Load Network Upgrades**:

3. **Large Load Distribution Upgrades**. [*insert Distribution Upgrades*]

4. **Large Load Network Upgrades to Large Load Affected Systems and/or Large Load Internal Affected Systems** . [*insert Large Load Affected System Upgrades*]

5. **Large Load Contingent Facilities**: [*insert list of Contingent Facilities*]

6. **Description of Automatic Control Technologies Limiting Withdrawals**: [*insert a description of the automatic control technologies used to limit Large Load withdrawals at the Point of Delivery*]

ATTACHMENT T

LARGE LOAD SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ ("Large Load Eligible Customer"), ISO New England Inc., a non-stock corporation existing under the laws of the State of Delaware ("ISO"), and _____, a _____ organized and existing under the laws of the State of _____ ("Large Load Interconnecting Transmission Owner"), and, if applicable, _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer" for: [ ] a Large Load Co-Located Generator or [ ] a Large Load Electrically Proximate Generator). Large Load Large Load Eligible Customer, ISO, and Large Load Large Load Interconnecting Transmission Owner, and Interconnection Customer (if applicable) may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Large Load Eligible Customer submitted a Large Load Transmission Service Application dated _____ to ISO; and

WHEREAS, Large Load Eligible Customer has requested ISO to perform a Large Load System Impact Study to assess the impact of providing [ ] Firm Contract Demand Service / [ ] Non-Firm Contract Demand Service to the Large Load with the Large Load Queue Position number [ ].

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the ISO New England Transmission, Markets, and Services Tariff.

2.0 Large Load Eligible Customer elects and ISO shall cause to be performed a Large Load System Impact Study consistent with Part II.J of the OATT.

3.0 The scope of the Large Load System Impact Study shall be subject to the assumptions set forth in Appendix A to this Agreement.

4.0 The Large Load System Impact Study will be based upon the results of the Large Load Interconnecting Transmission Owner's study to identify Large Load Interconnection Facilities, and the technical information provided by Large Load Eligible Customer in the Large Load Transmission Service Application, subject to any modifications in accordance with Section II.60.8 of the OATT. ISO and Large Load Interconnecting Transmission Owner reserve the right to request additional technical information from Large Load Eligible Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Large Load System Impact Study. If Large Load Eligible Customer modifies the Large Load's designated Point of Delivery, Large Load Transmission Service Application, or the technical information provided therein is modified, as allowed by Section II.60.8 of the OATT, the time to complete the Large Load System Impact Study may be extended.

5.0 The Large Load System Impact Study report shall provide the following information:

- identification of any circuit breaker or other facility short circuit capability limits exceeded as a result of the requested transmission service;
- identification of any thermal overload of any transmission facility or system voltage limit violations resulting from the requested transmission service;
- initial review of grounding requirements and electric system protection;
- identification of any instability or inadequately damped response to system disturbances resulting from the requested transmission service; and
- description and non-binding, good faith estimated cost of and the time to construct the facilities required to provide the requested transmission service to the Large Load and to address the identified short circuit, instability, and power flow issues.

6.0 The Large Load Eligible Customer is providing, or is causing to be provided, a deposit in the amount of $150,000.

The deposit shall be applied toward the cost of the Large Load System Impact Study and the development of this Large Load System Impact Study Agreement and its

attachment(s). Large Load Interconnecting Transmission Owner's and ISO's good faith estimate for the time of commencement and completion of the Large Load System Impact Study is [insert date], unless screening steps in the study indicate that additional time is needed, at which time the ISO will provide an updated good faith estimate for the completion of the study.

The total estimated cost of the performance of the Large Load System Impact Study consists of $_____ which is comprised of the ISO's estimated cost of $_____ and the Large Load Interconnecting Transmission Owner's estimated cost of $_____.

Any difference between the deposit and the actual cost of the Large Load System Impact Study shall be paid by, or caused to be paid by, or refunded to the Large Load Eligible Customer, as appropriate. Any additional payments or refunding under this Agreement shall be subject to an interest charge computed in accordance with the provisions of the OATT.

Upon receipt of the Large Load System Impact Study, ISO and Large Load Interconnecting Transmission Owner shall charge and the Large Load Eligible Customer shall pay, or cause to be paid, the actual costs of the Large Load System Impact Study. ISO and Large Load Interconnecting Transmission Owner may, in the exercise of reasonable discretion, invoice the Large Load Eligible Customer on a monthly basis for the work to be conducted on the Large Load System Impact Study each month. Large Load Eligible Customer shall pay, or caused to be paid, any invoiced amounts within thirty (30) Calendar Days of receipt of the invoice.

Where the Large Load System Impact Study includes a Large Load Co-Located Generator or Large Load Electrically Proximate Generator, the Large Load Eligible Customer shall be allocated 50% of the cost of the Large Load System Impact Study (with the remaining 50% to be paid by the Interconnection Customer for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator under Schedules 22 or 23 of the OATT).

In accordance with Part II.J of the OATT, in performing the Large Load System Impact Study, ISO and Large Load Interconnecting Transmission Owner shall coordinate with

Large Load Affected Parties and Large Load Internal Affected Parties, shall receive and incorporate input from such entities into its study, and shall provide copies of the final study report to such entities.

7.0 Miscellaneous.

7.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Parties under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Parties shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Parties with any additional information needed to update information previously provided.

7.2 Disclaimer of Warranty. In preparing and/or participating in the Large Load System Impact Study, as applicable, each Party and any subcontractor consultants employed by it shall have to rely on information provided by the Providing Party, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, beyond the commitment to use reasonable efforts in preparing and/or participating in the Large Load System Impact Study (including, but not limited to, exercise of Good Utility Practice in verifying the accuracy of information provided for or used in the Large Load System Impact Study), as applicable, no Party nor any subcontractor consultant employed by it makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy of the information considered in conducting the Large Load System Impact Study, the content of the Large Load System Impact Study, or the conclusions of the Large Load System Impact Study. Large Load Eligible Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

7.3 Force Majeure, Liability and Indemnification.

7.3.1 Force Majeure. Neither ISO, Large Load Interconnecting Transmission Owner nor a Large Load Eligible Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder. However, an entity whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the ISO, the Large Load Interconnecting Transmission Owner or the Large Load Eligible Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

7.3.2 Liability. ISO shall not be liable for money damages or other compensation to the Large Load Eligible Customer for action or omissions by ISO in performing its obligations under this Agreement, except to the extent such act or omission by ISO is found to result from its gross negligence or willful misconduct. Large Load Interconnecting Transmission Owner shall not be liable for money damages or other compensation to the Large Load Eligible Customer for action or omissions by Large Load Interconnecting Transmission Owner in performing its obligations under this Agreement, except to the extent such act or omission by Large Load Interconnecting Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Large Load Eligible Customer has claims against ISO or Large Load Interconnecting Transmission Owner, the Large Load Eligible Customer may only look to the assets of ISO or Large Load Interconnecting Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of ISO or Large Load Interconnecting Transmission Owner or Affiliate of either who, the Large Load Eligible Customer acknowledges and agrees, have no personal or other liability for obligations of ISO or Large Load Interconnecting Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of ISO or Large Load Interconnecting Transmission Owner or Affiliate of either. In no event shall ISO, a Large Load Interconnecting Transmission Owner or any Large Load Eligible Customer be liable for any

incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Agreement. Notwithstanding the foregoing, nothing in this section shall diminish a Large Load Eligible Customer's obligations under the Indemnification section below.

7.3.3 Indemnification. Large Load Eligible Customer shall at all times indemnify, defend, and save harmless ISO and the Large Load Interconnecting Transmission Owner and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by ISO or Large Load Interconnecting Transmission Owner under this Agreement, any bankruptcy filings made by the Large Load Eligible Customer, or the actions or omissions of the Large Load Eligible Customer in connection with this Agreement, except in the case of ISO, to the extent such Losses arise from the gross negligence or willful misconduct by ISO or its directors, officers, members, employees or agents, and, in the case of Large Load Interconnecting Transmission Owner, to the extent such Losses arise from the gross negligence or willful misconduct by Large Load Interconnecting Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Large Load Eligible Customer to indemnify ISO and Large Load Interconnecting Transmission Owner shall be several, and not joint or joint and several. The liability provisions of the Transmission Operating Agreement or other applicable operating agreements shall apply to the relationship between the ISO and the Large Load Interconnecting Transmission Owner.

7.4 Third-Party Beneficiaries. Without limitation of Sections 7.2 and 7.3 of this Agreement, the Parties agree that subcontractor consultants hired by them to conduct, participate in, or review, or to assist in the conducting, participating in, or reviewing of, a Large Load System Impact Study shall be deemed third party beneficiaries of Sections 7.2 and 7.3.

7.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 7.5, shall continue in effect for a term of one year or until the Large Load System Impact Study is completed. This Agreement shall automatically terminate upon the withdrawal of the Large Load Transmission Service Application under Part II.J of the OATT. The ISO or the Large Load Interconnecting Transmission Owner may terminate this Agreement fifteen (15) days after providing written notice to the Large Load Eligible Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) day period.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state where the Point of Delivery is located without regard to any choice of law provisions.

7.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

7.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

7.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing and signed by the Parties hereto.

7.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.

7.11 Independent Contractor. Each of the Parties shall at all times be deemed to be an independent contractor of the other Parties, and none of its employees or the employees of its subcontractors shall be considered to be employees of the other Parties as a result of this Agreement.

7.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

7.13 Successors and Assigns. This Agreement may not be assigned, by operation of law or otherwise, without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, to the extent the same are authorized hereunder.

7.14 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

ISO	Large Load Interconnecting Transmission Owner
By:	By:
Title:	Title:
Date:	Date:

[Insert name of Large Load Eligible Customer]

By:

Title:

Date:

Appendix A
To Attachment T
Large Load System Impact
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE LARGE LOAD SYSTEM IMPACT STUDY

The Large Load System Impact Study will be based upon the results of the Large Load Interconnecting Transmission Owner's study to identify Interconnection Facilities, the technical information provided by Large Load Eligible Customer in the Large Load Transmission Service Application, and the following assumptions:

Designation of Point of Delivery and configuration to be studied.

Where applicable, the information provided by the Interconnection Customer for the Large Load Co-Located Generator or Large Load Electrically Proximate Generator in its application submitted pursuant to Schedules 22 or 23 of the OATT.

[Above assumptions to be completed by Large Load Eligible Customer and other assumptions to be provided by Large Load Eligible Customer, ISO, and Large Load Interconnecting Transmission Owner]

ATTACHMENT U
LARGE LOAD FACILITIES STUDY AGREEMENT

This Large Load Facilities Study Agreement ("Agreement"), dated _____, 20__, is entered into by _____ (the " Large Load Eligible Customer") and ISO New England Inc. ("ISO") for the purpose of setting forth the terms, conditions, and costs for conducting a Large Load Facilities Study (the "Study") on [both] the systems of _____ [and] _____ ("the Transmission Operator(s)") relative to [the Large Load Eligible Customer's proposed _____ project (the "Project") to be located in _____, _____,] [or] [the transmission service requested in the Large Load Eligible Customer's Large Load Transmission Service Application] in accordance with the Open Access Transmission Tariff (the "OATT") included in the ISO Transmission, Markets and Services Tariff on file with the Federal Energy Regulatory Commission. The ISO and the Large Load Eligible Customer are sometimes referred to herein together as the "Parties" and individually as a "Party."

1. Purposes and Elements of the Study

The Study will determine the detailed engineering, design and cost of the facilities, upgrades, and special protection systems necessary to [satisfy the Large Load Eligible Customer's interconnection for the Project] [or] [provide the transmission service] as indicated by the Large Load System Impact Study (the "LLSIS").

2. Information Requirements

The Large Load Eligible Customer agrees to provide, or cause to be provided, in a timely and complete manner, all required information and technical data necessary for the ISO or its designated agent to conduct the Study. Where such information and technical data were previously provided, or caused to be provided, by the Large Load Eligible Customer for purposes of the LLSIS, or otherwise, the Large Load Eligible Customer should review and update, or cause to be reviewed and updated, the information and provide the ISO with current information, as required. The ISO will advise the Large Load Eligible Customer of additional information or studies that may be deemed necessary to complete the Study. Any such additional information or studies shall be obtained or conducted only if required by Good Utility Practice and shall be subject to the Large Load Eligible Customer's consent to proceed, such consent not to be unreasonably withheld. The cost of such additional studies shall be paid for by the Large Load Eligible Customer.

3. Representatives

All work pertaining to the Study that is the subject of this Agreement will be approved only through designated and authorized representatives of the Large Load Eligible Customer and the ISO, as they are identified in Article 14.5 hereof.

4. Scope, Duration, and Results of Study

The Scope of Work for the Study is set forth in Exhibit 1, entitled "Scope of Work." The ISO estimates that the Study will require approximately _____ (__) [time period] to complete, as more fully set forth in Exhibit 2, entitled "Study Timetable." The Large Load Eligible Customer understands and agrees that such time periods are only an estimate and that the ISO makes no representations or warranties, either express or implied, that the Study will be completed within these time periods. The ISO will provide the Large Load Eligible Customer with periodic status reports, which describe preliminary Study results, if available. Upon completion of the Study, the ISO will provide a report on the Study to the Large Load Eligible Customer based on the information provided and developed as a result of this effort. The Large Load Eligible Customer understands and acknowledges that any use of the Study results by the Large Load Eligible Customer or its agents, whether in preliminary or final form, prior to the ISO's approval pursuant to Sections I.3.9 and I.3.10 of the Transmission, Markets and Services Tariff is completely at the Large Load Eligible Customer's sole risk.

5. Payment and Nature of Costs

(a) The estimated costs contained within this Agreement are the ISO's good faith estimate of its costs to perform the Study contemplated by this Agreement. The ISO does not include any estimates for wheeling charges that may be associated with the transmission of facility output to third parties or with rates for station service. The actual costs charged to the Large Load Eligible Customer by the ISO may change as set forth in this Agreement. Prepayment will be required for all costs and expenses (including, without limitation, labor, materials, overheads, and administrative and general costs) the ISO will incur to perform its obligations under this Agreement, including, without limitation, all study, analysis, design, monitoring, and review work performed by the ISO or its designated agent's personnel under the terms of this Agreement ("Study Costs").

(b) The estimated Study Costs required to be paid by, or caused to be paid by, the Large Load Eligible Customer to the ISO are shown on Exhibit 3, entitled "Prepayment

Schedule." The initial prepayment requirement is _____ ($____), which the Large Load Eligible Customer agrees to pay, or cause to be paid, to the ISO upon execution of this Agreement. The initial prepayment and any subsequent prepayments will be applied against all Study Costs incurred by the ISO for work performed under this Agreement. The ISO will invoice the Large Load Eligible Customer for the costs and expenses that the ISO will incur as stated in Exhibit 3. Each invoice will show the detail of the work performed, the difference between the actual costs for such work and the prepayment amount for such work, and the amount of the prepayment for the costs of the expected work. The Large Load Eligible Customer shall pay, or cause to be paid, the invoiced amount to the ISO within thirty (30) days of the Large Load Eligible Customer's receipt of the ISO's invoice. During the term of this Agreement, the ISO will, in writing, advise the Large Load Eligible Customer in advance of any changes in the cost estimate for work to be performed if the total amount increases by ten percent (10%) or more. Any such change to the Study Costs for the ISO's work performed under this Agreement shall be subject to the Large Load Eligible Customer's consent, such consent not to be unreasonably withheld. The Large Load Eligible Customer shall, within thirty (30) days of the ISO's notice of a cost increase, either authorize such cost increase and make, or caused to be made, payment in the amount set forth in such notice, or the ISO will suspend its performance and may terminate this Agreement. Payments for work performed by the ISO shall not be subject to refunding to the Large Load Eligible Customer except in accordance with Section 5(d) below.

(c) The ISO will invoice Large Load Eligible Customer for pre-contract Study Costs incurred by the ISO prior to the effective date of this Agreement. To the extent such pre-contract Study Costs exceed Large Load Eligible Customer's pre-contract cost deposit balance, the Large Load Eligible Customer will reimburse, or cause to be reimbursed, the ISO within twenty (20) days after receipt of the ISO's invoice. Pre-contract costs shall include, without limitation, costs for study, analysis and review work performed in connection with the Study and all costs associated with the development and negotiation of all associated agreements. Payment for pre-contract Study Costs shall not be subject to refunding to the Large Load Eligible Customer.

(d) If the actual Study Costs for the work exceed prepaid estimated costs, the Large Load Eligible Customer shall make, or cause to be made, payment to the ISO for such actual Study Costs within thirty (30) days of the date of the invoice for such costs. If the actual costs for the work are less than that prepaid, the ISO will credit such difference toward its expected additional costs, or in the event there will be no additional billed costs, will refund to Large Load Eligible Customer the amount of the overpayment. Any additional payments or refunding under this Agreement shall be subject to an interest charge computed in accordance with the provisions of the OATT.

(e) Within one (1) year following the issuance of a final bill under this Agreement, the Large Load Eligible Customer shall have the right to audit the ISO's accounts and records at the offices where such accounts and records are maintained during normal business hours; provided that appropriate notice shall have been given prior to any audit and provided that the audit shall be limited to those portions of such accounts and records that relate to service under this Agreement. The ISO reserves the right to assess a reasonable fee to compensate for the use of its personnel's time in assisting any inspection or audit of its books, records or accounts by the Large Load Eligible Customer or its designated agent.

6. No Interconnection or Wheeling Rights; No Interruption of Service

(a) Nothing in this Agreement shall be interpreted to give the Large Load Eligible Customer the right to have electricity wheeled over, or to interconnect with, the ISO's or the Transmission Operator's transmission or distribution system. Such rights may be provided for under separate agreement.

(b) Before the ISO will take any portion of the transmission system out of service to accommodate any work by, or on behalf of, the Large Load Eligible Customer, such action must first be fully evaluated and approved by the ISO and the Transmission Operator.

7. Indemnification

The indemnification and liability provisions in Section I of the Transmission, Markets and Services Tariff are incorporated herein by reference, with the "Large Load Eligible Customer" under this Agreement being deemed a Customer for purposes of the Transmission, Markets and Services Tariff.

8. Disclaimer of Damages

NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY(IES) FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF USE OR LOST BUSINESS, REVENUE, PROFITS OR GOODWILL, ARISING IN CONNECTION WITH THIS AGREEMENT, THE STUDY PROVIDED HEREUNDER, AND/OR THE INTENDED USE THEREOF, UNDER ANY THEORY OF TORT, CONTRACT, WARRANTY, STRICT LIABILITY OR NEGLIGENCE. The Parties agree this Section 8 will survive expiration, cancellation, or any termination of the Agreement.

9. Duration

This Agreement will remain in effect for a period of one (1) year from its effective date (the "Term") and is subject to extension automatically if the final Study report has not been completed or by mutual agreement of the Parties.

10. Termination

(a) In addition to other termination provisions provided for herein, the ISO may terminate this Agreement immediately, upon notice to the Large Load Eligible Customer, if the ISO is unable to obtain or maintain any governmental license, waiver, consent, registration or approval needed to conduct the Study hereunder.

(b) The ISO or the Large Load Eligible Customer may terminate this Agreement upon thirty (30) days' written notice to the other Party or seven (7) days after providing written notice to the other Party that it has breached one it its obligations hereunder, if the breach has not been cured within such seven day period.

11. Dispute Resolution and Voluntary Arbitration

The dispute resolution provisions of Section I of the Transmission, Markets and Services Tariff are incorporated herein by reference, with the "Large Load Eligible Customer" under this Agreement being deemed a Customer for purposes of the Transmission, Markets and Services Tariff.

12. Commission Jurisdiction Over Certain Disputes; Equitable Relief

(a) Nothing in this Agreement shall preclude, or be construed to preclude, any Party from filing a petition or complaint with the Federal Energy Regulatory Commission "Commission" with respect to any matter over which the Commission has jurisdiction.

(b) The Parties specifically reserve the right to seek a temporary restraining order, preliminary or permanent injunction, or other similar equitable relief with respect to (i) violations of confidentiality provisions of this Agreement, (ii) any failures by the Parties to comply with any applicable post-termination obligations for which monetary compensation would not be adequate, or (iii) to preserve the status quo or prevent irreparable harm.

13. Confidential Information

(a) During and after the term of this Agreement, neither Party or its employees or agents shall divulge or use for any purpose other than as specified in this Agreement Confidential Information received from the other Party (the "Disclosing Party"). "Confidential Information" shall mean all of the following except to the extent excluded below: (i) all information about the Disclosing Party whether furnished before or after the date hereof, whether oral, written or recorded/electronic, and regardless of the manner in which it is furnished, which is marked "Confidential" or "Proprietary" or which under all of the circumstances should be treated as confidential or proprietary; (ii) all reports, summaries, compilations, analyses, notes or other information which are based on, contain or reflect any Confidential Information; (iii) any and all Confidential Information as that term is defined in the ISO New England Information Policy; and (iv) any information which, if disclosed by a transmission function employee of a utility regulated by the Commission to a market function employee of the same utility system, other than by public posting, would violate the Commission's open access same time information regulations.

(b) The foregoing restrictions on use and disclosure of Confidential Information do not apply to information that: (i) is already in the possession of the Party receiving the information (the "Receiving Party") at the time of the information's disclosure hereunder and not otherwise subject to obligations of confidentiality; (ii) is, or becomes publicly known,

through no wrongful act or omission of the Receiving Party or breach of this Agreement; (iii) is received by the Receiving Party without restriction from a third party free to disclose it without obligation to the Disclosing Party; (iv) is developed independently by the Receiving Party without reference to the Confidential Information or other information of the Disclosing Party; or (v) is required to be disclosed by subpoena, law or other directive or a court, administrative agency or arbitration panel. In addition, nothing in this Section 13 shall prohibit the Large Load Eligible Customer from disclosing Confidential Information to its lenders, consultants, agents, directors, officers, employees, and attorneys (the "Representatives") for the purpose of advising the Large Load Eligible Customer, provided that the Representatives shall be informed by the Large Load Eligible Customer that such information is Confidential Information and shall agree to treat it confidentially in accordance with this Section 13.

(c) At the Disclosing Party's option, the Receiving Party shall promptly either destroy all Confidential Information in tangible form in its possession, or return all such copies, and in either event, provide a written officer's certification confirming the same promptly upon the earlier of: (i) the Disclosing Party's written request; or (ii) the expiration or earlier termination of this Agreement.

14. Miscellaneous

14.1 Assignment. The Large Load Eligible Customer may not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the ISO, which consent shall not be unreasonably withheld. Any attempted assignment without such prior written consent shall be void. Notwithstanding the foregoing, the Large Load Eligible Customer may assign this Agreement as collateral security under its financing documents and the ISO hereby consents to such assignment.

14.2 Governing Law. This Agreement shall be construed and governed in accordance with the laws of the Commonwealth of Massachusetts, and with Part II of the Federal Power Act, 16 U.S.C. §§ 824d, et seq., and with Part 35 of Title 18 of the Code of Federal Regulations, 18 C.F.R. Part 35, each as may be modified from time to time.

14.3 Enforceability. If any section or clause of this Agreement shall be held to be invalid or unenforceable by any body or entity of competent jurisdiction, then the remainder of the Agreement shall remain in full force and effect and the Parties shall promptly negotiate a replacement provision or agree that no replacement is necessary.

14.4 No Waiver. Any term or provision of this Agreement may be waived only in writing by the Party who is entitled to the benefits being waived. No waiver by any Party shall operate as a waiver of any future exercise of that right, nor shall any single or partial exercise of any right hereunder preclude any other or future exercise of that right or any other right hereunder. All rights and remedies evidenced hereby are in addition to and cumulative to rights and remedies available at law.

14.5 Notice. Any notice required to be given under this Agreement shall be in writing and transmitted via email to the Parties at the email addresses below or such other email addresses as may be specified by written notice. Notice sent in accordance with this Section shall be deemed effective when received.

14.6 Force Majeure. The force majeure provisions of Section I of the Transmission, Markets and Services Tariff are incorporated herein by reference, with the "Large Load Eligible Customer" under this Agreement being deemed a Customer for purposes of the Transmission, Markets and Services Tariff.

14.7 Use of Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement. Notwithstanding the foregoing, each Party shall remain responsible for the accuracy of such work performed by its subcontractors.

14.8 No Third Party Beneficiary. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the Parties, any rights or remedies under or by reason of this Agreement.

14.9 Entire Agreement. This Agreement, including the Attachments, constitutes the entire agreement between the Parties with respect to its subject matter. No amendment to this Agreement shall be valid unless in writing and signed by all Parties.

14.10 Signature Authorization. The Parties have duly executed and agreed to be bound by this Agreement as evidenced by the signatures of their authorized representatives below. Each Party represents and warrants to the other that the signatory identified beneath its name below has full authority to execute this Agreement on its behalf.

14.11 Definitions. Capitalized terms not defined herein shall have the meanings ascribed to them in the Transmission, Markets and Services Tariff.

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

[LARGE LOAD ELIGIBLE CUSTOMER]

Name:_____

Title:_____

Date:_____

ISO NEW ENGLAND INC.

Name:_____

Title:_____

Date:_____

Exhibit 1

Scope of Work

Exhibit 2

Study Timetable

Exhibit 3

Prepayment Schedule

Table of Contents

III.1 Market Operations.

III.1.1 Introduction.

III.1.2 [Reserved.]

III.1.3 Definitions.

III.1.3.1 [Reserved.]

III.1.3.2 [Reserved.]

III.1.3.3 [Reserved.]

III.1.4 Requirements for Certain Transactions.

III.1.4.1 ISO Settlement of Certain Transactions.

III.1.4.2 Transactions Subject to Requirements of Section III.1.4.

III.1.4.3 Requirements for Section III.1.4 Conforming Transactions.

III.1.5 Resource Auditing.

III.1.5.1. Claimed Capability Audits.

III.1.5.1.1 General Audit Requirements.

III.1.5.1.2 Establish Claimed Capability Audit.

III.1.5.1.3 Seasonal Claimed Capability Audits.

III.1.5.1.3.1 Seasonal DR Audits.

III.1.5.1.4 ISO-Initiated Claimed Capability Audits.

III.1.5.2. ISO-Initiated Parameter Auditing.

III.1.5.3 Reactive Capability Audits.

III.1.6 [Reserved.]

III.1.6.1 [Reserved.]

III.1.6.2 [Reserved.]

III.1.6.3 [Reserved.]

III.1.6.4 ISO New England Manuals and ISO New England Administrative Procedures.

III.1.7 General.

III.1.7.1 Provision of Market Data to the Commission.

III.1.7.2	[Reserved.]
III.1.7.3	Agents.
III.1.7.4	[Reserved.]
III.1.7.5	Transmission Constraint Penalty Factors.
III.1.7.6	Scheduling and Dispatching.
III.1.7.7	LMP-Based Energy Pricing.
III.1.7.8	Market Participant Resources.
III.1.7.9	Real-Time Reserve Prices.
III.1.7.9A	Day-Ahead Ancillary Services Prices.
III.1.7.10	Other Transactions.
III.1.7.11	Seasonal Claimed Capability of a Generating Capacity Resource.
III.1.7.12	Seasonal DR Audit Value of an Active Demand Capacity Resource.
III.1.7.13	[Reserved.]
III.1.7.14	[Reserved.]
III.1.7.15	[Reserved.]
III.1.7.16	[Reserved.]
III.1.7.17	Operating Reserve.
III.1.7.18	Ramping.
III.1.7.19	Real-Time Reserve Designation.
III.1.7.19.1	Eligibility.
III.1.7.19.2	Calculation of Real-Time Reserve Designation.
III.1.7.19.2.1	Generator Assets.
III.1.7.19.2.1.1	On-line Generator Assets
III.1.7.19.2.1.2	Off-line Generator Assets.
III.1.7.19.2.2	Dispatchable Asset Related Demand.
III.1.7.19.2.2.1	Storage DARDS.
III.1.7.19.2.2.2	Dispatchable Asset Related Demand Other than Storage DARDS.

III.1.7.19.2.3 Demand Response Resources.

III.1.7.19.2.3.1 Dispatched.

III.1.7.19.2.3.2 Non-Dispatched.

III.1.7.20 Information and Operating Requirements.

III.1.7.21 SATOA Participation in Markets.

III.1.7.21 SATOA Participation in Markets.

III.1.8 Day-Ahead Ancillary Services and Forecast Energy Requirement.

III.1.8.1 Day-Ahead Ancillary Services Offers.

III.1.8.2 Day-Ahead Ancillary Services Strike Price.

III.1.8.3 Day-Ahead Flexible Response Services Demand Quantities.

III.1.8.4 Forecast Energy Requirement Demand Quantity.

III.1.9 Pre-scheduling.

III.1.9.1 Offer and Bid Caps and Cost Verification for Offers and Bids.

III.1.9.1.1 Cost Verification of Resource Offers.

III.1.9.1.2 Offer and Bid Caps.

III.1.9.2 [Reserved.]

III.1.9.3 [Reserved.]

III.1.9.4 [Reserved.]

III.1.9.5 [Reserved.]

III.1.9.6 [Reserved.]

III.1.9.7 Market Participant Responsibilities.

III.1.9.8 [Reserved.]

III.1.10 Scheduling.

III.1.10.1 General.

III.1.10.1A Energy and Day-Ahead Ancillary Services Market Scheduling.

III.1.10.2 Pool-Scheduled Resources.

III.1.10.3 Self-Scheduled Resources.

III.1.10.4 External Resources.

III.1.10.5 Dispatchable Asset Related Demand.

III.1.10.5A Large Load.

III.1.10.6 Electric Storage.

III.1.10.7 External Transactions.

III.1.10.7.A Coordinated Transaction Scheduling.

III.1.10.7.B Coordinated Transactions Scheduling Threshold Trigger to Tie Optimization.

III.1.10.8 Scheduling Considerations.

III.1.10.9 Hourly Scheduling.

III.1.11 Dispatch.

III.1.11.1 Resource Output or Consumption and Demand Reduction.

III.1.11.2 Operating Basis.

III.1.11.3 Dispatchable Resources.

III.1.11.4 Emergency Condition.

III.1.11.5 Dispatchability Requirements for Intermittent Power Resources.

III.1.11.6 Non-Dispatchable Intermittent Power Resources.

III.1.12 Dynamic Scheduling.

III.2 Day-Ahead Prices, Real-Time Prices, and Real-Time Reserve Clearing Prices Calculation.

III.2.1 Introduction.

III.2.2 General.

III.2.3 Determination of System Conditions Using the State Estimator.

III.2.4 Adjustment for Rapid Response Pricing Assets.

III.2.5 Calculation of Nodal Real-Time Prices.

III.2.6 Calculation of Day-Ahead Prices.

III.2.6.1 Calculation of Day-Ahead Locational Marginal Prices.

III.2.6.2 Calculation of Additional Day-Ahead Prices.

III.2.7 Reliability Regions, Load Zones, Reserve Zones, Zonal Prices and External Nodes.

III.2.7A Calculation of Real-Time Reserve Clearing Prices.

III.2.8 Hubs and Hub Prices.

III.2.9A Final Real-Time Prices, Real-Time Reserve Clearing and Regulation Clearing Prices.

III.2.9B Final Day-Ahead Market Results.

III.3 Accounting And Billing.

III.3.1 Introduction.

III.3.2 Market Participants.

III.3.2.1 ISO Energy Market and Day-Ahead Ancillary Services Market.

III.3.2.1.1 Metered Quantity For Settlement.

III.3.2.2 Metering and Communications.

III.3.2.3 NCPC Credits and Charges.

III.3.2.4 Transmission Congestion.

III.3.2.5 [Reserved.]

III.3.2.6 Emergency Energy.

III.3.2.6A New Brunswick Security Energy.

III.3.2.7 Billing.

III.3.3 [Reserved.]

III.3.4 Non-Market Participant Transmission Customers.

III.3.4.1 Transmission Congestion.

III.3.4.2 Transmission Losses.

III.3.4.3 Billing.

III.3.5 [Reserved.]

III.3.6 Data Reconciliation.

III.3.6.1 Data Correction Billing.

III.3.6.2 Eligible Data.

III.3.6.3 Data Revisions.

III.3.6.4 Meter Corrections Between Control Areas.

III.3.6.5 Meter Correction Data.

III.3.7 Eligibility for Billing Adjustments.

III.3.8 Correction of Meter Data Errors.

III.4 Rate Table.

III.4.1 Offered Price Rates.

III.4.2 [Reserved.]

III.4.3 Emergency Energy Transaction.

III.5 Transmission Congestion Revenue & Credits Calculation.

III.5.1 Non-Market Participant Transmission Congestion Cost Calculation.

III.5.1.1 Calculation by ISO.

III.5.1.2 General.

III.5.1.3 [Reserved.]

III.5.1.4 Non-Market Participant Transmission Customer Calculation.

III.5.2 Transmission Congestion Credit Calculation.

III.5.2.1 Eligibility.

III.5.2.2 Financial Transmission Rights.

III.5.2.3 [Reserved.]

III.5.2.4 Target Allocation to FTR Holders.

III.5.2.5 Calculation of Transmission Congestion Credits.

III.5.2.6 Distribution of Excess Congestion Revenue.

III.6 Local Second Contingency Protection Resources.

III.6.1 [Reserved.]

III.6.2 Day-Ahead and Real-Time Energy Market.

III.6.2.1 Special Constraint Resources.

III.6.3 [Reserved.]

III.7 Financial Transmission Rights Auctions.

III.7.1 Auctions of Financial Transmission Rights.

III.7.1.1 Auction Period and Scope of Auctions.

III.7.1.2 FTR Auctions Assumptions.

III.7.2 Financial Transmission Rights Characteristics.

III.7.2.1 Reconfiguration of Financial Transmission Rights.

III.7.2.2 Specified Locations.

III.7.2.3 Transmission Congestion Revenues.

III.7.2.4 [Reserved.]

III.7.3 Auction Procedures.

III.7.3.1 Role of the ISO.

III.7.3.2 [Reserved.]

III.7.3.3 [Reserved.]

III.7.3.4 On-Peak and Off-Peak Periods.

III.7.3.5 Offers and Bids.

III.7.3.6 Determination of Winning Bids and Clearing Price.

III.7.3.7 Announcement of Winners and Prices.

III.7.3.8 Auction Settlements.

III.7.3.9 Allocation of Auction Revenues.

III.7.3.10 Simultaneous Feasibility.

III.7.3.11 [Reserved.]

III.7.3.12 Financial Transmission Rights in the Form of Options.

III.8 Additional Requirements for Demand Response Assets and Demand Response Resources.

III.8.1 Registration and Aggregation.

III.8.1.1 Demand Response Asset Registration and Aggregation.

III.8.1.2 Demand Response Resource Registration and Aggregation.

III.8.2 Demand Response Baselines.

III.8.2.1 Determining the Weekday Non-Holiday Demand Response Baseline.

III.8.2.2 Determining the Saturday Demand Response Baseline.

III.8.2.3 Determining the Sunday and Demand Response Holiday Demand Response Baseline.

III.8.2.4 Adjusted Demand Response Baseline.

III.8.3 Demand Response Asset Forced and Scheduled Curtailments.

III.8.4 Demand Response Asset Energy Market Performance Calculations.

III.9 Forward Reserve Market.

III.9.1 Forward Reserve Market Timing.

III.9.2 Forward Reserve Requirements.

III.9.2.1 System Forward Reserve Requirements.

III.9.2.2 Zonal Forward Reserve Requirements.

III.9.3 Forward Reserve Auction Offers.

III.9.4 Forward Reserve Auction Clearing and Forward Reserve Clearing Prices.

III.9.4.1 Forward Reserve Clearing Price and Forward Reserve Obligation Publication and Correction.

III.9.5. Forward Reserve Resources.

III.9.5.1 Assignment of Forward Reserve MWs to Forward Reserve Resources.

III.9.5.2 Forward Reserve Resource Eligibility Requirements.

III.9.5.3 Resource CLAIM10 and CLAIM30 Values.

III.9.5.3.1. Calculating Resource CLAIM10 and CLAIM30 Values.

III.9.5.3.2. CLAIM10 and CLAIM 30 Audits.

III.9.5.3.3. CLAIM10 and CLAIM30 Performance Factors.

III.9.5.3.4. Performance Factor Cure.

III.9.6 Delivery of Reserve.

III.9.6.1 Dispatch and Energy Bidding of Reserve.

III.9.6.2 Forward Reserve Threshold Prices.

III.9.6.3 Monitoring of Forward Reserve Resources.

III.9.6.4 Forward Reserve Qualifying Megawatts.

III.9.6.5 Delivery Accounting.

III.9.7 Consequences of Delivery Failure.

III.9.7.1 Real-Time Failure-to-Reserve.

III.9.7.2 Failure-to-Activate Penalties.

III.9.7.3 Known Performance Limitations.

III.9.8 Forward Reserve Credits.

III.9.9 Forward Reserve Charges.

III.9.9.1 Forward Reserve Credits Associated with System Reserve Requirement.

III.9.9.2 Adjusting Forward Reserve Credits for System Requirement.

III.9.9.3 Allocating Forward Reserve Credits for System Requirements.

III.9.9.4 Allocating Remaining Forward Reserve Credits.

III.9.9.4.1 Allocation Criteria for Remaining Forward Reserve Credits.

III.10 Settlement for Real-Time Reserves

III.10.1 Reserve Quantity For Settlement.

III.10.2 Real-Time Reserve Credits.

III.10.3 Real-Time Reserve Charges.

III.10.4 Forward Reserve Obligation Charges.

III.10.4.1 Forward Reserve Obligation Charge Megawatts for Forward Reserve Resources.

III.10.4.2 Forward Reserve Obligation Charge Megawatts.

III.10.4.3 Forward Reserve Obligation Charge.

III.11 Gap RFPs For Reliability Purposes.

III.11.1 Request For Proposals for Load Response and Supplemental Generation Resources for Reliability Purposes.

III.12 Calculation of Capacity Requirements.

III.12.1 Installed Capacity Requirement.

III.12.1.1 System-Wide Marginal Reliability Impact Values.

III.12.2 Local Sourcing Requirements and Maximum Capacity Limits.

III.12.2.1 Calculation of Local Sourcing Requirements for Import-Constrained Capacity Zones.

III.12.2.1.1 Local Resource Adequacy Requirement.

III.12.2.1.2 Transmission Security Analysis Requirement.

III.12.2.1.3 Marginal Reliability Impact Values for Import-Constrained Capacity Zones.

III.12.2.2 Calculation of Maximum Capacity Limit for Export-Constrained Capacity Zones.

III.12.2.2.1 Marginal Reliability Impact Values for Export-Constrained Capacity Zones.

III.12.3 Consultation and Filing of Capacity Requirements.

III.12.4 Capacity Zones.

III.12.4A Dispatch Zones.

III.12.5 Transmission Interface Limits.

III.12.6 Modeling Assumptions for Determining the Network Model.

III.12.6.1 Process for Establishing the Network Model.

III.12.6.2 Initial Threshold to be Considered In-Service.

III.12.6.3 Evaluation Criteria.

III.12.6.4 Transmission Projects Selected Through the Competitive Transmission Process.

III.12.7 Resource Modeling Assumptions.

III.12.7.1 Proxy Units.

III.12.7.2 Capacity.

III.12.7.2.1 [Reserved.]

III.12.7.3 Resource Availability.

III.12.7.4 Load and Capacity Relief.

III.12.8 Load Modeling Assumptions.

III.12.9 Tie Benefits.

III.12.9.1 Overview of Tie Benefits Calculation Procedure.

III.12.9.1.1. Tie Benefits Calculation for the Forward Capacity Auction and Annual Reconfiguration Auctions; Modeling Assumptions and Simulation Program.

III.12.9.1.2. Tie Benefits Calculation.

III.12.9.1.3. Adjustments to Account for Transmission Import Capability and Capacity Imports.

III.12.9.2 Modeling Assumptions and Procedures for the Tie Benefits Calculation.

III.12.9.2.1. Assumptions Regarding System Conditions.

III.12.9.2.2. Modeling Internal Transmission Constraints in New England.

III.12.9.2.3. Modeling Transmission Constraints in Neighboring Control Areas.

III.12.9.2.4. Other Modeling Assumptions.

III.12.9.2.5. Procedures for Adding or Removing Capacity from Control Areas to Meet the 0.1 Days Per Year LOLE Standard.

III.12.9.3. Calculating Total Tie Benefits.

III.12.9.4. Calculating Each Control Area's Tie Benefits.

III.12.9.4.1. Initial Calculation of a Control Area's Tie Benefits.

III.12.9.4.2. Pro Ration Based on Total Tie Benefits.

III.12.9.5. Calculating Tie Benefits for Individual Ties.

III.12.9.5.1. Initial Calculation of Tie Benefits for an Individual Interconnection or Group of Interconnections.

III.12.9.5.2. Pro Ration Based on Total Tie Benefits.

III.12.9.6. Accounting for Capacity Imports and Changes in External Transmission Facility Import Capability.

III.12.9.6.1. Accounting for Capacity Imports.

III.12.9.6.2. Changes in the Import Capability of Interconnections with Neighboring Control Areas.

III.12.9.7. Tie Benefits Over the HQ Phase I/II HVDC-TF.

III.12.10 Calculating the Maximum Amount of Import Capacity Resources that May be Cleared over External Interfaces in the Forward Capacity Auction and Reconfiguration Auctions.

III.13 Forward Capacity Market.

III.13.1 Forward Capacity Auction Qualification.

III.13.1.1 New Generating Capacity Resources.

III.13.1.1.1 Definition of New Generating Capacity Resource.

III.13.1.1.1.1 Resources Never Previously Counted as Capacity.

III.13.1.1.1.2 Resources Previously Counted as Capacity.

III.13.1.1.1.3 Incremental Capacity of Resources Previously Counted as Capacity.

III.13.1.1.1.3.A Treatment of New Incremental Capacity and Existing Generating Capacity at the Same Generating Resource.

III.13.1.1.1.4	De-rated Capacity of Resources Previously Counted as Capacity.
III.13.1.1.1.5	Treatment of Resources that are Partially New and Partially Existing.
III.13.1.1.1.6	Treatment of Deactivated and Retired Units.
III.13.1.1.1.7	Renewable Technology Resources.
III.13.1.1.2	Qualification Process for New Generating Capacity Resources.
III.13.1.1.2.1	New Capacity Show of Interest Form.
III.13.1.1.2.2	New Capacity Qualification Package.
III.13.1.1.2.2.1	Site Control.
III.13.1.1.2.2.2	Critical Path Schedule.
III.13.1.1.2.2.3	Offer Information.
III.13.1.1.2.2.4	Capacity Commitment Period Election.
III.13.1.1.2.2.5	Additional Requirements for Resources Previously Counted as Capacity.
III.13.1.1.2.2.6	Additional Requirements for New Generating Capacity Resources that are Intermittent Power Resources.
III.13.1.1.2.2.7	Load-Side Interests.
III.13.1.1.2.3	Initial Interconnection Analysis.
III.13.1.1.2.4	Evaluation of New Capacity Qualification Package.
III.13.1.1.2.5	Qualified Capacity for New Generating Capacity Resources.
III.13.1.1.2.5.1	New Generating Capacity Resources Other Than Intermittent Power Resources.
III.13.1.1.2.5.2	[Reserved.]
III.13.1.1.2.5.3	New Generating Capacity Resources that are Intermittent Power Resources.
III.13.1.1.2.5.4	New Generating Capacity Resources Partially Clearing in a Previous Forward Capacity Auction.
III.13.1.1.2.6	[Reserved.]
III.13.1.1.2.7	Opportunity to Consult with Project Sponsor.
III.13.1.1.2.8	Qualification Determination Notification for New Generating Capacity Resources.

III.13.1.1.2.9	Renewable Technology Resource Election.
III.13.1.1.2.10	Determination of Renewable Technology Resource Qualified Capacity.
III.13.1.2	Existing Generating Capacity Resources.
III.13.1.2.1	Definition of Existing Generating Capacity Resource.
III.13.1.2.1.1	Attributes of Existing Generating Capacity Resources.
III.13.1.2.1.2	Rationing Minimum Limit.
III.13.1.2.2	Qualified Capacity for Existing Generating Capacity Resources.
III.13.1.2.2.1	Existing Generating Capacity Resources Other Than Intermittent Power Resources.
III.13.1.2.2.1.1	Summer Qualified Capacity.
III.13.1.2.2.1.2	Winter Qualified Capacity.
III.13.1.2.2.2	Existing Generating Capacity Resources that are Intermittent Power Resources.
III.13.1.2.2.2.1	Summer Qualified Capacity for an Intermittent Power Resource.
III.13.1.2.2.2.2	Winter Qualified Capacity for an Intermittent Power Resource.
III.13.1.2.2.3	Qualified Capacity Adjustment for Partially New and Partially Existing Resources.
III.13.1.2.2.4	Adjustment for Significant Decreases in Capacity Prior to the Existing Capacity Retirement Deadline.
III.13.1.2.2.5	Adjustment for Certain Significant Increases in Capacity.
III.13.1.2.2.5.1	[Reserved.]
III.13.1.2.2.5.2	Requirements for an Existing Generating Capacity Resource, Existing Demand Capacity Resource, Existing Distributed Energy Capacity Resource, or Existing Import Capacity Resource Having a Higher Summer Qualified Capacity than Winter Qualified Capacity.
III.13.1.2.3	Qualification Process for Existing Generating Capacity Resources.
III.13.1.2.3.1	Existing Capacity Retirement Package and Existing Capacity Qualification Package.
III.13.1.2.3.1.A	Dynamic De-List Bid Threshold.
III.13.1.2.3.1.1	Static De-List Bids.

III.13.1.2.3.1.2	[Reserved.]
III.13.1.2.3.1.3	Export Bids.
III.13.1.2.3.1.4	Administrative Export De-List Bids.
III.13.1.2.3.1.5	Permanent De-List Bids and Retirement De-List Bids.
III.13.1.2.3.1.5.1	Reliability Review of Permanent De-List Bids and Retirement De-List Bids During the Qualification Process.
III.13.1.2.3.1.6	Static De-List Bids, Permanent De-List Bids and Retirement De-List Bids for Existing Generating Capacity Resources at Stations having Common Costs.
III.13.1.2.3.1.6.1	Submission of Cost Data.
III 13.1.2.3.1.6.2	[Reserved.]
III 13.1.2.3.1.6.3	Internal Market Monitor Review of Stations having Common Costs.
III.13.1.2.3.2	Review by Internal Market Monitor of Bids from Existing Capacity Resources.
III.13.1.2.3.2.1	Static De-List Bids and Export Bids, Permanent De-List Bids, and Retirement De-List Bids at or Above the Dynamic De-List Bid Threshold.
III.13.1.2.3.2.1.1	Internal Market Monitor Review of De-List Bids.
III.13.1.2.3.2.1.1.1	Review of Static De-List Bids and Export Bids.
III.13.1.2.3.2.1.1.2	Review of Permanent De-List Bids and Retirement De-List Bids.
III.13.1.2.3.2.1.2.A	Static De-List Bid and Export Bid Net Going Forward Costs.
III.13.1.2.3.2.1.2.B	Permanent De-List Bid and Retirement De-List Bid Net Present Value of Expected Cash Flows.
III.13.1.2.3.2.1.2.C	Permanent De-List Bid and Retirement De-List Bid Calculation of Remaining Economic Life.
III.13.1.2.3.2.1.3	Expected Capacity Performance Payments.
III.13.1.2.3.2.1.4	Risk Premium.
III.13.1.2.3.2.1.5	Opportunity Costs.
III.13.1.2.3.2.2	[Reserved.]
III.13.1.2.3.2.3	Administrative Export De-List Bids.
III.13.1.2.3.2.4	Static De-List Bids for Reductions in Ratings Due to Ambient Air Conditions.

III.13.1.2.3.2.5	Static De-List Bid Incremental Capital Expenditure Recovery Schedule.
III.13.1.2.4	Retirement Determination Notification for Existing Capacity and Qualification Determination Notification for Existing Capacity; Right to Increase Retirement De-List Bid or Permanent De-List Bid up to IMM-determined substitution auction test price.
III.13.1.2.4.1	Participant-Elected Retirement or Conditional Treatment.
III.13.1.2.5	Optional Existing Capacity Qualification Package for New Generating Capacity Resources Previously Counted as Capacity.
III.13.1.3	Import Capacity.
III.13.1.3.1	Definition of Existing Import Capacity Resource.
III.13.1.3.2	Qualified Capacity for Existing Import Capacity Resources.
III.13.1.3.3.A	Qualification Process for Existing Import Capacity Resources that are not associated with an Elective Transmission Upgrade with Capacity Network Import Interconnection Service.
III.13.1.3.3.B	Qualification Process for Existing Import Capacity Resources that are associated with an Elective Transmission Upgrade with Capacity Import Interconnection Service.
III.13.1.3.4	Definition of New Import Capacity Resource.
III.13.1.3.5	Qualification Process for New Import Capacity Resources.
III.13.1.3.5.1	Documentation of Import.
III.13.1.3.5.2	Import Backed by Existing External Resources.
III.13.1.3.5.3	Imports Backed by an External Control Area.
III.13.1.3.5.3.1	Imports Crossing Intervening Control Areas.
III.13.1.3.5.4	Capacity Commitment Period Election.
III.13.1.3.5.5	Initial Interconnection Analysis.
III.13.1.3.5.5.A	Offer Information.
III.13.1.3.5.6	Review by Internal Market Monitor of Offers from New Import Capacity Resources.
III.13.1.3.5.7	Qualification Determination Notification for New Import Capacity Resources.
III.13.1.3.5.8	Rationing Election.
III.13.1.4	Demand Capacity Resources.

III.13.1.4.1	Definition of New Demand Capacity Resource.
III.13.1.4.1.1	Qualification Process for New Demand Capacity Resources.
III.13.1.4.1.1.1	New Demand Capacity Resource Show of Interest Form.
III.13.1.4.1.1.2	New Demand Capacity Resource Qualification Package.
III.13.1.4.1.1.2.1	Source of Funding.
III.13.1.4.1.1.2.2	Measurement and Verification Plan.
III.13.1.4.1.1.2.3	Customer Acquisition Plan.
III.13.1.4.1.1.2.4	Critical Patch Schedule for a Demand Capacity Resource with a Demand Reduction Value of at Least 5 MW at a Single Retail Delivery Point.
III.13.1.4.1.1.2.5	Critical Path Schedule for a Demand Capacity Resource with All Retail Delivery Points Having a Demand Reduction Value of Less Than 5 MW.
III.13.1.4.1.1.2.6	[Reserved.]
III.13.1.4.1.1.2.7	Capacity Commitment Period Election.
III.13.1.4.1.1.2.8	Offer Information from New Demand Capacity Resources.
III.13.1.4.1.1.2.9	Load-Side Interests.
III.13.1.4.1.1.3	Initial Analysis for Active Demand Capacity Resources.
III.13.1.4.1.1.4	Consistency of New Demand Capacity Resource Qualification Package and New Demand Capacity Resource Show of Interest Form.
III.13.1.4.1.1.5	Evaluation of New Demand Capacity Resource Qualification Materials.
III.13.1.4.1.1.6	Qualification Determination Notification for New Demand Capacity Resources.
III.13.1.4.2	Definition of Existing Demand Capacity Resources.
III.13.1.4.2.1	Qualified Capacity Notification for Existing Demand Capacity Resources.
III.13.1.4.2.2	Existing Demand Capacity Resource De-List Bids.
III.13.1.4.3	Measurement and Verification Applicable to On-Peak Demand Resources and Seasonal Peak Demand Resources.
III.13.1.4.3.1	Measurement and Verification Documents.
III.13.1.4.3.1.1	Optional Measurement and Verification Reference Reports.

III.13.1.4.3.1.2	Updated Measurement and Verification Documents.
III.13.1.4.3.1.3	Annual Certification of Accuracy of Measurement and Verification Documents.
III.13.1.4.3.1.4	Record Requirement of Retail Customers Served.
III.13.1.4.3.2	ISO Review of Measurement and Verification Documents.
III.13.1.4A	Distributed Energy Capacity Resources.
III.13.1.4A.1	Definition of New Distributed Energy Capacity Resources.
III.13.1.4A.1.1	Qualification Process for New Distributed Energy Capacity Resources.
III.13.1.4A.1.1.1	New Distributed Energy Capacity Resource Show of Interest Form.
III.13.1.4A.1.1.2	New Distributed Energy Capacity Resource Qualification Package.
III.13.1.4A.1.1.2.1	Source of Funding.
III.13.1.4A.1.1.2.2	Customer Acquisition Plan.
III.13.1.4A.1.1.2.3	Critical Path Schedule for a Distributed Energy Capacity Resource Having a Facility with a Demand Reduction Value or Net Injection Capability of at Least 5 MW at a Single Retail Delivery Point.
III.13.1.4A.1.1.2.4	Critical Path Schedule for a Distributed Energy Capacity Resource with All Facilities Having a Demand Reduction Value or Net Injection Capability of Less Than 5 MW at a Single Retail Delivery Point or Point of Interconnection.
III.13.1.4A.1.1.2.5	[Reserved.]
III.13.1.4A.1.1.2.6	Offer Information from New Distributed Energy Capacity Resources.
III.13.1.4A.1.1.2.7	Load-Side Interests.
III.13.1.4A.1.1.3	Initial Analysis for Distributed Energy Capacity Resources.
III.13.1.4A.1.1.4	Consistency of the New Distributed Energy Capacity Resource Qualification Package and New Distributed Energy Capacity Resource Show of Interest Form.
III.13.1.4A.1.1.5	Evaluation of New Distributed Energy Capacity Resource Qualification Materials.
III.13.1.4A.1.1.6	New Distributed Energy Capacity Resources that are Intermittent Power Resources.

III.13.1.4A.1.1.7	Qualification Determination Notification for New Distributed Energy Capacity Resources.
III.13.1.4A.2	Definition of Existing Distributed Energy Capacity Resources.
III.13.1.4A.2.A	Qualified Capacity for Existing Distributed Energy Capacity Resources.
III.13.1.4A.2.A.1	Existing Distributed Energy Capacity Resources Other Than Intermittent Power Resources.
III.13.1.4A.2.A.1.1	Summer Qualified Capacity.
III.13.1.4A.2.A.1.2	Winter Qualified Capacity.
III.13.1.4A.2.A.2	Existing Distributed Energy Capacity Resources That Are Intermittent Power Resources.
III.13.1.4A.2.A.3	Qualified Capacity Adjustment for Partially New and Partially Existing Resources.
III.13.1.4A.2.A.4	Adjustment for Significant Decreases in Capacity Prior to the Existing Capacity Retirement Deadline.
III.13.1.4A.2.1	Qualified Capacity Notification for Existing Distributed Energy Capacity Resources.
III.13.1.4A.2.2	Existing Distributed Energy Capacity Resource De-List Bids.
III.13.1.5	Offers Composed of Separate Resources.
III.13.1.5.A.	Notification of FCA Qualified Capacity.
III.13.1.6	Self-Supplied FCA Resources.
III.13.1.6.1	Self-Supplied FCA Resource Eligibility.
III.13.1.6.2	Locational Requirements for Self-Supplied FCA Resources.
III.13.1.7	Internal Market Monitor Review of Offers and Bids.
III.13.1.8	Publication of Offer and Bid Information.
III.13.1.9	Financial Assurance.
III.13.1.9.1	Financial Assurance for New Generating Capacity Resources and New Demand Capacity Resources Participating in the Forward Capacity Auction.
III.13.1.9.2	Financial Assurance for New Generating Capacity Resources and New Demand Capacity Resources Clearing in a Forward Capacity Auction.
III.13.1.9.2.1	Failure to Provide Financial Assurance or to Meet Milestone.

III.13.1.9.2.2 Release of Financial Assurance.

III.13.1.9.2.2.1 [Reserved.]

III.13.1.9.2.3 Forfeit of Financial Assurance.

III.13.1.9.2.4 Financial Assurance for New Import Capacity Resources.

III.13.1.9.3 Qualification Process Cost Reimbursement Deposit.

III.13.1.9.3.1 Partial Waiver of Deposit.

III.13.1.9.3.2 Settlement of Costs.

III.13.1.9.3.2.1 Settlement of Costs Associated With Resources Participating In A Forward Capacity Auction Or Reconfiguration Auction.

III.13.1.9.3.2.2 Settlement of Costs Associated with Resource That Withdraw From A Forward Capacity Auction Or Reconfiguration Auction.

III.13.1.9.3.2.3 Crediting Of Reimbursements.

III.13.1.10 Forward Capacity Auction Qualification Schedule.

III.13.1.11 Opt-Out for Resources Electing Multiple-Year Treatment.

III.13.2 Annual Forward Capacity Auction.

III.13.2.1 Timing of Annual Forward Capacity Auctions.

III.13.2.2 Amount of Capacity Cleared in Each Forward Capacity Auction.

III.13.2.2.1 System-Wide Capacity Demand Curve.

III.13.2.2.2 Import-Constrained Capacity Zone Demand Curves.

III.13.2.2.3 Export-Constrained Capacity Zone Demand Curves.

III.13.2.2.4 Capacity Demand Curve Scaling Factor.

III.13.2.3 Conduct of the Forward Capacity Auction.

III.13.2.3.1 Step 1: Announcement of Start-of-Round Price and End-of-Round Price.

III.13.2.3.2 Step 2: Compilation of Offers and Bids.

III.13.2.3.3 Step 3: Determination of the Outcome of Each Round.

III.13.2.3.4 Determination of Final Capacity Zones.

III.13.2.4 Forward Capacity Auction Starting Price and the Cost of New Entry.

III.13.2.4.1	Calculation of Forward Capacity Auction Starting Price, CONE, and Net CONE.
III.13.2.4.2	Interim Year Adjustments to CONE and Net CONE.
III.13.2.5	Treatment of Specific Offer and Bid Types in the Forward Capacity Auction.
III.13.2.5.1	Offers from New Generating Capacity Resources, New Import Capacity Resources, New Demand Capacity Resources, and New Distributed Energy Capacity Resources.
III.13.2.5.2	Bids and Offers from Existing Generating Capacity Resources, Existing Import Capacity Resources, Existing Demand Capacity Resources, and Existing Distributed Energy Capacity Resources.
III.13.2.5.2.1	Permanent De-List Bids and Retirement De-List Bids.
III.13.2.5.2.2	Static De-List Bids and Export Bids.
III.13.2.5.2.3	Dynamic De-List Bids.
III.13.2.5.2.4	Administrative Export De-List Bids.
III.13.2.5.2.5	Reliability Review.
III.13.2.5.2.5A	Fuel Security Reliability Review
III.13.2.5.2.5.1	Compensation for Bids Rejected for Reliability Reasons.
III.13.2.5.2.5.2	Incremental Cost of Reliability Service From Permanent De-List Bid and Retirement De-List Bid Resources.
III.13.2.5.2.5.3	Retirement and Permanent De-Listing of Resources.
III.13.2.6	Capacity Rationing Rule.
III.13.2.7	Determination of Capacity Clearing Prices.
III.13.2.7.1	Import-Constrained Capacity Zone Capacity Clearing Price Floor.
III.13.2.7.2	Export-Constrained Capacity Zone Capacity Clearing Price Ceiling.
III.13.2.7.3	[Reserved.]
III.13.2.7.3A	Treatment of Imports.
III.13.2.7.4	Effect of Capacity Rationing Rule on Capacity Clearing Price.
III.13.2.7.5	Effect of Decremental Repowerings on the Capacity Clearing Price.

III.13.2.7.6 Minimum Capacity Award.

III.13.2.7.7 Tie-Breaking Rules.

III.13.2.8 Capacity Substitution Auctions.

III.13.2.8.1 Administration of Substitution Auctions.

III.13.2.8.1.1 Substitution Auction Clearing and Awards.

III.13.2.8.1.2 Substitution Auction Pricing.

III.13.2.8.2 Supply Offers in the Substitution Auction.

III.13.2.8.2.1 Supply Offers.

III.13.2.8.2.2 Supply Offer Prices.

III.13.2.8.2.3 Supply Offers Entered into the Substitution Auction.

III.13.2.8.3 Demand Bids in the Substitution Auction.

III.13.2.8.3.1 Demand Bids.

III.13.2.8.3.2 Demand Bid Prices.

III.13.2.8.3.3 Demand Bids Entered into the Substitution Auction.

III.13.3 Critical Path Schedule Monitoring.

III.13.3.1 Resources Subject to Critical Path Schedule Monitoring.

III.13.3.1.1 New Resources Electing Critical Path Schedule Monitoring.

III.13.3.1.2 New Resources Clearing in the Forward Capacity Auction.

III.13.3.1.3 New Resource Not Offering or Not Clearing in the Forward Capacity Auction.

III.13.3.2 Quarterly Critical Path Schedule Reports.

III.13.3.2.1 Updated Critical Path Schedule.

III.13.3.2.2 Documentation of Milestones Achieved.

III.13.3.2.3 Additional Relevant Information.

III.13.3.2.4 Additional Information for Resources Previously Counted as Capacity.

III.13.3.3 Failure to Meet Critical Path Schedule.

III.13.3.4 Covering Capacity Supply Obligations.

III.13.3.4A Termination of Capacity Supply Obligations.

III.13.3.5 Termination of Interconnection Agreement.

III.13.3.6 Withdrawal from Critical Path Schedule Monitoring.

III.13.3.7 Request to Defer Capacity Supply Obligation.

III.13.3.8 FCM Commercial Operation.

III.13.4 Reconfiguration Auctions.

III.13.4.1 Capacity Zones Included in Reconfiguration Auctions.

III.13.4.2 Participation in Reconfiguration Auctions.

III.13.4.2.1 Supply Offers.

III.13.4.2.1.1 Amount of Capacity That May Be Submitted in a Supply Offer in an Annual Reconfiguration Auction.

III.13.4.2.1.2 Calculation of Summer ARA Qualified Capacity and Winter ARA Qualified Capacity.

III.13.4.2.1.2.1 First Annual Reconfiguration Auction and Second Annual Reconfiguration Auction.

III.13.4.2.1.2.1.1 Generating Capacity Resources other than Intermittent Power Resources.

III.13.4.2.1.2.1.1.1 Summer ARA Qualified Capacity.

III.13.4.2.1.2.1.1.2 Winter ARA Qualified Capacity.

III.13.4.2.1.2.1.2 Intermittent Power Resources.

III.13.4.2.1.2.1.2.1 Summer ARA Qualified Capacity.

III.13.4.2.1.2.1.2.2 Winter ARA Qualified Capacity.

III.13.4.2.1.2.1.3 Import Capacity Resources Backed by an External Control Area.

III.13.4.2.1.2.1.3.1 Import Capacity Resources Backed by One or More External Resources.

III.13.4.2.1.2.1.4 Demand Capacity Resources.

III.13.4.2.1.2.1.4.1 Summer ARA Qualified Capacity.

III.13.4.2.1.2.1.4.2 Winter ARA Qualified Capacity.

III.13.4.2.1.2.1.5 Distributed Energy Capacity Resources.

III.13.4.2.1.2.1.5.1 Summer ARA Qualified Capacity.

III.13.4.2.1.2.1.5.2 Winter ARA Qualified Capacity.

III.13.4.2.1.2.2	Third Annual Reconfiguration Auction.
III.13.4.2.1.2.2.1	Generating Capacity Resources other than Intermittent Power Resources.
III.13.4.2.1.2.2.1.1	Summer ARA Qualified Capacity.
III.13.4.2.1.2.2.1.2	Winter ARA Qualified Capacity.
III.13.4.2.1.2.2.2	Intermittent Power Resources.
III.13.4.2.1.2.2.2.1	Summer ARA Qualified Capacity.
III.13.4.2.1.2.2.2.2	Winter ARA Qualified Capacity.
III.13.4.2.1.2.2.3	Import Capacity Resources.
III.13.4.2.1.2.2.3.1	Import Capacity Resources Backed by an External Control Area.
III.13.4.2.1.2.2.3.2	Import Capacity Resources Backed by One or More External Resources.
III.13.4.2.1.2.2.4	Demand Capacity Resources.
III.13.4.2.1.2.2.4.1	Summer ARA Qualified Capacity.
III.13.4.2.1.2.2.4.2	Winter ARA Qualified Capacity.
III.13.4.2.1.2.2.5	Distributed Energy Capacity Resources.
III.13.4.2.1.2.2.5.1	Summer ARA Qualified Capacity.
III.13.4.2.1.2.2.5.2	Winter ARA Qualified Capacity.
III.13.4.2.1.3	Adjustment for Significant Decreases in Capacity.
III.13.4.2.1.4	Amount of Capacity That May Be Submitted in a Supply Offer in a Monthly Reconfiguration Auction.
III.13.4.2.1.5	ISO Review of Supply Offers.
III.13.4.2.2	Demand Bids in Reconfiguration Auctions.
III.13.4.3	ISO Participation in Reconfiguration Auctions.
III.13.4.4	Clearing Offers and Bids in Reconfiguration Auctions.
III.13.4.5	Annual Reconfiguration Auctions.
III.13.4.5.1	Timing of Annual Reconfiguration Auctions.
III.13.4.5.2	Acceleration of Annual Reconfiguration Auction.
III.13.4.6	[Reserved.]

III.13.4.7 Monthly Reconfiguration Auctions.

III.13.4.8 Adjustment to Capacity Supply Obligations.

III.13.5 Bilateral Contracts in the Forward Capacity Market.

III.13.5.1 Capacity Supply Obligation Bilaterals.

III.13.5.1.1 Process for Approval of Capacity Supply Obligation Bilaterals.

III.13.5.1.1.1 Timing of Submission and Prior Notification to the ISO.

III.13.5.1.1.2 Application.

III.13.5.1.1.3 ISO Review.

III.13.5.1.1.4 Approval.

III.13.5.2 Capacity Load Obligations Bilaterals.

III.13.5.2.1 Process for Approval of Capacity Load Obligation Bilaterals.

III.13.5.2.1.1 Timing.

III.13.5.2.1.2 Application.

III.13.5.2.1.3 ISO Review.

III.13.5.2.1.4 Approval.

III.13.5.3 [Reserved.]

III.13.5.4 Annual Reconfiguration Transactions.

III.13.5.4.1 Timing of Submission.

III.13.5.4.2 Components of an Annual Reconfiguration Transaction.

III.13.5.4.3 Settlement of Annual Reconfiguration Transactions.

III.13.6 Rights and Obligations.

III.13.6.1 Resources with Capacity Supply Obligations.

III.13.6.1.1 Generating Capacity Resources with Capacity Supply Obligations.

III.13.6.1.1.1 Energy Market Offer Requirements.

III.13.6.1.1.2 Requirement that Offers Reflect Accurate Generating Capacity Resource Operating Characteristics.

III.13.6.1.1.3 [Reserved.]

III.13.6.1.1.4 [Reserved.]

III.13.6.1.1.5 Additional Requirements for Generating Capacity Resources.

III.13.6.1.2 Import Capacity Resources with Capacity Supply Obligations.

III.13.6.1.2.1 Energy Market Offer Requirements.

III.13.6.1.2.2 Additional Requirements for Certain Import Capacity Resources.

III.13.6.1.2.3 Additional Requirements for Import Capacity Resources at External Interfaces with Enhanced Scheduling.

III.13.6.1.3 Intermittent Power Resources with Capacity Supply Obligations.

III.13.6.1.3.1 Energy Market Offer Requirements.

III.13.6.1.3.2 [Reserved.]

III.13.6.1.3.3 Additional Requirements for Intermittent Power Resources.

III.13.6.1.4 [Reserved.]

III.13.6.1.5 Demand Capacity Resources with Capacity Supply Obligations.

III.13.6.1.5.1 Energy Market Offer Requirements.

III.13.6.1.5.2 Requirement that Offers Reflect Accurate Demand Response Resource Operating Characteristics.

III.13.6.1.5.3 Additional Requirements for Demand Capacity Resources.

III.13.6.1.5.4. On-Peak Demand Resource and Seasonal Peak Demand Resource Auditing Requirements.

III.13.6.1.5.5. Additional Demand Capacity Resource Audits.

III.13.6.1.6. DNE Dispatchable Generator.

III.13.6.1.6.1 Energy Market Offer Requirements.

III.13.6.1.7 Distributed Energy Capacity Resources with Capacity Supply Obligations.

III.13.6.1.7.1 Energy Market Offer Requirements.

III.13.6.1.7.2 Requirement that Offers Reflect Accurate Distributed Energy Capacity Resource Operating Characteristics.

III.13.6.1.7.3 Additional Requirements for Distributed Energy Capacity Resources.

III.13.6.2 Resources Without a Capacity Supply Obligation.

III.13.6.2.1 Generating Capacity Resources without a Capacity Supply Obligation.

III.13.6.2.1.1 Energy Market Offer Requirements.

III.13.6.2.1.1.1 Day-Ahead Energy Market Participation.

III.13.6.2.1.1.2 Real-Time Energy Market Participation.

III.13.6.2.1.2 Additional Requirements for Generating Capacity Resources Having No Capacity Supply Obligation.

III.13.6.2.2 Distributed Energy Capacity Resources without a Capacity Supply Obligation.

III.13.6.2.2.1 Energy Market Offer Requirements.

III.13.6.2.2.2 Day-Ahead Energy Market Participation.

III.13.6.2.2.3 Real-Time Energy Market Participation.

III.13.6.2.2.4 Additional Requirements for Distributed Energy Capacity Resources Having No Capacity Supply Obligation.

III.13.6.2.3 Intermittent Power Resources without a Capacity Supply Obligation.

III.13.6.2.3.1 Energy Market Offer Requirements.

III.13.6.2.3.2 Additional Requirements for Intermittent Power Resources.

III.13.6.2.4 [Reserved.]

III.13.6.2.5 Demand Capacity Resources without a Capacity Supply Obligation.

III.13.6.2.5.1. Energy Market Offer Requirements.

III.13.6.2.5.1.1. Day-Ahead Energy Market Participation.

III.13.6.2.5.1.2. Real-Time Energy Market Participation.

III.13.6.2.5.2. Additional Requirements for Demand Capacity Resources Having No Capacity Supply Obligation.

III.13.6.3 Exporting Resources.

III.13.6.4 ISO Requests for Energy.

III.13.6.4.1 Real-Time High Operating Limit.

III.13.7 Performance, Payments and Charges in the FCM.

III.13.7.1 Capacity Base Payments.

III.13.7.1.1 Monthly Payments and Charges Reflecting Capacity Supply Obligations.

III.13.7.1.2 Peak Energy Rents.

III.13.7.1.2.1 Hourly PER Calculations.

III.13.7.1.2.2 Monthly PER Application.

III.13.7.1.3 Export Capacity.

III.13.7.1.4 [Reserved.]

III.13.7.2 Capacity Performance Payments.

III.13.7.2.1 Definition of Capacity Scarcity Condition.

III.13.7.2.2 Calculation of Actual Capacity Provided During a Capacity Scarcity Condition.

III.13.7.2.3 Capacity Balancing Ratio.

III.13.7.2.4 Capacity Performance Score.

III.13.7.2.5 Capacity Performance Payment Rate.

III.13.7.2.6 Calculation of Capacity Performance Payments.

III.13.7.2.A System-Backed Export Charges.

III.13.7.2.A.1 System-Backed Exports.

III.13.7.2.A.2 Calculation of System-Backed Export Charges.

III.13.7.3 Monthly Capacity Payment and Capacity Stop-Loss Mechanism.

III.13.7.3.1 Monthly Stop-Loss.

III.13.7.3.2 Annual Stop-Loss.

III.13.7.4 Allocation of Deficient or Excess Capacity Performance Payments and System-Backed Export Charges.

III.13.7.5 Charges to Market Participants with Capacity Load Obligations.

III.13.7.5.1 Calculation of Capacity Charges Prior to June 1, 2022.

III.13.7.5.1.1 Calculation of Capacity Charges On and After June 1, 2022.

III.13.7.5.1.1.1 Forward Capacity Auction Charge.

III.13.7.5.1.1.2 Annual Reconfiguration Auction Charge.

III.13.7.5.1.1.3 Monthly Reconfiguration Auction Charge.

III.13.7.5.1.1.4 HQICC Capacity Charge.

III.13.7.5.1.1.5 Self-Supply Adjustment.

III.13.7.5.1.1.6 Intermittent Power Resource Capacity Adjustment.

III.13.7.5.1.1.7 Multi-Year Rate Election Adjustment.

III.13.7.5.1.1.8 CTR Transmission Upgrade Charge.

III.13.7.5.1.1.9 CTR Pool-Planned Unit Charge.

III.13.7.5.1.1.10 Failure to Cover Charge Adjustment.

III.13.7.5.2 Calculation of Capacity Load Obligation and Zonal Capacity Obligation.

III.13.7.5.2.1 Charges Associated with Dispatchable Asset Related Demands.

III.13.7.5.3 Excess Revenues.

III.13.7.5.4 Capacity Transfer Rights.

III.13.7.5.4.1 Definition and Payments to Holders of Capacity Transfer Rights.

III.13.7.5.4.2 Allocation of Capacity Transfer Rights.

III.13.7.5.4.3 Allocations of CTRs Resulting From Revised Capacity Zones.

III.13.7.5.4.4 Specifically Allocated CTRs Associated with Transmission Upgrades.

III.13.7.5.4.5 Specifically Allocated CTRs for Pool-Planned Units.

III.13.7.5.5 Forward Capacity Market Net Charge Amount.

III.13.8 Reporting and Price Finality.

III.13.8.1 Filing of Certain Determinations Made By the ISO Prior to the Forward Capacity Auction and Challenges Thereto.

III.13.8.2 Filing of Forward Capacity Auction Results and Challenges Thereto.

III.14 Regulation Market.

III.14.1 Regulation Market System Requirements.

III.14.2 Regulation Market Eligibility.

III.14.3 Regulation Market Offers.

III.14.4 [Reserved.].

III.14.5 Regulation Market Resource Selection.

III.14.6 Regulation Market Dispatch.

III.14.7 Performance Monitoring.

III.14.8 Regulation Market Settlement and Compensation.

III.14.9 Regulation Market Testing Environment.

III.15 Annual Capacity Market

III.15.A Non-Commercial Capacity Transition Rules

III.15.1 Auction Demand Curves and Other Auction Inputs

III.15.1.1 Annual Capacity Auction Demand Curves

III.15.1.2 Capacity Auction Offer Price Cap and the Cost of New Entry

III.15.2 Capacity Resource Qualification

III.15.2.1 Qualification Data Submission Requirements

III.15.2.1.1 Qualification Data Submission Package

III.15.2.1.2 Market Power Review

III.15.2.1.3 Capacity Commitment Period Election

III.15.2.1.4 Material Deficiency in Data Submission

III.15.2.2 Monthly Reconfiguration Auction

III.15.2.3 Deliverability Review

III.15.2.3.1 Deliverability Review for Capacity Resources Associated with Generating Facilities or External Elective Transmission Upgrades Subject to Schedule 22, 23, or 25 of Section II of the Tariff

III.15.2.3.2 Deliverability Review for Capacity Resources Associated with Resources Not Subject to Schedule 22, 23, or 25 of Section II of the Tariff

III.15.2.4 Resources Previously Counted as Capacity

III.15.2.4.1 Material Change to a Capacity Resource

III.15.2.4.2 Treatment of Previously Deactivated or Retired Resources

III.15.2.5 Calculation of Advisory Qualified Capacity Values

III.15.2.6 Capacity Commercial Operation Demonstration Requirement

III.15.2.7 Seasonal Qualified Capacity Values and Challenge Process

III.15.2.8 Offers Composed of Separate Resources (Composite Offers)

III.15.2.9 Self-Supplied Capacity

III.15.2.9.1 Self-Supplied Capacity Eligibility

III.15.2.9.2 Locational Requirements for Self-Supplied Capacity Resources

III.15.2.10 Publication of Annual Qualified Capacity Values for Annual Capacity Auction

III.15.2.11 Publication of Offer Information

III.15.3 Capacity Resource Accreditation.

III.15.3.1 Qualified Capacity for Resources Never Previously Counted as Capacity

III.15.3.1.1 Resources Never Previously Counted as Capacity

III.15.3.2 Qualified Capacity for Generating Capacity Resources

III.15.3.2.1 Summer Qualified Capacity

III.15.3.2.2 Winter Qualified Capacity

III.15.3.2.3 Annual Qualified Capacity

III.15.3.2.4 Monthly Qualified Capacity

III.15.3.3 Qualified Capacity for Import Capacity Resources

III.15.3.4 Qualified Capacity for Demand Capacity Resources

III.15.3.4.1 Summer and Winter Qualified Capacity

III.15.3.4.2 Annual Qualified Capacity

III.15.3.4.3 Monthly Qualified Capacity

III.15.3.5 Qualified Capacity of Distributed Energy Capacity Resources

III.15.3.5.1 Summer and Winter Qualified Capacity

III.15.3.5.2 Annual Qualified Capacity

III.15.3.5.3 Monthly Qualified Capacity

III.15.3.6 Adjustment for Significant Decreases in Capacity

III.15.3.7 Resources Having a Higher Summer Qualified Capacity than Winter Qualified Capacity

III.15.4 Annual Capacity Auction

III.15.4.1 Capacity Offers

III.15.4.2 Conduct of the Annual Capacity Auction

III.15.4.2.1 Replacement of Specified Prices for Mitigation Purposes

III.15.4.2.2 Clearing of the Annual Capacity Auction

III.15.4.2.3 Results of the Annual Capacity Auction

III.15.4.2.4 Additional Clearing of Auction in the Event of Cleared Proxy Offers

III.15.4.3 Publication of Annual Capacity Auction Results

III.15.5 Monthly Reconfiguration Auctions

III.15.5.1 Capacity Zones Included in Monthly Reconfiguration Auctions

III.15.5.2 Participation in Monthly Reconfiguration Auctions

III.15.5.2.1 Supply Offers in Monthly Reconfiguration Auctions

III.15.5.2.2 Demand Bids in Monthly Reconfiguration Auctions

III.15.5.3 Clearing Offers and Bids in Monthly Reconfiguration Auctions

III.15.5.4 Conduct of Monthly Reconfiguration Auctions

III.15.5.5 Adjustment to Capacity Supply Obligations

III.15.6 Bilateral Capacity Contracts

III.15.6.1 Capacity Supply Obligation Bilaterals.

III.15.6.1.1 Terms of and Participation in Capacity Supply Obligation Bilaterals

III.15.6.1.2 Timing of Submission and Prior Notification to the ISO

III.15.6.1.3 Contents of Submission to the ISO

III.15.6.1.4 ISO Review

III.15.6.1.5 Approval

III.15.6.2 Capacity Load Obligations Bilaterals

III.15.6.2.1 Terms of and Participation in Capacity Load Obligation Bilaterals

III.15.6.2.2 Timing of Submission to the ISO

III.15.6.2.3 Contents of Submission to the ISO

III.15.6.2.4 ISO Review

III.15.6.2.5 Approval

III.15.7 Obligations of Capacity Suppliers

III.15.7.1 Resources with Capacity Supply Obligations

III.15.7.1.1 Generating Capacity Resources with Capacity Supply Obligations

III.15.7.1.2 Import Capacity Resources with Capacity Supply Obligations

III.15.7.1.3 Intermittent Power Resources with Capacity Supply Obligations

III.15.7.1.4 [Reserved.]

III.15.7.1.5 Demand Capacity Resources with Capacity Supply Obligations

III.15.7.1.6 DNE Dispatchable Generator

III.15.7.1.7 Distributed Energy Capacity Resources with Capacity Supply Obligations

III.15.7.2 Resources without a Capacity Supply Obligation

III.15.7.2.1 Generating Capacity Resources without a Capacity Supply Obligation

III.15.7.2.2 Distributed Energy Capacity Resources without a Capacity Supply Obligation

III.15.7.2.3 Intermittent Power Resources without a Capacity Supply Obligation

III.15.7.2.4 [Reserved.]

III.15.7.2.5 Demand Capacity Resources without a Capacity Supply Obligation

III.15.7.3 Exporting Resources

III.15.7.4 ISO Requests for Energy

III.15.7.4.1 Real-Time High Operating Limit

III.15.8 Capacity Payments and Charges

III.15.8.1 Capacity Base Payments

III.15.8.1.1 Payments and Charges Reflecting Capacity Supply Obligations

III.15.8.1.2 Export Capacity

III.15.8.2 Capacity Performance Payments

III.15.8.2.1 Definition of Capacity Scarcity Condition

III.15.8.2.2 Calculation of Actual Capacity Provided During a Capacity Scarcity Condition

III.15.8.2.3 Capacity Balancing Ratio

III.15.8.2.4 Capacity Performance Score

III.15.8.2.5 Capacity Performance Payment Rate

III.15.8.2.6 Calculation of Capacity Performance Payments

III.15.8.2.A System-Backed Export Charges.

III.15.8.2.A.1 System-Backed Exports.

III.15.8.2.A.2 Calculation of System-Backed Export Charges.

III.15.8.3 Monthly Capacity Payment and Capacity Stop-Loss Mechanism

III.15.8.3.1 Monthly Stop-Loss

III.15.8.3.2 Annual Stop-Loss

III.15.8.4 Allocation of Deficient or Excess Capacity Performance Payments and System-Backed Export Charges

III.15.8.5 Charges to Market Participants with Capacity Load Obligations

III.15.8.5.1 Calculation of Capacity Charges

III.15.8.5.2 Calculation of Capacity Load Obligation and Zonal Capacity Obligation

III.15.8.5.3 Excess Revenues

III.15.8.5.4 Capacity Transfer Rights

III.15.8.5.4.1 Specifically Allocated CTRs Associated with Transmission Upgrades

III.15.8.5.4.2 Specifically Allocated CTRs for Pool-Planned Units

III.15.8.5.5 Annual Capacity Market Net Charge Amount

III.15.9 Information Publication and Reporting

STANDARD MARKET DESIGN

III.1 Market Operations

III.1.1 Introduction.

This Market Rule 1 sets forth the scheduling, other procedures, and certain general provisions applicable to the operation of the New England Markets within the New England Control Area. The ISO shall operate the New England Markets in compliance with NERC, NPCC and ISO reliability criteria. The ISO is the Counterparty for agreements and transactions with its Customers (including assignments involving Customers), including bilateral transactions described in Market Rule 1, and sales to the ISO and/or purchases from the ISO of energy, reserves, Ancillary Services, capacity, demand/load response, FTRs and other products, paying or charging (if and as applicable) its Customers the amounts produced by the pertinent market clearing process or through the other pricing mechanisms described in Market Rule 1. The bilateral transactions to which the ISO is the Counterparty (subject to compliance with the requirements of Section III.1.4) include, but are not limited to, Internal Bilaterals for Load, Internal Bilaterals for Market for Energy, Annual Reconfiguration Transactions, Capacity Supply Obligation Bilaterals, Capacity Load Obligation Bilaterals, and the transactions described in Sections III.9.4.1 (internal bilateral transactions that transfer Forward Reserve Obligations), and III.13.1.6 (Self-Supplied Supplied Resources). Notwithstanding the foregoing, the ISO will not act as Counterparty for the import into the New England Control Area, for the use of Publicly Owned Entities, of: (1) energy, capacity, and ancillary products associated therewith, to which the Publicly Owned Entities are given preference under Articles 407 and 408 of the project license for the New York Power Authority's Niagara Project; and (2) energy, capacity, and ancillary products associated therewith, to which Publicly Owned Entities are entitled under Article 419 of the project license for the New York Power Authority's Franklin D. Roosevelt – St. Lawrence Project. This Market Rule 1 addresses each of the three time frames pertinent to the daily operation of the New England Markets: "Pre-scheduling" as specified in Section III.1.9, "Scheduling" as specified in III.1.10, and "Dispatch" as specified in III.1.11. This Market Rule 1 became effective on February 1, 2005.

III.1.2 [Reserved.]

III.1.3 Definitions.

Whenever used in Market Rule 1, in either the singular or plural number, capitalized terms shall have the meanings specified in Section I of the Tariff. Terms used in Market Rule 1 that are not defined in Section

I shall have the meanings customarily attributed to such terms by the electric utility industry in New England or as defined elsewhere in the ISO New England Filed Documents. Terms used in Market Rule 1 that are defined in Section I are subject to the 60% Participant Vote threshold specified in Section 11.1.2 of the Participants Agreement.

III.1.3.1 [Reserved.]

III.1.3.2 [Reserved.]

III.1.3.3 [Reserved.]

III.1.4 Requirements for Certain Transactions.

III.1.4.1 ISO Settlement of Certain Transactions.

The ISO will settle, and act as Counterparty to, the transactions described in Section III.1.4.2 if the transactions (and their related transactions) conform to, and the transacting Market Participants comply with, the requirements specified in Section III.1.4.3.

III.1.4.2 Transactions Subject to Requirements of Section III.1.4.

Transactions that must conform to the requirements of Section III.1.4 include: Internal Bilaterals for Load, Internal Bilaterals for Market for Energy, Annual Reconfiguration Transactions, Capacity Supply Obligation Bilaterals, Capacity Load Obligation Bilaterals, and the transactions described in Sections III.9.4.1 (internal bilateral transactions that transfer Forward Reserve Obligations), and III.13.1.6 (Self-Supplied FCA Resources). The foregoing are referred to collectively as "Section III.1.4 Transactions," and individually as a "Section III.1.4 Transaction." Transactions that conform to the standards are referred to collectively as "Section III.1.4 Conforming Transactions," and individually as a "Section III.1.4 Conforming Transaction."

III.1.4.3 Requirements for Section III.1.4 Conforming Transactions.

(a) To qualify as a Section III.1.4 Conforming Transaction, a Section III.1.4 Transaction must constitute an exchange for an off-market transaction (a "Related Transaction"), where the Related Transaction:

(i) is not cleared or settled by the ISO as Counterparty;

(ii) is a spot, forward or derivatives contract that contemplates the transfer of energy or a MW obligation to or from a Market Participant;

(iii) involves commercially appropriate obligations that impose a duty to transfer electricity or a MW obligation from the seller to the buyer, or from the buyer to the seller, with performance taking place within a reasonable time in accordance with prevailing cash market practices; and

(iv) is not contingent on either party to carry out the Section III.1.4 Transaction.

(b) In addition, to qualify as a Section III.1.4 Conforming Transaction:

(i) the Section III.1.4 Transaction must be executed between separate beneficial owners or separate parties trading for independently controlled accounts;

(ii) the Section III.1.4 Transaction and the Related Transaction must be separately identified in the records of the parties to the transactions; and

(iii) the Section III.1.4 Transaction must be separately identified in the records of the ISO.

(c) As further requirements:

(i) each party to the Section III.1.4 Transaction and Related Transaction must maintain, and produce upon request of the ISO, records demonstrating compliance with the requirements of Sections III.1.4.3(a) and (b) for the Section III.1.4 Transaction, the Related Transaction and any other transaction that is directly related to, or integrated in any way with, the Related Transaction, including the identity of the counterparties and the material economic terms of the transactions including their price, tenor, quantity and execution date; and

(ii) each party to the Section III.1.4 Transaction must be a Market Participant that meets all requirements of the ISO New England Financial Assurance Policy.

III.1.5 Resource Auditing.

III.1.5.1 Claimed Capability Audits.

III.1.5.1.1 General Audit Requirements.

(a) The following types of Claimed Capability Audits may be performed:

(i) An Establish Claimed Capability Audit establishes the Generator Asset's or Settlement Only Distributed Energy Resource Aggregation's ability to respond to ISO Dispatch Instructions and to maintain performance at a specified output level for a specified duration.

(ii) A Seasonal Claimed Capability Audit determines a Generator Asset's or Settlement Only Distributed Energy Resource Aggregation's capability to perform under specified summer and winter conditions for a specified duration.

(iii) A Seasonal DR Audit determines the ability of a Demand Response Resource to perform during specified months for a specified duration.

(iv) A Seasonal DRDERA Audit value determines the ability of a Demand Response Distributed Energy Resource Aggregation to perform during specified months for a specified duration.

(v) An ISO-Initiated Claimed Capability Audit is conducted by the ISO to verify the Generator Asset or Settlement Only Distributed Energy Resource Aggregation's Establish Claimed Capability Audit value, the Demand Response Resource's Seasonal DR Audit value or the Demand Response Distributed Energy Resource Aggregation's Seasonal DRDERA Audit value.

(b) The Claimed Capability Audit value of a Generator Asset or Settlement Only Distributed Energy Resource Aggregation shall reflect any limitations based upon the interdependence of common elements between two or more Generator Assets such as: auxiliaries, limiting operating parameters, and the deployment of operating personnel.

(c) The Claimed Capability Audit value of gas turbine, combined cycle, and pseudo-combined cycle assets shall be normalized to standard 90° (summer) and 20° (winter) temperatures.

(d) The Claimed Capability Audit value for steam turbine assets with steam exports, combined cycle, or pseudo-combined cycle assets with steam exports where steam is exported for uses external to the electric power facility, shall be normalized to the facility's Seasonal Claimed Capability steam demand.

(e) A Claimed Capability Audit may be denied or rescheduled by the ISO if its performance will jeopardize the reliable operation of the electrical system.

III.1.5.1.2 Establish Claimed Capability Audit.

(a) An Establish Claimed Capability Audit may be performed only by a Generator Asset or Settlement Only Distributed Energy Resource Aggregation.

(b) The time and date of an Establish Claimed Capability Audit shall be unannounced.

(c) For a newly commercial Generator Asset or Settlement Only Distributed Energy Resource Aggregation:

(i) An Establish Claimed Capability Audit will be scheduled by the ISO within five Business Days of the commercial operation date for all Generator Assets except:

1. Non-intermittent daily cycle hydro;
2. Non-intermittent net-metered, or special qualifying facilities that do not elect to audit as described in Section III.1.5.1.3; and

3. Intermittent Generator Assets or intermittent Settlement Only Distributed Energy Resource Aggregations

(ii) The Establish Claimed Capability Audit values for both summer and winter shall equal the mean net real power output demonstrated over the duration of the audit, as reflected in hourly revenue metering data, normalized for temperature and steam exports.

(iii) The Establish Claimed Capability Audit values shall be effective as of the commercial operation date of the Generator Asset or Settlement Only Distributed Energy Resource Aggregation.

(d) For Generator Assets with an Establish Claimed Capability Audit value:

(i) An Establish Claimed Capability Audit may be performed at the request of a Market Participant in order to support a change in the summer and winter Establish Claimed Capability Audit values for a Generator Asset or Settlement Only Distributed Energy Resource Aggregation.

(ii) An Establish Claimed Capability Audit shall be performed within five Business Days of the date of the request.

(iii) The Establish Claimed Capability Audit values for both summer and winter shall equal the mean net real power output demonstrated over the duration of the audit, as reflected in hourly revenue metering data, normalized for temperature and steam exports.

(iv) The Establish Claimed Capability Audit values become effective one Business Day following notification of the audit results to the Market Participant by the ISO.

(v) A Market Participant may cancel an audit request prior to issuance of the audit Dispatch Instruction.

(e) An Establish Claimed Capability Audit value may not exceed the maximum interconnected flow specified in the Network Resource Capability for the resource associated with the Generator Asset or the sum of the maximum energy injection capabilities of the Settlement Only Distributed Energy Resource Aggregation's constituent Distributed Energy Resources.

(f) Establish Claimed Capability Audits shall be performed on non-NERC holiday weekdays between 0800 and 2200.

(g) To conduct an Establish Claimed Capability Audit, the ISO shall:

(i) Initiate an Establish Claimed Capability Audit by issuing a Dispatch Instruction ordering the Generator Asset's net output to increase from the current operating level to its Real-Time High Operating Limit or the Settlement Only Distributed Energy Resource Aggregation's net output to increase from the current operating level to its maximum energy injection capability.

(ii) Indicate when issuing the Dispatch Instruction that an audit will be conducted.

(iii) Begin the audit with the first full clock hour after sufficient time has been allowed for the asset to ramp, based on its offered ramp rate from its current operating point to reach its Real-Time High Operating Limit.

(h) An Establish Claimed Capability Audit shall be performed for the following contiguous duration:

Duration Required for an Establish Claimed Capability Audit	
Type	**Claimed Capability Audit Duration (Hrs)**
Steam Turbine (Includes Nuclear)	4
Combined Cycle	4
Integrated Coal Gasification Combustion Cycle	4
Pressurized Fluidized Bed Combustion	4
Combustion Gas Turbine	1
Internal Combustion Engine	1
Hydraulic Turbine – Reversible (Electric Storage) Hydraulic Turbine – Other	2
Hydro-Conventional Daily Pondage Hydro-Conventional Run of River Hydro-Conventional Weekly	2
Wind Photovoltaic Fuel Cell	2
Other Electric Storage (Excludes Hydraulic Turbine – Reversible)	2
Distributed Energy Resource Aggregation Containing More Than One Technology Type	2

(i) The ISO, in consultation with the Market Participant, will determine the contiguous audit duration for a Generator Asset of a type not listed in Section III.1.5.1.2 (h) or a Settlement Only Distributed Energy Resource Aggregation consisting of a single technology type not listed in Section III.1.5.1.2 (h).

III.1.5.1.3. Seasonal Claimed Capability Audits.

(a) A Seasonal Claimed Capability Audit may be performed only by a Generator Asset or Settlement Only Distributed Energy Resource Aggregation.

(b) A Seasonal Claimed Capability Audit must be conducted by all Generator Assets and Settlement Only Distributed Energy Resource Aggregation except:

(i) Non-intermittent daily hydro; and

(ii) Intermittent, net-metered, and special qualifying facilities. Non-intermittent net-metered and special qualifying facilities may elect to perform Seasonal Claimed Capability Audits pursuant to Section III.1.7.11(c)(iv).

(c) An Establish Claimed Capability Audit or ISO-Initiated Claimed Capability Audit that meets the requirements of a Seasonal Claimed Capability Audit in this Section III.1.5.1.3 may be used to fulfill a Generator Asset's or Settlement Only Distributed Energy Resource Aggregation's Seasonal Claimed Capability Audit obligation.

(d) Except as provided in Section III.1.5.1.3(n) below, a summer Seasonal Claimed Capability Audit must be conducted:

(i) At least once every Capability Demonstration Year;

(ii) Either (1) at a mean ambient temperature during the audit that is greater than or equal to 80 degrees Fahrenheit at the location of the Generator Asset or Settlement Only Distributed Energy Resource Aggregation, or (2) during an ISO-announced summer Seasonal Claimed Capability Audit window.

(e) A winter Seasonal Claimed Capability Audit must be conducted:

(i) At least once in the previous three Capability Demonstration Years, except that a newly commercial Generator Asset which becomes commercial on or after:

(1) September 1 and prior to December 31 shall perform a winter Seasonal Claimed Capability Audit prior to the end of that Capability Demonstration Year.

(2) January 1 shall perform a winter Seasonal Claimed Capability Audit prior to the end of the next Capability Demonstration Year.

(ii) Either (1) at a mean ambient temperature during the audit that is less than or equal to 32 degrees Fahrenheit at the location of the Generator Asset or Settlement Only Distributed Energy Resource Aggregation, or (2) during an ISO-announced winter Seasonal Claimed Capability Audit window.

(f) A Seasonal Claimed Capability Audit shall be performed by operating the Generator Asset or Settlement Only Distributed Energy Resource Aggregation for the audit time period and submitting to the ISO operational data that meets the following requirements:

(i) The Market Participant must notify the ISO of its request to use the dispatch to satisfy the Seasonal Claimed Capability Audit requirement by 5:00 p.m. on the fifth Business Day following the day on which the audit concludes.

(ii) The notification must include the date and time period of the demonstration to be used for the Seasonal Claimed Capability Audit and other relevant operating data.

(g) The Seasonal Claimed Capability Audit value (summer or winter) will be the mean net real power output demonstrated over the duration of the audit, as reflected in hourly revenue metering data, normalized for temperature and steam exports.

(h) The Seasonal Claimed Capability Audit value (summer or winter) shall be the most recent audit data submitted to the ISO meeting the requirements of this Section III.1.5.1.3. In the event that a Market Participant fails to submit Seasonal Claimed Capability Audit data to meet the timing requirements in Section III.1.5.1.3(d) and (e), the Seasonal Claimed Capability Audit value for the season shall be set to zero.

(i) The Seasonal Claimed Capability Audit value shall become effective one Business Day following notification of the audit results to the Market Participant by the ISO.

(j) A Seasonal Claimed Capability Audit shall be performed for the following contiguous duration:

Duration Required for a Seasonal Claimed Capability Audit	
Type	**Claimed Capability Audit Duration (Hrs)**
Steam Turbine (Includes Nuclear)	2
Combined Cycle	2
Integrated Coal Gasification Combustion Cycle	2
Pressurized Fluidized Bed Combustion	2
Combustion Gas Turbine	1
Internal Combustion Engine	1
Hydraulic Turbine-Reversible (Electric Storage) Hydraulic Turbine-Other	2
Hydro-Conventional Weekly	2
Fuel Cell	1
Other Electric Storage (Excludes Hydraulic Turbine - Reversible)	2
Distributed Energy Resource Aggregation Containing More Than One Technology Type	2

(k) A Generator Asset that is on a planned outage that was approved in the ISO's annual maintenance scheduling process during all hours that meet the temperature requirements for a Seasonal Claimed Capability Audit that is to be performed by the asset during that Capability Demonstration Year shall:

(i) Submit to the ISO, prior to September 10, an explanation of the circumstances rendering it incapable of meeting these auditing requirements;

(ii) Have its Seasonal Claimed Capability Audit value for the season set to zero; and

(iii) Perform the required Seasonal Claimed Capability Audit on the next available day that meets the Seasonal Claimed Capability Audit temperature requirements.

(l) A Generator Asset or Settlement Only Distributed Energy Resource Aggregation that does not meet the auditing requirements of this Section III.1.5.1.3 because (1) every time the temperature requirements were met at the Generator Asset or Settlement Only Distributed Energy Resource Aggregation's location the ISO denied the request to operate to full capability, or (2) the temperature requirements were not met at the Generator Asset or Settlement Only Distributed Energy Resource Aggregation's location during the Capability Demonstration Year during which the asset was required to perform a Seasonal Claimed Capability Audit during the hours 0700 to 2300 for each weekday excluding those weekdays that are defined as NERC holidays, shall:

(i) Submit to the ISO, prior to September 10, an explanation of the circumstances rendering it incapable of meeting these temperature requirements, including verifiable temperature data;

(ii) Retain the current Seasonal Claimed Capability Audit value for the season; and

(iii) Perform the required Seasonal Claimed Capability Audit during the next Capability Demonstration Year.

(m) The ISO may issue notice of a summer or winter Seasonal Claimed Capability Audit window for some or all of the New England Control Area if the ISO determines that weather forecasts indicate that temperatures during the audit window will meet the summer or winter Seasonal Claimed Capability Audit temperature requirements. A notice shall be issued at least 48 hours prior to the opening of the audit window. Any audit performed during the announced audit window shall be deemed to meet the temperature requirement for the summer or winter audit. In the event that five or more audit windows for the summer Seasonal Claimed Capability Audit temperature requirement, each of at least a four hour duration between 0700 and 2300 and occurring on a weekday excluding those weekdays that are defined as NERC holidays, are not opened for a Generator Asset or Settlement Only Distributed Energy Resource Aggregation prior to August 15 during a Capability Demonstration Year, a two-week audit window shall be opened for that Generator Asset or Settlement Only Distributed Energy Resource Aggregation to perform

a summer Seasonal Claimed Capability Audit, and any audit performed by that Generator Asset or Settlement Only Distributed Energy Resource Aggregation during the open audit window shall be deemed to meet the temperature requirement for the summer Seasonal Claimed Capability Audit. The open audit window shall be between 0700 and 2300 each day during August 15 through August 31.

(n) A Market Participant that is required to perform testing on a Generator Asset that is in addition to a summer Seasonal Claimed Capability Audit may notify the ISO that the summer Seasonal Claimed Capability Audit was performed in conjunction with this additional testing, provided that:

(i) The notification shall be provided at the time the Seasonal Claimed Capability Audit data is submitted under Section III.1.5.1.3(f).

(ii) The notification explains the nature of the additional testing and that the summer Seasonal Claimed Capability Audit was performed while the Generator Asset was online to perform this additional testing.

(iii) The summer Seasonal Claimed Capability Audit and additional testing are performed during the months of June, July or August between the hours of 0700 and 2300.

(iv) In the event that the summer Seasonal Claimed Capability Audit does not meet the temperature requirements of Section III.1.5.1.3(d)(ii), the summer Seasonal Claimed Capability Audit value may not exceed the summer Seasonal Claimed Capability Audit value from the prior Capability Demonstration Year.

(v) This Section III.1.5.1.3(n) may be utilized no more frequently than once every three Capability Demonstration Years for a Generator Asset.

(o) The ISO, in consultation with the Market Participant, will determine the contiguous audit duration for a Generator Asset or Settlement Only Distributed Energy Resource Aggregation of a type not listed in Section III.1.5.1.3(j).

III.1.5.1.3.1 Seasonal DR Audits.

(a) A Seasonal DR Audit may be performed only by a Demand Response Resource.

(b) A Seasonal DR Audit shall be performed for 12 contiguous five-minute intervals.

(c) A summer Seasonal DR Audit must be conducted by all Demand Response Resources:

(i) At least once every Capability Demonstration Year;

(ii) During the months of April through November;

(d) A winter Seasonal DR Audit must be conducted by all Demand Response Resources:

(i) At least once every Capability Demonstration Year;

(ii) During the months of December through March.

(e) A Seasonal DR Audit may be performed either:

(i) At the request of a Market Participant as described in subsection (f) below; or

(ii) By the Market Participant designating a period of dispatch after the fact as described in subsection (g) below.

(f) If a Market Participant requests a Seasonal DR Audit:

(i) The ISO shall perform the Seasonal DR Audit at an unannounced time between 0800 and 2200 on non-NERC holiday weekdays within five Business Days of the date of the request.

(ii) The ISO shall initiate the Seasonal DR Audit by issuing a Dispatch Instruction ordering the Demand Response Resource to its Maximum Reduction.

(iii) The ISO shall indicate when issuing the Dispatch Instruction that an audit will be conducted.

(iv) The ISO shall begin the audit with the start of the first five-minute interval after sufficient time has been allowed for the resource to ramp, based on its Demand Reduction Offer parameters, to its Maximum Reduction.

(v) A Market Participant may cancel an audit request prior to issuance of the audit Dispatch Instruction.

(g) If the Seasonal DR Audit is performed by the designation of a period of dispatch after the fact, the designated period must meet all of the requirements in this Section III.1.5.1.3.1 and:

(i) The Market Participant must notify the ISO of its request to use the dispatch to satisfy the Seasonal DR Audit requirement by 5:00 p.m. on the fifth Business Day following the day on which the audit concludes.

(ii) The notification must include the date and time period of the demonstration to be used for the Seasonal DR Audit.

(iii) The demonstration period may begin with the start of any five-minute interval after the completion of the Demand Response Resource Notification Time.

(iv) A CLAIM10 audit or CLAIM30 audit that meets the requirements of a Seasonal DR Audit as provided in this Section III.1.5.1.3.1 may be used to fulfill the Seasonal DR Audit obligation of a Demand Response Resource.

(h) An ISO-Initiated Claimed Capability Audit fulfils the Seasonal DR Audit obligation of a Demand Response Resource.

(i) Each Demand Response Asset associated with a Demand Response Resource is evaluated during the Seasonal DR Audit of the Demand Response Resource.

(j) Any Demand Response Asset on a forced or scheduled curtailment as defined in Section III.8.3 is assessed a zero audit value.

(k) The Seasonal DR Audit value (summer or winter) of a Demand Response Resource resulting from the Seasonal DR Audit shall be the sum of the average demand reductions demonstrated during the audit by each of the Demand Response Resource's constituent Demand Response Assets.

(l) If a Demand Response Asset is added to or removed from a Demand Response Resource between audits, the Demand Response Resource's capability shall be updated to reflect the inclusion or exclusion of the audit value of the Demand Response Asset, such that at any point in time the summer or winter Seasonal DR Audit value of a Demand Response Resource shall equal the sum of the most recent valid like-season audit values of its constituent Demand Response Assets.

(m) The Seasonal DR Audit value shall become effective one calendar day following notification of the audit results to the Market Participant by the ISO.

(n) The summer or winter audit value of a Demand Response Asset shall be set to zero at the end of the Capability Demonstration Year if the Demand Response Asset did not perform a Seasonal DR Audit for that season as part of a Demand Response Resource during that Capability Demonstration Year.

(o) For a Demand Response Asset that was associated with a "Real-Time Demand Response Resource" or a "Real-Time Emergency Generation Resource," as those terms were defined prior to June 1, 2018, any valid result from an audit conducted prior to June 1, 2018 shall continue to be valid on June 1, 2018, and shall retain the same expiration date.

III.1.5.1.3.2 Seasonal DRDERA Audits.

(a) A Seasonal DRDERA Audit may be performed only for a Demand Response Distributed Energy Resource Aggregation.

(b) A Seasonal DRDERA Audit shall be performed for 12 contiguous five-minute intervals.

(c) A summer Seasonal DRDERA Audit must be conducted by all Demand Response Distributed Energy Resource Aggregations:

(i) At least once every Capability Demonstration Year;

(ii) During the months of April through November;

(d) A winter Seasonal DRDERA Audit must be conducted by all Demand Response Distributed Energy Resource Aggregations:

(i) At least once every Capability Demonstration Year;

(ii) During the months of December through March.

(e) A Seasonal DRDERA Audit may be performed either:

(i) At the request of a Market Participant as described in subsection (f) below; or

(ii) By the Market Participant designating a period of dispatch after the fact as described in subsection (g) below.

(f) If a Market Participant requests a Seasonal DRDERA Audit:

(i) The ISO shall perform the Seasonal DRDERA Audit at an unannounced time between 0800 and 2200 on non-NERC holiday weekdays within five Business Days of the date of the request.

(ii) The ISO shall initiate the Seasonal DRDERA Audit by issuing a Dispatch Instruction ordering the Demand Response Distributed Energy Resource Aggregation to its Maximum Reduction.

(iii) The ISO shall indicate when issuing the Dispatch Instruction that an audit will be conducted.

(iv) The ISO shall begin the audit with the start of the first five-minute interval after sufficient time has been allowed for the resource to ramp, based on its Demand Reduction Offer parameters, to its Maximum Reduction.

(v) A Market Participant may cancel an audit request prior to issuance of the audit Dispatch Instruction.

(g) If the Seasonal DRDERA Audit is performed by the designation of a period of dispatch after the fact, the designated period must meet all of the requirements in this Section III.1.5.1.3.2 and:

(i) The Market Participant must notify the ISO of its request to use the dispatch to satisfy the Seasonal DRDERA Audit requirement by 5:00 p.m. on the fifth Business Day following the day on which the audit concludes.

(ii) The notification must include the date and time period of the demonstration to be used for the Seasonal DRDERA Audit.

(iii) The demonstration period may begin with the start of any five-minute interval after the completion of the Demand Response Resource Notification Time.

(iv) A CLAIM10 audit or CLAIM30 audit that meets the requirements of a Seasonal DRDERA Audit as provided in this Section III.1.5.1.3.2 may be used to fulfill the Seasonal DRDERA Audit obligation of a Demand Response Distributed Energy Resource Aggregation.

(h) An ISO-Initiated Claimed Capability Audit fulfills the Seasonal DRDERA Audit obligation of a Demand Response Distributed Energy Resource Aggregation.

(i) Each Distributed Energy Resource associated with a Demand Response Distributed Energy Resource Aggregation is evaluated during the Seasonal DRDERA Audit of the Demand Response Distributed Energy Resource Aggregation.

(j) Any Distributed Energy Resource on a forced or scheduled curtailment as defined in Section III.8.3 is assessed a zero audit value.

(k) The Seasonal DRDERA Audit value (summer or winter) of a Demand Response Distributed Energy Resource Aggregation resulting from the Seasonal DRDERA Audit shall be the sum of the load reductions demonstrated during the audit by each of the Demand Response Distributed Energy Resource Aggregation's constituent Distributed Energy Resources plus the energy injected by the Demand Response Distributed Energy Resource Aggregation during the audit period.

(l) If a Distributed Energy Resource is added to or removed from a Demand Response Distributed Energy Resource Aggregation between audits, the Demand Response Distributed Energy Resource Aggregation's capability shall be updated to reflect the inclusion or exclusion of the audit value of the Distributed Energy Resource, such that at any point in time the summer or winter Seasonal DRDERA Audit value of a Demand Response Distributed Energy Resource Aggregation shall equal the sum of the most recent valid like-season audit values of its constituent Distributed Energy Resources.

(m) The Seasonal DRDERA Audit value shall become effective one calendar day following notification of the audit results to the Market Participant by the ISO.

The summer or winter audit value of a Distributed Energy Resource shall be set to zero at the end of the Capability Demonstration Year if the Distributed Energy Resource did not perform a Seasonal DRDERA Audit for that season as part of a Demand Response Distributed Energy Resource Aggregation during that Capability Demonstration Year.

III.1.5.1.4. ISO-Initiated Claimed Capability Audits.

(a) An ISO-Initiated Claimed Capability Audit may be performed by the ISO at any time.

(b) An ISO-Initiated Claimed Capability Audit value shall replace either the summer or winter Seasonal DR Audit value for a Demand Response Resource, shall replace either the summer or winter Seasonal DRDERA Audit value for a Demand Response Distributed Energy Resource Aggregation, and shall replace both the winter and summer Establish Claimed Capability Audit values for a Generator Asset or Settlement Only Distributed Energy Resource Aggregation, normalized for temperature and steam exports, except:

(i) The Establish Claimed Capability Audit values for a Generator Asset may not exceed the maximum interconnected flow specified in the Network Resource Capability or equivalent interconnection agreements for that resource.

(ii) An ISO-Initiated Claimed Capability Audit value for a Generator Asset or Settlement Only Distributed Energy Resource Aggregation shall not set the winter Establish Claimed Capability Audit value unless the ISO-Initiated Claimed Capability Audit was performed at a

mean ambient temperature that is less than or equal to 32 degrees Fahrenheit at the Generator Asset or Settlement Only Distributed Energy Resource Aggregation location.

(c) If for a Generator Asset a Market Participant submits pressure and relative humidity data for the previous Establish Claimed Capability Audit and the current ISO-Initiated Claimed Capability Audit, the Establish Claimed Capability Audit values derived from the ISO-Initiated Claimed Capability Audit will be normalized to the pressure of the previous Establish Claimed Capability Audit and a relative humidity of 64%.

(d) The audit values derived from the ISO-Initiated Claimed Capability Audit shall become effective one Business Day following notification of the audit results to the Market Participant by the ISO.

(e) To conduct an ISO-Initiated Claimed Capability Audit, the ISO shall:

(i) Initiate an ISO-Initiated Claimed Capability Audit by issuing a Dispatch Instruction ordering the Generator Asset to its Real-Time High Operating Limit, Settlement Only Distributed Energy Resource Aggregation to its maximum energy injection capability, the Demand Response Resource to its Maximum Reduction, or the Demand Response Distributed Energy Resource Aggregation to its Maximum Reduction.

(ii) Indicate when issuing the Dispatch Instruction that an audit will be conducted.

(iii) For Generator Assets, begin the audit with the first full clock hour after sufficient time has been allowed for the Generator Asset to ramp, based on its offered ramp rate, from its current operating point to its Real-Time High Operating Limit.

(iv) For Settlement Only Distributed Energy Resource Aggregations, begin the audit with the first full clock hour after sufficient time has been allowed for the net output of the Settlement

(v) Only Distributed Energy Resource Aggregation to increase from the current operating level to its maximum energy injection capability.

(vi) For Demand Response Resources, begin the audit with the first five-minute interval after sufficient time has been allowed for the resource to ramp, based on its Demand Reduction Offer parameters, to its Maximum Reduction.

(vii) For Demand Response Distributed Energy Resource Aggregations, begin the audit with the first five-minute interval after sufficient time has been allowed for the resource to ramp, based on its Demand Reduction Offer parameters, to its Maximum Reduction.

(f) An ISO-Initiated Claimed Capability Audit shall be performed for the following contiguous duration:

Duration Required for an ISO-Initiated Claimed Capability Audit

Type	Claimed Capability Audit Duration (Hrs)
Steam Turbine (Includes Nuclear)	4
Combined Cycle	4
Integrated Coal Gasification Combustion Cycle	4
Pressurized Fluidized Bed Combustion	4
Combustion Gas Turbine	1
Internal Combustion Engine	1
Hydraulic Turbine – Reversible (Electric Storage) Hydraulic Turbine – Other	2
Hydro-Conventional Daily Pondage Hydro-Conventional Run of River Hydro-Conventional Weekly	2
Wind Photovoltaic Fuel Cell	2
Other Electric Storage (Excludes Hydraulic Turbine – Reversible)	2
Demand Response Resource or Demand Response Distributed Energy Resource Aggregations	1
Distributed Energy Resource Aggregation Containing More Than One Technology Type	2

(g) The ISO, in consultation with the Market Participant, will determine the contiguous audit duration for an Asset or Resource type not listed in Section III.1.5.1.4(f).

III.1.5.2 ISO-Initiated Parameter Auditing.

(a) The ISO may perform an audit of any Supply Offer, Demand Reduction Offer, or other operating parameter that impacts the ability of a Generator Asset or Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation to provide energy or reserves.

(b) Generator Asset audits shall be performed using the following methods for the relevant parameter:

(i) **Economic Maximum Limit**. The Generator Asset shall be evaluated based upon its ability to achieve the current offered Economic Maximum Limit value, through a review of historical dispatch data or based on a response to a current ISO-issued Dispatch Instruction.

(ii) **Manual Response Rate**. The Generator Asset shall be evaluated based upon its ability to respond to Dispatch Instructions at its offered Manual Response Rate, including hold points and changes in Manual Response Rates.

(iii) **Start-Up Time**. The Generator Asset shall be evaluated based upon its ability to achieve the offered Start-Up Time.

(iv) **Notification Time**. The Generator Asset shall be evaluated based upon its ability to close its output breaker within its offered Notification Time.

(v) **CLAIM10**. The Generator Asset shall be evaluated based upon its ability to reach its CLAIM10 in accordance with Section III.9.5.

(vi) **CLAIM30**. The Generator Asset shall be evaluated based upon its ability to reach its CLAIM30 in accordance with Section III.9.5.

(vii) **Automatic Response Rate**. The Generator Asset shall be analyzed, based upon a review of historical performance data, for its ability to respond to four-second electronic Dispatch Instructions.

(viii) **Dual Fuel Capability**. A Generator Asset that is capable of operating on multiple fuels may be required to audit on a specific fuel, as set out in Section III.1.5.2(f).

(c) Demand Response Resource audits shall be performed using the following methods:

(i) **Maximum Reduction**. The Demand Response Resource shall be evaluated based upon its ability to achieve the current offered Maximum Reduction value, through a review of historical dispatch data or based on a response to a current Dispatch Instruction.

(ii) **Demand Response Resource Ramp Rate**. The Demand Response Resource shall be evaluated based upon its ability to respond to Dispatch Instructions at its offered Demand Response Resource Ramp Rate.

(iii) **Demand Response Resource Start-Up Time**. The Demand Response Resource shall be evaluated based upon its ability to achieve its Minimum Reduction within the offered Demand Response Resource Start-Up Time, in response to a Dispatch Instruction and after completing its Demand Response Resource Notification Time.

(iv) **Demand Response Resource Notification Time**. The Demand Response Resource shall be evaluated based upon its ability to start reducing demand within its offered Demand Response Resource Notification Time, from the receipt of a Dispatch Instruction when the Demand Response Resource was not previously reducing demand.

(v) **CLAIM10**. The Demand Response Resource shall be evaluated based upon its ability to reach its CLAIM10 in accordance with Section III.9.5.

(vi) **CLAIM30**. The Demand Response Resource shall be evaluated based upon its ability to reach its CLAIM30 in accordance with Section III.9.5.

(d) Demand Response Distributed Energy Resource Aggregation audits shall be performed using the following methods:

(i) **Maximum Reduction**. The Demand Response Distributed Energy Resource Aggregation shall be evaluated based upon its ability to achieve the current offered Maximum Reduction value, through a review of historical dispatch data or based on a response to a current Dispatch Instruction.

(ii) **Demand Response Resource Ramp Rate**. The Demand Response Distributed Energy Resource Aggregation shall be evaluated based upon its ability to respond to Dispatch Instructions at its offered Demand Response Resource Ramp Rate.

(iii) **Demand Response Resource Start-Up Time**. The Demand Response Distributed Energy Resource Aggregation shall be evaluated based upon its ability to achieve its Minimum Reduction within the offered Demand Response Resource Start-Up Time, in response to a Dispatch Instruction and after completing its Demand Response Resource Notification Time.

(iv) **Demand Response Resource Notification Time**. The Demand Response Distributed Energy Resource Aggregation shall be evaluated based upon its ability to start deviating demand within its offered Demand Response Resource Notification Time, from the receipt of a Dispatch Instruction when the Demand Response Distributed Energy Resource Aggregation was not previously deviating demand.

(v) **CLAIM10**. The Demand Response Distributed Energy Resource Aggregation shall be evaluated based upon its ability to reach its CLAIM10 in accordance with Section III.9.5.

(vi) **CLAIM30**. The Demand Response Distributed Energy Resource Aggregation shall be evaluated based upon its ability to reach its CLAIM30 in accordance with Section III.9.5

(e) To conduct an audit based upon historical data, the ISO shall:

(i) Obtain data through random sampling of generator, Demand Response Resource , or Demand Response Distributed Energy Resource Aggregation performance in response to Dispatch Instructions; or

(ii) Obtain data through continual monitoring of generator, Demand Response Resource , or Demand Response Distributed Energy Resource Aggregation performance in response to Dispatch Instructions.

(f) To conduct an unannounced audit, the ISO shall initiate the audit by issuing a Dispatch Instruction ordering the Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation to change from the current operating level to a level that permits the ISO to evaluate the performance of the Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation for the parameters being audited.

(g) To conduct an audit of the capability of a Generator Asset described in Section III.1.5.2(b)(viii) to run on a specific fuel:

(i) The ISO shall notify the Lead Market Participant if a Generator Asset is required to undergo an audit on a specific fuel. The ISO, in consultation with the Lead Market Participant, shall develop a plan for the audit.

(ii) The Lead Market Participant will have the ability to propose the time and date of the audit within the ISO's prescribed time frame and must notify the ISO at least five Business Days in advance of the audit, unless otherwise agreed to by the ISO and the Lead Market Participant.

(h) To the extent that the audit results indicate a Market Participant is providing Supply Offer, Demand Reduction Offer, or other operating parameter values that are not representative of the actual capability of the Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation, the values for the Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation shall be restricted to those values that are supported by the audit.

(i) In the event that a Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation has had a parameter value restricted:

(i) The Market Participant may submit a restoration plan to the ISO to restore that parameter. The restoration plan shall:

1. Provide an explanation of the discrepancy;
2. Indicate the steps that the Market Participant will take to re-establish the parameter's value;
3. Indicate the timeline for completing the restoration; and
4. Explain the testing that the Market Participant will undertake to verify restoration of the parameter value upon completion.

(ii) The ISO shall:

1. Accept the restoration plan if implementation of the plan, including the testing plan, is reasonably likely to support the proposed change in the parameter value restriction;
2. Coordinate with the Market Participant to perform required testing upon completion of the restoration; and

3. Modify the parameter value restriction following completion of the restoration plan, based upon tested values.

III.1.5.3 Reactive Capability Audits.

(a) Two types of Reactive Capability Audits may be performed:

(i) A lagging Reactive Capability Audit, which is an audit that measures a Reactive Resource's ability to provide reactive power to the transmission system at a specified real power output or consumption.

(ii) A leading Reactive Capability Audit, which is an audit that measures a Reactive Resource's ability to absorb reactive power from the transmission system at a specified real power output or consumption.

(b) The ISO shall develop a list of Reactive Resources that must conduct Reactive Capability Audits. The list shall include Reactive Resources that: (i) have a gross individual nameplate rating greater than 20 MVA; (ii) are directly connected, or are connected through equipment designed primarily for delivering real or reactive power to an interconnection point, to the transmission system at a voltage of 100 kV or above; and (iii) are not exempted from providing voltage control by the ISO. Additional criteria to be used in adding a Reactive Resource to the list includes, but is not limited to, the effect of the Reactive Resource on System Operating Limits, Interconnection Reliability Operating Limits, and local area voltage limits during the following operating states: normal, emergency, and system restoration.

(c) Unless otherwise directed by the ISO, Reactive Resources that are required to perform Reactive Capability Audits shall perform both a lagging Reactive Capability Audit and a leading Reactive Capability Audit.

(d) All Reactive Capability Audits shall meet the testing conditions specified in the ISO New England Operating Documents.

(e) The Reactive Capability Audit value of a Reactive Resource shall reflect any limitations based upon the interdependence of common elements between two or more Reactive Resources such as: auxiliaries, limiting operating parameters, and the deployment of operating personnel.

(f) A Reactive Capability Audit may be denied or rescheduled by the ISO if conducting the Reactive Capability Audit could jeopardize the reliable operation of the electrical system.

(g) Reactive Capability Audits shall be conducted at least every five years, unless otherwise required by the ISO. The ISO may require a Reactive Resource to conduct Reactive Capability Audits more often than every five years if:

(i) there is a change in the Reactive Resource that may affect the reactive power capability of the Reactive Resource;

(ii) there is a change in electrical system conditions that may affect the achievable reactive power output or absorption of the Reactive Resource; or

(iii) historical data shows that the amount of reactive power that the Reactive Resource can provide to or absorb from the transmission system is higher or lower than the latest audit data.

(h) A Lead Market Participant or Transmission Owner may request a waiver of the requirement to conduct a Reactive Capability Audit for its Reactive Resource. The ISO, at its sole discretion, shall determine whether and for how long a waiver may be granted.

III.1.6 [Reserved.]

III.1.6.1 [Reserved.]

III.1.6.2 [Reserved.]

III.1.6.3 [Reserved.]

III.1.6.4 ISO New England Manuals and ISO New England Administrative Procedures.

The ISO shall prepare, maintain and update the ISO New England Manuals and ISO New England Administrative Procedures consistent with the ISO New England Filed Documents. The ISO New England Manuals and ISO New England Administrative Procedures shall be available for inspection by the Market Participants, regulatory authorities with jurisdiction over the ISO or any Market Participant, and the public.

III.1.7 General.

III.1.7.1 Provision of Market Data to the Commission.

The ISO will electronically deliver to the Commission, on an ongoing basis and in a form and manner consistent with its collection of data and in a form and manner acceptable to the Commission, data related to the markets that it administers, in accordance with the Commission's regulations.

III.1.7.2 [Reserved.]

III.1.7.3 Agents.

A Market Participant may participate in the New England Markets through an agent, provided that such Market Participant informs the ISO in advance in writing of the appointment of such agent. A Market Participant using an agent shall be bound by all of the acts or representations of such agent with respect to transactions in the New England Markets, and shall ensure that any such agent complies with the requirements of the ISO New England Manuals and ISO New England Administrative Procedures and the ISO New England Filed Documents.

III.1.7.4 [Reserved.]

III.1.7.5 Transmission Constraint Penalty Factors.

In the Day-Ahead Energy Market, the Transmission Constraint Penalty Factor for an interface constraint is $10,000/MWh and the Transmission Constraint Penalty Factor for all other transmission constraints is $30,000/MWh. In the Real-Time Energy Market, the Transmission Constraint Penalty Factor for any transmission constraint is $30,000/MWh. Transmission Constraint Penalty Factors are not used in calculating Locational Marginal Prices.

III.1.7.6 Scheduling and Dispatching.

(a) The ISO shall schedule Day-Ahead and schedule and dispatch in Real-Time Resources economically on the basis of least-cost, security-constrained dispatch and the prices and operating characteristics offered by Market Participants. The ISO shall schedule and dispatch sufficient Resources of the Market Participants to serve the New England Markets energy purchase requirements under normal system conditions of the Market Participants and meet the requirements of the New England Control Area for ancillary services provided by such Resources. The ISO shall use a joint optimization process to serve Real-Time Energy Market energy requirements and meet Real-Time Operating Reserve requirements based on a least-cost, security-constrained economic dispatch. The ISO shall use a joint optimization process to serve Day-Ahead Market energy requirements and Day-Ahead Ancillary Services requirements, as described in Section III.1.10.8(a).

(b) [Reserved].

(c) Scheduling and dispatch shall be conducted in accordance with the ISO New England Filed Documents.

(d) The ISO shall undertake, together with Market Participants, to identify any conflict or incompatibility between the scheduling or other deadlines or specifications applicable to the New England Markets, and any relevant procedures of another Control Area, or any tariff (including the Transmission, Markets and Services Tariff). Upon determining that any such conflict or incompatibility exists, the ISO shall propose tariff or procedural changes, or undertake such other efforts as may be appropriate, to resolve any such conflict or incompatibility.

III.1.7.7 LMP-Based Energy Pricing.

The price paid for energy, including demand reductions, bought and sold by the ISO in the New England Markets will reflect the Locational Marginal Price at each Location, determined by the ISO in accordance with the ISO New England Filed Documents. Congestion Costs, which shall be determined by differences in the Congestion Component of Locational Marginal Prices caused by constraints, shall be calculated and collected, and the resulting revenues disbursed, by the ISO in accordance with this Market Rule 1. Loss costs associated with Pool Transmission Facilities, which shall be determined by the differences in Loss Components of the Locational Marginal Prices shall be calculated and collected, and the resulting revenues disbursed, by the ISO in accordance with this Market Rule 1.

III.1.7.8 Market Participant Resources.

A Market Participant may elect to Self-Schedule its Resources in accordance with and subject to the limitations and procedures specified in this Market Rule 1 and the ISO New England Manuals.

III.1.7.9 Real-Time Reserve Prices.

The price paid by the ISO for the provision of Real-Time Operating Reserve in the New England Markets will reflect Real-Time Reserve Clearing Prices determined by the ISO in accordance with the ISO New England Filed Documents for the system and each Reserve Zone.

III.1.7.9A Day-Ahead Ancillary Services Prices.

The prices paid by the ISO for the provision of Day-Ahead Ancillary Services in the New England Markets will reflect Day-Ahead Ancillary Services clearing prices determined by the ISO in accordance with the ISO New England Filed Documents.

III.1.7.10 Other Transactions.

Market Participants may enter into internal bilateral transactions and External Transactions for the purchase or sale of energy or other products to or from each other or any other entity, subject to the

obligations of Market Participants to make resources with a Capacity Supply Obligation available for dispatch by the ISO. External Transactions that contemplate the physical transfer of energy or obligations to or from a Market Participant shall be reported to and coordinated with the ISO in accordance with this Market Rule 1 and the ISO New England Manuals.

III.1.7.11 Seasonal Claimed Capability of a Generating Capacity Resource.

(a) A Seasonal Claimed Capability value must be established and maintained for all Generating Capacity Resources. A summer Seasonal Claimed Capability is established for use from June 1 through September 30 and a winter Seasonal Claimed Capability is established for use from October 1 through May 31.

(b) The Seasonal Claimed Capability of a Generating Capacity Resource is the sum of the Seasonal Claimed Capabilities of the Generator Assets that are associated with the Generating Capacity Resource.

(c) The Seasonal Claimed Capability of a Generator Asset is:

(i) Based upon review of historical data for non-intermittent daily cycle hydro.

(ii) The median net real power output during reliability hours, as described in Section III.13.1.2.2.2, for (1) intermittent facilities, and (2) net-metered and special qualifying facilities that do not elect to audit, as reflected in hourly revenue metering data.

(iii) For non-intermittent net-metered and special qualifying facilities that elect to audit, the minimum of (1) the Generator Asset's current Seasonal Claimed Capability Audit value, as performed pursuant to Section III.1.5.1.3; (2) the Generator Asset's current Establish Claimed Capability Audit value; and (3) the median hourly availability during hours ending 2:00 p.m. through 6:00 p.m. each day of the preceding June through September for Summer and hours ending 6:00 p.m. and 7:00 p.m. each day of the preceding October through May for Winter. The hourly availability:

a. For a Generator Asset that is available for commitment and following Dispatch Instructions, shall be the asset's Economic Maximum Limit, as submitted or redeclared.

b. For a Generator Asset that is off-line and not available for commitment shall be zero.

c. For a Generator Asset that is on-line but not able to follow Dispatch Instructions, shall be the asset's metered output.

(iv) For all other Generator Assets, the minimum of: (1) the Generator Asset's current Establish Claimed Capability Audit value and (2) the Generator Asset's current Seasonal Claimed Capability Audit value, as performed pursuant to Section III.1.5.1.3.

III.1.7.12 Seasonal DR Audit Value of an Active Demand Capacity Resource.

(a) A Seasonal DR Audit value must be established and maintained for all Active Demand Capacity Resources. A summer Seasonal DR Audit value is established for use from April 1 through November 30 and a winter Seasonal DR Audit value is established for use from December 1 through March 31.

(b) The Seasonal DR Audit value of an Active Demand Capacity Resource is the sum of the Seasonal DR Audit values of the Demand Response Resources that are associated with the Active Demand Capacity Resource.

III.1.7.13 Seasonal DECR Audit Value.

(a) A Seasonal DECR Audit Value must be established and maintained for all Distributed Energy Capacity Resources. A summer Seasonal DECR Audit Value is established for use from June 1 through September 30 and a winter Seasonal DECR Audit Value is established for use from October 1 through May 31.

(b) The Seasonal DECR Audit Value of Distributed Energy Capacity Resources is the sum of: the Seasonal Claimed Capabilities of Distributed Energy Resource Aggregations participating as a Generator Asset or a Settlement Only Distributed Energy Resource Aggregation; the Seasonal DR Audit value of a Distributed Energy Resource Aggregation participating as a Demand Response Resource; and the Seasonal DRDERA Audit values of the Demand Response Distributed Energy Resource Aggregations comprising the Distributed Energy Capacity Resource.

(c) The Seasonal Claimed Capability of a Settlement Only Distributed Energy Resource is:

a. Based upon review of historical data for non-intermittent daily cycle hydro.

b. The median net real power output during reliability hours, as described in Section III.13.1.2.2.2, for (1) intermittent facilities, and (2) net-metered and special qualifying facilities as reflected in hourly revenue metering data.

c. For all other Settlement Only Distributed Energy Resources, the minimum of: (1) the Settlement Only Distributed Energy Resource's current Establish Claimed Capability Audit value and (2) the Settlement Only Distributed Energy Resource's current Seasonal Claimed Capability Audit value, as performed pursuant to Section III.1.5.1.3.

The Seasonal DRDERA Audit value for Distributed Energy Resource Aggregations participating as Demand Response Distributed Energy Resource Aggregations is the value of the audit for the aggregation performed pursuant to Section III.1.5.1.3.2**.**

III.1.7.14 [Reserved.]

III.1.7.15 [Reserved.]

III.1.7.16 [Reserved.]

III.1.7.17 Operating Reserve.

The ISO shall endeavor to procure and maintain an amount of Operating Reserve in Real-Time equal to the system and zonal Operating Reserve requirements as specified in the ISO New England Manuals and ISO New England Administrative Procedures. Reserve requirements for the Forward Reserve Market are determined in accordance with the methodology specified in Section III.9.2 of Market Rule 1. Operating Reserve requirements for Real-Time dispatch within an Operating Day are determined in accordance with Market Rule 1 and ISO New England Operating Procedure No. 8, Operating Reserve and Regulation.

III.1.7.18 Ramping.

A Generator Asset, Dispatchable Asset Related Demand, Demand Response Distributed Energy Resource Aggregation, or Demand Response Resource dispatched by the ISO pursuant to a control signal appropriate to increase or decrease the Resource's megawatt output, consumption, or demand reduction level shall be able to change output, consumption, or demand reduction at the ramping rate specified in the Offer Data submitted to the ISO for that Resource and shall be subject to potential referral under Section III.A.19.

III.1.7.19 Real-Time Reserve Designation.

The ISO shall determine the Real-Time Reserve Designation for each eligible Resource in accordance with this Section III.1.7.19. The Real-Time Reserve Designation shall consist of a MW value, in no case less than zero, for each Operating Reserve product: Ten-Minute Spinning Reserve, Ten-Minute Non-Spinning Reserve, and Thirty-Minute Operating Reserve.

III.1.7.19.1 Eligibility.

To be eligible to receive a Real-Time Reserve Designation, a Resource must meet all of the criteria enumerated in this Section III.1.7.19.1. A Resource that does not meet all of these criteria is not eligible to provide Operating Reserve and will not receive a Real-Time Reserve Designation.

(1) The Resource must be a Dispatchable Resource located within the metered boundaries of the New England Control Area and capable of receiving and responding to electronic Dispatch Instructions.

(2) The Resource must not be part of the first contingency supply loss.

(3) The Resource must not be designated as constrained by transmission limitations.

(4) The Resource's Operating Reserve, if activated, must be sustainable for at least one hour from the time of activation. (This eligibility requirement does not affect a Resource's obligation to follow Dispatch Instructions, even after one hour from the time of activation.)

(5) The Resource must comply with the applicable standards and requirements for provision and dispatch of Operating Reserve as specified in the ISO New England Manuals and ISO New England Administrative Procedures.

III.1.7.19.2 Calculation of Real-Time Reserve Designation.

III.1.7.19.2.1 Generator Assets.

III.1.7.19.2.1.1 On-line Generator Assets.

The Manual Response Rate used in calculations in this section shall be the lesser of the Generator Asset's offered Manual Response Rate and its audited Manual Response Rate as described in Section III.1.5.2.

(a) **Ten-Minute Spinning Reserve.** For an on-line Generator Asset (other than one registered as being composed of multiple generating units whose synchronized capability cannot be determined by the ISO), Ten-Minute Spinning Reserve shall be calculated as the increase in output the Generator Asset could achieve, relative to its current telemetered output, within ten minutes given its Manual Response Rate (and in no case to a level greater than its Economic Maximum Limit). For an on-line Generator Asset registered as being composed of multiple generating units whose synchronized capability cannot be determined by the ISO, Ten-Minute Spinning Reserve shall be zero.

(b) **Ten-Minute Non-Spinning Reserve.** For an on-line Generator Asset (other than one registered as being composed of multiple generating units whose synchronized capability cannot be determined by the ISO), Ten-Minute Non-Spinning Reserve shall be zero. For an on-line Generator Asset registered as being composed of multiple generating units whose synchronized capability cannot be determined by the ISO, Ten-Minute Non-Spinning Reserve shall be calculated as the increase in output the Generator Asset could achieve, relative to its current telemetered output, within ten minutes given its Manual Response Rate (and in no case to a level greater than its Economic Maximum Limit).

(c) **Thirty-Minute Operating Reserve.** For an on-line Generator Asset, Thirty-Minute Operating Reserve shall be calculated as the increase in output the Generator Asset could achieve, relative to its current telemetered output, within thirty minutes given its Manual Response Rate (and in no case greater than its Economic Maximum Limit) minus the Ten-Minute Spinning Reserve quantity calculated for the Generator Asset pursuant to subsection (a) above and the Ten-Minute Non-Spinning Reserve quantity calculated for the Generator Asset pursuant to subsection (b) above.

III.1.7.19.2.1.2 Off-line Generator Assets.

For an off-line Generator Asset that is not a Fast Start Generator, all components of the Real-Time Reserve Designation shall be zero.

(a) **Ten-Minute Spinning Reserve.** For an off-line Fast Start Generator, Ten-Minute Spinning Reserve shall be zero.

(b) **Ten-Minute Non-Spinning Reserve.** For an off-line Fast Start Generator, Ten-Minute Non-Spinning Reserve shall be calculated as the minimum of the Fast Start Generator's Offered CLAIM10, its CLAIM10, and its Economic Maximum Limit (provided, however, that during the Fast Start Generator's Minimum Down Time, the Fast Start Generator's Ten-Minute Non-Spinning Reserve shall be zero, except during the last ten minutes of its Minimum Down Time, at which time the ISO will prorate the Fast Start Generator's Ten-Minute Non-Spinning Reserve to account for the remaining amount of time until the Fast Start Generator's Minimum Down Time expires).

(c) **Thirty-Minute Operating Reserve.** For an off-line Fast Start Generator, Thirty-Minute Operating Reserve shall be calculated as: (i) the minimum of the Fast Start Generator's Offered CLAIM30, its CLAIM30, and its Economic Maximum Limit (provided, however, that during the Fast Start Generator's Minimum Down Time, the Fast Start Generator's Thirty-Minute Operating Reserve shall be zero, except during the last thirty minutes of its Minimum Down Time, at which time the ISO will prorate the Fast Start Generator's Thirty-Minute Operating Reserve to account for the remaining amount of time until the Fast Start Generator's Minimum Down Time expires), minus (ii) the Ten-Minute Non-Spinning Reserve quantity calculated for the Fast Start Generator pursuant to subsection (b) above.

III.1.7.19.2.2 Dispatchable Asset Related Demand.

III.1.7.19.2.2.1 Storage DARDs.

(a) **Ten-Minute Spinning Reserve.** For a Storage DARD, Ten-Minute Spinning Reserve shall be calculated as the absolute value of the amount of current telemetered consumption.

(b) **Ten-Minute Non-Spinning Reserve.** For a Storage DARD, Ten-Minute Non-Spinning Reserve shall be zero.

(c) **Thirty-Minute Operating Reserve.** For a Storage DARD, Thirty-Minute Operating Reserve shall be zero.

III.1.7.19.2.2.2 Dispatchable Asset Related Demand Other Than Storage DARDs.
For a Dispatchable Asset Related Demand associated with a Large Load, all components of the Real-Time Reserve Designation shall be zero.

(a) **Ten-Minute Spinning Reserve.** For a Dispatchable Asset Related Demand (other than a Storage DARD) that has no Controllable Behind-the-Meter Generation, Ten-Minute Spinning Reserve shall be calculated as the decrease in consumption that the Dispatchable Asset Related Demand could achieve, relative to its current telemetered consumption, within ten minutes given its ramp rate (and in no case to an amount less than its Minimum Consumption Limit). For a Dispatchable Asset Related Demand (other than a Storage DARD) having Controllable Behind-the-Meter Generation, Ten-Minute Spinning Reserve shall be zero.

(b) **Ten-Minute Non-Spinning Reserve.** For a Dispatchable Asset Related Demand (other than a Storage DARD) that has no Controllable Behind-the-Meter Generation, Ten-Minute Non-Spinning Reserve shall be zero. For a Dispatchable Asset Related Demand (other than a Storage DARD) having Controllable Behind-the-Meter Generation, Ten-Minute Non-Spinning Reserve shall be calculated as the decrease in consumption that the Dispatchable Asset Related Demand could achieve, relative to its current telemetered consumption, within ten minutes given its ramp rate (and in no case to an amount less than its Minimum Consumption Limit).

(c) **Thirty-Minute Operating Reserve.** For a Dispatchable Asset Related Demand (other than a Storage DARD) that has no Controllable Behind-the-Meter Generation, Thirty-Minute Operating Reserve shall be calculated as the decrease in consumption that the Dispatchable Asset Related Demand could achieve, relative to its current telemetered consumption, within thirty minutes given its ramp rate (and in no case to an amount less than its Minimum Consumption Limit) minus the Ten-Minute Spinning Reserve quantity calculated for the Dispatchable Asset Related Demand pursuant to subsection (a) above. For a Dispatchable Asset Related Demand (other than a Storage DARD) having Controllable Behind-the-Meter Generation, Thirty-Minute Operating Reserve shall be calculated as the decrease in consumption that the Dispatchable Asset Related Demand could achieve, relative to its current telemetered consumption, within thirty minutes given its ramp rate (and in no case to an amount less than its Minimum Consumption Limit) minus the Ten-Minute Non-Spinning Reserve quantity calculated for the Dispatchable Asset Related Demand pursuant to subsection (b) above.

III.1.7.19.2.3 Demand Response Resources and Demand Response Distributed Energy Resource Aggregations.

For a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation that does not provide one-minute telemetry to the ISO, notwithstanding any provision in this Section III.1.7.19.2.3 to the contrary, the Ten-Minute Spinning Reserve and Ten-Minute Non-Spinning Reserve components of the Real-Time Reserve Designation shall be zero. The Demand Response Resource Ramp Rate used in calculations in this section shall be the lesser of the Resource's offered Demand Response Resource Ramp Rate and its audited Demand Response Resource Ramp Rate as described in Section III.1.5.2.

III.1.7.19.2.3.1 Dispatched.

(a) **Ten-Minute Spinning Reserve.** For a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation that is being dispatched and that has no Controllable Behind-the-Meter Generation, Ten-Minute Spinning Reserve shall be calculated as the increase in demand reduction that the Demand Response Resource or as the increase in demand reduction and/or energy injection that the Demand Response Distributed Energy Resource Aggregation could achieve, relative to the estimated current operational level, within ten minutes given its Demand Response Resource Ramp Rate (and in no case greater than its Maximum Reduction). For a Demand Response Resource or Demand Response Distributed Energy Resource

Aggregation that is being dispatched and that has Controllable Behind-the-Meter Generation, Ten-Minute Spinning Reserve shall be zero.

(b) **Ten-Minute Non-Spinning Reserve.** For a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation that is being dispatched and that has no Controllable Behind-the-Meter Generation, Ten-Minute Non-Spinning Reserve shall be zero. For a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation that is being dispatched and that has Controllable Behind-the-Meter Generation, Ten-Minute Non-Spinning Reserve shall be calculated as the increase in demand reduction that the Demand Response Resource or as the increase in demand reduction and/or energy injection that the Demand Response Distributed Energy Resource Aggregation could achieve, relative to the estimated current operational level, within ten minutes given its Demand Response Resource Ramp Rate (and in no case greater than its Maximum Reduction).

(c) **Thirty-Minute Operating Reserve.** For a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation that is being dispatched, Thirty-Minute Operating Reserve shall be calculated as the increase in demand reduction that the Demand Response Resource or as the increase in demand reduction and/or energy injection that the Demand Response Distributed Energy Resource Aggregation could achieve, relative to the estimated current operational level, within thirty minutes given its Demand Response Resource Ramp Rate (and in no case greater than its Maximum Reduction) minus the Ten-Minute Spinning Reserve quantity calculated for the Resource pursuant to subsection (a) above and the Ten-Minute Non-Spinning Reserve quantity calculated for the Resource pursuant to subsection (b) above.

III.1.7.19.2.3.2 Non-Dispatched.

For a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation that is not being dispatched that is not a Fast Start Demand Response Resource or Fast Start Demand Response Distributed Energy Resource Aggregation, all components of the Real-Time Reserve Designation shall be zero.

(a) **Ten-Minute Spinning Reserve.** For a Fast Start Demand Response Resource or a Fast Start Demand Response Distributed Energy Resource Aggregation that is not being dispatched, Ten-Minute Spinning Reserve shall be zero.

(b) **Ten-Minute Non-Spinning Reserve.** For a Fast Start Demand Response Resource or a Fast Start Demand Response Distributed Energy Resource Aggregation that is not being dispatched, Ten-Minute Non-Spinning Reserve shall be calculated as the minimum of the Demand Response Resource's or Demand Response Distributed Energy Resource Aggregation's Offered CLAIM10, its CLAIM10, and its Maximum Reduction.

(c) **Thirty-Minute Operating Reserve.** For a Fast Start Demand Response Resource or Demand Response Distributed Energy Resource Aggregation that is not being dispatched, Thirty-Minute Operating Reserve shall be calculated as: (i) the minimum of the Demand Response Resource's or Demand Response Distributed Energy Resource Aggregation's Offered CLAIM30, its CLAIM30, and its Maximum Reduction, minus (ii) the Ten-Minute Non-Spinning Reserve quantity calculated for the Demand Response Resource or Demand Response Distributed Energy Resource Aggregation pursuant to subsection (b) above.

III.1.7.20 Information and Operating Requirements.

(a) [Reserved.]

(b) Market Participants selling from Resources within the New England Control Area shall: supply to the ISO all applicable Offer Data; report to the ISO Resources that are Self-Scheduled; report to the ISO External Transaction sales; confirm to the ISO bilateral sales to Market Participants within the New England Control Area; respond to the ISO's directives to start, shutdown or change output, consumption, demand reduction levels of Generator Assets, DARDs, Demand Response Resources, or Demand Response Distributed Energy Resource Aggregations; change scheduled voltages or reactive output levels; continuously maintain all Offer Data concurrent with on-line operating information; and ensure that, where so equipped, equipment is operated with control equipment functioning as specified in the ISO New England Manuals and ISO New England Administrative Procedures.

(c) Market Participants selling from Resources outside the New England Control Area shall: provide to the ISO all applicable Offer Data, including offers specifying amounts of energy available, hours of availability and prices of energy and other services; respond to ISO directives to schedule delivery or change delivery schedules; and communicate delivery schedules to the source Control Area and any intermediary Control Areas.

(d) Market Participants, as applicable, shall: respond or ensure a response to ISO directives for load management steps; report to the ISO all bilateral purchase transactions including External Transaction purchases; and respond or ensure a response to other ISO directives such as those required during Emergency operation.

(c) Market Participant, as applicable, shall provide to the ISO requests to purchase specified amounts of energy for each hour of the Operating Day during which it intends to purchase from the Day-Ahead Energy Market.

(f) Market Participants are responsible for reporting to the ISO anticipated availability and other information concerning Generator Assets, Demand Response Resources, Demand Response Distributed Energy Resource Aggregations and Dispatchable Asset Related Demands required by the ISO New England Operating Documents, including but not limited to the Market Participant's ability to procure fuel and physical limitations that could reduce Resource output or demand reduction capability for the pertinent Operating Day.

III.1.7.21 SATOA Participation in Markets: A Node will be established for each SATOA. A Market Participant's market activity, transactions, and actions taken at a SATOA's Node and a SATOA's participation in the New England Markets shall be limited to those necessary to consume or inject energy from or to PTF for any period, magnitude, and duration identified as necessary to: (1) address the applicable system needs or provide the transmission function for which the SATOA was selected as the preferred solution; or (2) as specified in the ISO New England Operating Documents, avoid or mitigate Load Shedding after all available Dispatchable Resources that can effectively provide relief to avoid or mitigate the Load Shedding have been dispatched.

III.1.8 Day-Ahead Ancillary Services and Forecast Energy Requirement.

III.1.8.1 Day-Ahead Ancillary Services Offers.

Market Participants may submit Day-Ahead Ancillary Services Offers for the Operating Day in the Day-Ahead Ancillary Services Market as specified in this Section III.1.8.1.

(a) Each Day-Ahead Ancillary Services Offer shall be associated with a specific Generator Asset, Demand Response Resource, Demand Response Distributed Energy Resource Aggregation, or DARD for which the Market Participant has submitted a corresponding Supply Offer, Demand Reduction Offer, or

Demand Bid in the Day-Ahead Energy Market for the same hour of the Operating Day, excluding Dispatchable Asset Related Demand associated with a Large Load.

(b) Each Day-Ahead Ancillary Services Offer shall specify: (i) the hour of the Operating Day for which the Day-Ahead Ancillary Services Offer applies; (ii) product-specific offer prices, in $/MWh, that are greater than or equal to zero for the Day-Ahead Ancillary Services; and (iii) a single offer quantity, in MWh, that is greater than or equal to zero. The offer prices for the Day-Ahead Ancillary Services shall not exceed the Forecast Energy Requirement Penalty Factor as specified in Section III.2.6.2(d) of this Market Rule 1. The offer quantity shall not exceed the Economic Maximum Limit specified in the associated Supply Offer, the Maximum Reduction specified in the associated Demand Reduction Offer, or the Maximum Consumption Limit specified in the associated Demand Bid.

(c) As part of its Day-Ahead Ancillary Services Offer, a Market Participant is permitted to specify a Maximum Daily Award Limit quantity, in MWh, that is greater than or equal to zero.

(d) For each hour of the Operating Day, a Market Participant may submit only one Day-Ahead Ancillary Services Offer associated with a specific Generator Asset, Demand Response Resource, Demand Response Distributed Energy Resource Aggregation, or DARD.

(e) Day-Ahead Ancillary Services Offers shall be submitted by the offer submission deadline for the Day-Ahead Market specified in Section III.1.10.1A of this Market Rule 1. A Day-Ahead Ancillary Services Offer shall not remain in effect for subsequent Operating Days.

III.1.8.2 Day-Ahead Ancillary Services Strike Price.

(a) For each hour of the Operating Day, the ISO shall specify the Day-Ahead Ancillary Services Strike Price in $/MWh. The value of the Day-Ahead Ancillary Services Strike Price represents an amount that is the greater of the values calculated in accordance with subsections (1) and (2) below:

(1) the greater of (i) $10/MWh greater than a forecast of the expected hourly Real-Time Hub Price for such hour of the Operating Day and (ii) zero; and

(2) a floor value derived in accordance with subsection (c) below.

(b) The value calculated in subsection (a)(1) above shall be based on a publicly-available forecasting algorithm developed by the ISO. The ISO shall describe the publicly-available forecasting algorithm to

Market Participants and shall periodically review and assess the efficacy of the forecasting algorithm. The ISO shall notify stakeholders of any potential revisions to the ISO's forecasting algorithm prior to implementing such revisions.

(c) The floor value in subsection (a)(2) above shall be determined daily based on the marginal cost of supplying energy by an efficient, distillate-fired combustion turbine generator, reflecting regional emissions costs and the lowest-priced distillate fuel available. The ISO shall describe to Market Participants the heat rate, emissions cost, and fuel prices that it uses to determine the value in subsection (a)(2).

(d) In the event that the ISO is not able to utilize the methods in subsections (a) through (c) above due to hardware, software, or telecommunications problems, human error, or exigent circumstances not contemplated by this market rule, the ISO shall determine the Day-Ahead Ancillary Services Strike Price using the best forecast and floor value available and shall disclose the use of such substitute method to Market Participants as soon as practicable.

III.1.8.3 Day-Ahead Flexible Response Services Demand Quantities.

The Day-Ahead Ancillary Services Market shall endeavor to procure the Day-Ahead Flexible Response Services Demand Quantities specified in this Section III.1.8.3.

(a) For each hour of the Operating Day, the Day-Ahead Ten-Minute Spinning Reserve Demand Quantity shall be equal to the Ten-Minute Spinning Reserve Requirement projected Day-Ahead.

(b) For each hour of the Operating Day, the Day-Ahead Total Ten-Minute Reserve Demand Quantity shall be equal to the Ten-Minute Reserve Requirement projected Day-Ahead.

(c) For each hour of the Operating Day, the Day-Ahead Minimum Total Reserve Demand Quantity shall be equal to the Minimum Total Reserve Requirement projected Day-Ahead.

(d) For each hour of the Operating Day, the Day-Ahead Total Reserve Demand Quantity shall be equal to the Total Reserve Requirement projected Day-Ahead.

III.1.8.4 Forecast Energy Requirement Demand Quantity.

For each hour of the Operating Day, the Forecast Energy Requirement Demand Quantity shall be:

(1) the ISO forecast for the total load in the New England Control Area produced pursuant to Section III.1.10.1A(h) of this Market Rule 1, less

(2) the greater of (i) the forecast of front-of-the-meter dispatchable wind and solar resources' total real-time energy supply, as adjusted for any expected operating conditions, less the total energy supply and ancillary services from such resources forecast to clear in the Day-Ahead Market and (ii) zero.

III.1.9 Pre-scheduling.

III.1.9.1 Offer and Bid Caps and Cost Verification for Offers and Bids.

III.1.9.1.1 Cost Verification of Resource Offers.

The incremental energy values of Supply Offers, and Demand Reduction Offers above $1,000/MWh for any Resource other than an External Resource are subject to the following cost verification requirements. Unless expressly stated otherwise, cost verification is utilized in all pricing, commitment, dispatch and settlement determinations. For purposes of the following requirements, Reference Levels are calculated using the procedures in Section III.A.7.5 for calculating cost-based Reference Levels.

(a) If the incremental energy value of a Resource's offer is greater than the incremental energy Reference Level value of the Resource, then the incremental energy value in the offer is replaced with the greater of the Reference Level for incremental energy or $1,000/MWh.

(b) For purposes of the price calculations in Sections III.2.5 and III.2.7A, if the adjusted offer calculated under Section III.2.4 for a Rapid Response Pricing Asset is greater than $1,000/MWh (after the incremental energy value is evaluated under Section III.1.9.1.1(a) above), then verification will be performed as follows using a Reference Level value calculated with the adjusted offer formulas specified in Section III.2.4.

(i) If the Reference Level value is less than or equal to $1,000/MWh, then the adjusted offer for the Resource is set at $1,000/MWh;

(ii) If the Reference Level value is greater than $1,000/MWh, then the adjusted offer for the Resource is set at the lower of the Reference Level value and the adjusted offer.

III.1.9.1.2 Offer and Bid Caps.

(a) For purposes of the price calculations described in Section III.2 and for purposes of scheduling a Resource in the Day-Ahead Energy Market in accordance with Section III.1.7.6 following the commitment of the Resource, the incremental energy value of an offer is capped at $2,000/MWh.

(b) Demand Bids shall not specify a bid price below the Energy Offer Floor or above the Demand Bid Cap.

(c) Supply Offers and Demand Reduction Offers shall not specify an offer price (for incremental energy) below the Energy Offer Floor.

(d) External Transactions shall not specify a price below the External Transaction Floor or above the External Transaction Cap.

(e) Increment Offers and Decrement Bids shall not specify an offer or bid price below the Energy Offer Floor or above the Virtual Cap.

III.1.9.2 [Reserved.]

III.1.9.3 [Reserved.]

III.1.9.4 [Reserved.]

III.1.9.5 [Reserved.]

III.1.9.6 [Reserved.]

III.1.9.7 Market Participant Responsibilities.

Market Participants authorized and intending to request market-based Start-Up Fees and No-Load Fee in their Offer Data shall submit a specification of such fees to the ISO for each Generator Asset as to which the Market Participant intends to request such fees. Any such specification shall identify the applicable period and be submitted on or before the applicable deadline and shall remain in effect unless otherwise modified in accordance with Section III.1.10.9. The ISO shall reject any request for Start-Up Fees and No-Load Fee in a Market Participant's Offer Data that does not conform to the Market Participant's specification on file with the ISO.

III.1.9.8 [Reserved.]

III.1.10 Scheduling.

III.1.10.1 General.

(a) The ISO shall administer scheduling processes to implement the Day-Ahead Market and a Real-Time Energy Market.

(b) The Day-Ahead Market shall enable Market Participants to purchase and sell energy and sell ancillary services through the New England Markets at Day-Ahead Prices and enable Market Participants to submit External Transactions conditioned upon Congestion Costs not exceeding a specified level. Market Participants whose purchases and sales and External Transactions are scheduled in the Day-Ahead Energy Market shall be obligated to purchase or sell energy or pay Congestion Costs and costs for losses, at the applicable Day-Ahead Prices for the amounts scheduled.

(c) In the Real-Time Energy Market,

(i) Market Participants that deviate from the amount of energy purchases or sales scheduled in the Day-Ahead Energy Market shall replace the energy not delivered with energy from the Real-Time Energy Market or an internal bilateral transaction and shall pay for such energy not delivered, net of any internal bilateral transactions, at the applicable Real-Time Price, unless otherwise specified by this Market Rule 1, and

(ii) Non-Market Participant Transmission Customers shall be obligated to pay Congestion Costs and costs for losses for the amount of the scheduled transmission uses in the Real-Time Energy Market at the applicable Real-Time Congestion Component and Loss Component price differences, unless otherwise specified by this Market Rule 1.

(d) The following scheduling procedures and principles shall govern the commitment of Resources to the Day-Ahead Market and the Real-Time Energy Market over a period extending from one week to one hour prior to the Real-Time dispatch. Scheduling encompasses the Day-Ahead and hourly scheduling process, through which the ISO determines the Day-Ahead Market schedule and determines, based on changing forecasts of conditions and actions by Market Participants and system constraints, a plan to serve the hourly energy and reserve requirements of the New England Control Area in the least costly manner, subject to maintaining the reliability of the New England Control Area. Scheduling of External Transactions in the Real-Time Energy Market is subject to Section II.44 of the OATT.

(e) If the ISO's forecast for the next seven days projects a likelihood of Emergency Condition, the ISO may commit, for all or part of such seven day period, to the use of Generator Assets, Demand

Response Resources, or Demand Response Distributed Energy Resource Aggregations with Notification Time greater than 24 hours as necessary in order to alleviate or mitigate such Emergency, in accordance with the Market Participants' binding Supply Offers, or Demand Reduction Offers.

III.1.10.1A Energy and Day-Ahead Ancillary Services Market Scheduling.

Market Participants may submit offers and bids in the Day-Ahead Market until 10:30 a.m. on the day before the Operating Day for which transactions are being scheduled, or such other deadline as may be specified by the ISO in order to comply with the practical requirements and the economic and efficiency objectives of the scheduling process specified in this Market Rule 1.

(a) **Locational Demand Bids –** Each Market Participant may submit to the ISO specifications of the amount and location of its customer loads and/or energy purchases to be included in the Day-Ahead Energy Market for each hour of the next Operating Day, such specifications to comply with the requirements set forth in the ISO New England Manuals and ISO New England Administrative Procedures. Each Market Participant shall inform the ISO of (i) the prices, if any, at which it desires not to include its load in the Day-Ahead Energy Market rather than pay the applicable Day-Ahead Price, (ii) hourly schedules for Resources Self-Scheduled by the Market Participant; and (iii) the Decrement Bid at which each such Self-Scheduled Resource will disconnect or reduce output, or confirmation of the Market Participant's intent not to reduce output. Price-sensitive Demand Bids and Decrement Bids must be greater than zero MW and shall not exceed the Demand Bid Cap and Virtual Cap.

(b) **External Transactions –** All Market Participants shall submit to the ISO schedules for any External Transactions involving use of Generator Assets or the New England Transmission System as specified below, and shall inform the ISO whether the transaction is to be included in the Day-Ahead Energy Market. Any Market Participant that elects to include an External Transaction in the Day-Ahead Energy Market may specify the price (such price not to exceed the maximum price that may be specified in the ISO New England Manuals and ISO New England Administrative Procedures), if any, at which it will be curtailed rather than pay Congestion Costs. The foregoing price specification shall apply to the price difference between the Locational Marginal Prices for specified External Transaction source and sink points in the Day-Ahead scheduling process only. Any Market Participant that deviates from its Day-Ahead External Transaction schedule or elects not to include its External Transaction in the Day-Ahead Energy Market shall be subject to Congestion Costs in the Real-Time Energy Market in order to complete any such scheduled External Transaction. Scheduling of External Transactions shall be conducted in

accordance with the specifications in the ISO New England Manuals and ISO New England Administrative Procedures and the following requirements:

(i) Market Participants shall submit schedules for all External Transaction purchases for delivery within the New England Control Area from Resources outside the New England Control Area;

(ii) Market Participants shall submit schedules for External Transaction sales to entities outside the New England Control Area from Resources within the New England Control Area;

(iii) In the Day-Ahead Energy Market, the offer prices for all Self-Scheduled External Transaction purchases at the applicable External Node shall be set equal to the Energy Offer Floor;

(iv) In the Day-Ahead Energy Market, the offer prices for all Self-Scheduled External Transaction sales at the applicable External Node shall be set equal to the External Transaction Cap;

(v) The ISO shall not consider Start-Up Fees, No-Load Fees, Notification Times or any other inter-temporal parameters in scheduling or dispatching External Transactions.

(c) **Generator Asset Supply Offers –** Market Participants selling into the New England Markets from Generator Assets may submit Supply Offers for the supply of energy for the following Operating Day.

Such Supply Offers:

(i) Shall specify the Resource and Blocks (price and quantity of Energy) for each hour of the Operating Day for each Resource offered by the Market Participant to the ISO. The prices and quantities in a Block may each vary on an hourly basis;

(ii) If based on energy from a Generator Asset internal to the New England Control Area, may specify, for Supply Offers, a Start-Up Fee and No-Load Fee for each hour of the Operating Day. Start-Up Fee and No-Load Fee may vary on an hourly basis;

(iii) Shall specify, for Supply Offers from a dual-fuel Generator Asset, the fuel type. The fuel type may vary on an hourly basis. A Market Participant that submits a Supply Offer using the higher cost fuel type must satisfy the consultation requirements for dual-fuel Generator Assets in Section III.A.3 of Appendix A;

(iv) Shall specify a Minimum Run Time to be used for commitment purposes that does not exceed 24 hours;

(v) Supply Offers shall constitute an offer to submit the Generator Asset to the ISO for commitment and dispatch in accordance with the terms of the Supply Offer, where such Supply Offer, with regard to operating limits, shall specify changes, including to the Economic Maximum Limit, Economic Minimum Limit and Emergency Minimum Limit, from those submitted as part of the Resource's Offer Data to reflect the physical operating characteristics and/or availability of the Resource (except that for a Limited Energy Resource, the Economic Maximum Limit may be revised to reflect an energy (MWh) limitation), which offer shall remain open through the Operating Day for which the Supply Offer is submitted; and

(vi) Shall, in the case of a Supply Offer from a Generator Asset associated with an Electric Storage Facility, also meet the requirements specified in Section III.1.10.6.

(d) DARD Demand Bids – Market Participants participating in the New England Markets with Dispatchable Asset Related Demands may submit Demand Bids for the consumption of energy for the following Operating Day.

Such Demand Bids:

(i) Shall specify the Dispatchable Asset Related Demand and Blocks (price and Energy quantity pairs) for each hour of the Operating Day for each Dispatchable Asset Related Demand offered by the Market Participant to the ISO. The prices and quantities in a Block may each vary on an hourly basis;

(ii) Shall constitute an offer to submit the Dispatchable Asset Related Demand to the ISO for commitment and dispatch in accordance with the terms of the Demand Bid, where such Demand Bid, with regard to operating limits, shall specify changes, including to the Maximum Consumption Limit and Minimum Consumption Limit, from those submitted as part of the

Resource's Offer Data to reflect the physical operating characteristics and/or availability of the Resource;

(iii) Shall specify a Minimum Consumption Limit that is less than or equal to its Nominated Consumption Limit; and

(iv) Shall, in the case of a Demand Bid from a Storage DARD, also meet the requirements specified in Section III.1.10.6.

(e) **Demand Response Resource and Demand Response Distributed Energy Resource Aggregation Demand Reduction Offers –** Market Participants selling into the New England Markets from Demand Response Resources or Demand Response Distributed Energy Resource Aggregations may submit Demand Reduction Offers for the supply of energy for the following Operating Day. A Demand Reduction Offer shall constitute an offer to submit the Demand Response Resource or Demand Response Distributed Energy Resource Aggregation, to the ISO for commitment and dispatch in accordance with the terms of the Demand Reduction Offer. Demand Reduction Offers:

(i) Shall specify the Demand Response Resource or Demand Response Distributed Energy Resource Aggregation and Blocks (price and demand reduction quantity pairs) for each hour of the Operating Day. The prices and demand reduction quantities may vary on an hourly basis.

(ii) Shall not specify a price that is below the Demand Reduction Threshold Price in effect for the Operating Day. For purposes of clearing the Day-Ahead and Real-Time Energy Markets and calculating Day-Ahead and Real-Time Locational Marginal Prices and Real-Time Reserve Clearing Prices, any price specified below the Demand Reduction Threshold price in effect for the Operating Day will be considered to be equal to the Demand Reduction Threshold Price for the Operating Day.

(iii) Shall not include average avoided peak transmission or distribution losses in the demand reduction quantity.

(iv) May specify an Interruption Cost for each hour of the Operating Day, which may vary on an hourly basis.

(v) Shall specify a Minimum Reduction Time to be used for scheduling purposes that does not exceed 24 hours.

(vi) Shall specify a Maximum Reduction amount no greater than the sum of the Maximum Interruptible Capacities of the Demand Response Resource's operational Demand Response Assets or the Demand Response Distributed Energy Resource Aggregation's operational Distributed Energy Resources.

(vii) Shall specify changes to the Maximum Reduction and Minimum Reduction from those submitted as part of the Demand Response Resource's Offer Data to reflect the physical operating characteristics and/or availability of the Demand Response Resource or the Demand Response Distributed Energy Resource Aggregation's Offer Data to reflect the physical operating characteristics and/or availability of the Distributed Energy Resources.

(f) **Demand Reduction Threshold Price –** The Demand Reduction Threshold Price for each month shall be determined through an analysis of a smoothed, historic supply curve for the month. The historic supply curve shall be derived from Real-Time generator and import Offer Data (excluding Coordinated External Transactions) for the same month of the previous year. The ISO may adjust the Offer Data to account for significant changes in generator and import availability or other significant changes to the historic supply curve. The historic supply curve shall be calculated as follows:

(a) Each generator and import offer Block (i.e., each price-quantity pair offered in the Real-Time Energy Market) for each day of the month shall be compiled and sorted in ascending order of price to create an unsmoothed supply curve.

(b) An unsmoothed supply curve for the month shall be formed from the price and cumulative quantity of each offer Block.

(c) A non-linear regression shall be performed on a sampled portion of the unsmoothed supply curve to produce an increasing, convex, smooth approximation of the supply curve.

(d) A historic threshold price Pth shall be determined as the point on the smoothed supply curve beyond which the benefit to load from the reduced LMP resulting from the demand reduction of Demand Response Resources or Demand Response Distributed Energy Resource Aggregations

exceeds the cost to load associated with compensating Demand Response Resources or Demand Response Distributed Energy Resource Aggregations for demand reduction.

(e) The Demand Reduction Threshold Price for the upcoming month shall be determined by the following formula:

$$DRTP = P_{th}X - \frac{FPI_c}{FPI_h}$$

where FPI_h is the historic fuel price index for the same month of the previous year, and FPI_c is the fuel price index for the current month.

The historic and current fuel price indices used to establish the Demand Reduction Threshold Price for a month shall be based on the lesser of the monthly natural gas or heating oil fuel indices applicable to the New England Control Area, as calculated three business days before the start of the month preceding the Demand Reduction Threshold Price's effective date.

The ISO will post the Demand Reduction Threshold Price, along with the index-based fuel price values used in establishing the Demand Reduction Threshold Price, on its website by the 15th day of the month preceding the Demand Reduction Threshold Price's effective date.

(g) **Subsequent Operating Days** – Each Supply Offer, Demand Reduction Offer, or Demand Bid by a Market Participant of a Resource shall remain in effect for subsequent Operating Days until superseded or canceled except in the case of an External Transaction purchase, in which case, the Supply Offer shall remain in effect for the applicable Operating Day and shall not remain in effect for subsequent Operating Days. Hourly overrides of a Supply Offer, a Demand Reduction Offer, or a Demand Bid shall remain in effect only for the applicable Operating Day.

(h) **Load Estimate** – The ISO shall post on the internet the total hourly loads including Decrement Bids scheduled in the Day-Ahead Energy Market, as well as the ISO's estimate of the Control Area hourly load for the next Operating Day.

(i) **Prorated Supply** – In determining Day-Ahead schedules, in the event of multiple marginal Supply Offers, Demand Reduction Offers, Increment Offers and/or External Transaction purchases at a pricing location, the ISO shall clear the marginal Supply Offers, Demand Reduction Offers, Increment

Offers and/or External Transaction purchases proportional to the amount of energy (MW) from each marginal offer and/or External Transaction at the pricing location. The Economic Maximum Limits, Economic Minimum Limits, Minimum Reductions and Maximum Reductions are not used in determining the amount of energy (MW) in each marginal Supply Offer or Demand Reduction Offer to be cleared on a pro-rated basis. However, the Day-Ahead schedules resulting from the pro-ration process will reflect Economic Maximum Limits, Economic Minimum Limits, Minimum Reductions and Maximum Reductions.

(j) **Prorated Demand** – In determining Day-Ahead schedules, in the event of multiple marginal Demand Bids, Decrement Bids and/or External Transaction sales at a pricing location, the ISO shall clear the marginal Demand Bids, Decrement Bids and/or External Transaction sales proportional to the amount of energy (MW) from each marginal bid and/or External Transaction at the pricing location.

(k) **Virtuals** – All Market Participants may submit Increment Offers and/or Decrement Bids that apply to the Day-Ahead Energy Market only. Such offers and bids must comply with the requirements set forth in the ISO New England Manuals and ISO New England Administrative Procedures and must specify amount, location and price, if any, at which the Market Participant desires to purchase or sell energy in the Day-Ahead Energy Market.

(l) **Settlement Only Distributed Energy Resource Aggregation Supply Offers and/or Demand Bids –** Market Participants selling into the New England Markets from Settlement Only Distributed Energy Resource Aggregations and/or purchasing from the New England Markets for Settlement Only Distributed Energy Resource Aggregations may submit Supply Offers and /or Demand Bids, which will apply only to the Day-Ahead Energy Market. Such offers and/or bids must specify the Resource and Blocks (price and quantity of Energy) for each hour of the Operating Day for each Resource offered and/or bid by the Market Participant to the ISO. The prices and quantities in a Block may each vary on an hourly basis

(m) **Day-Ahead Ancillary Services Offers** – Market Participants selling into the New England Markets from Generator Assets, Demand Response Resources, or Demand Response Distributed Energy Resource Aggregation, or participating in the New England Markets with DARDs, and that have submitted Supply Offers, Demand Reduction Offers, or Demand Bids for the following Operating Day, as described in subsections (c), (d), and (e) of this Section III.1.10.1A, may submit Day-Ahead Ancillary

Services Offers for the following Operating Day. Day-Ahead Ancillary Services Offers shall be submitted to the ISO in accordance with Section III.1.8.1 of this Market Rule 1.

III.1.10.2 Pool-Scheduled Resources.

Pool-Scheduled Resources are those Resources for which Market Participants submitted Supply Offers, Demand Reduction Offers, or Demand Bids in the Day-Ahead Energy Market and which the ISO scheduled in the Day-Ahead Energy Market as well as Generator Assets, DARDs, Demand Response Resources, or Demand Response Distributed Energy Resource Aggregations committed by the ISO subsequent to the Day-Ahead Energy Market. Such Resources shall be committed to provide or consume energy in the Real-Time dispatch unless the schedules for such Resources are revised pursuant to Sections III.1.10.9 or III.1.11. Pool-Scheduled Resources shall be governed by the following principles and procedures.

(a) Pool-Scheduled Resources shall be selected by the ISO on the basis of the prices offered for energy supply or consumption, ancillary services, and related services, Start-Up Fees, No-Load Fees, Interruption Cost, and the specified operating characteristics, offered by Market Participants.

(b) The ISO shall optimize the dispatch of energy and ancillary services from Limited Energy Resources by request to minimize the as-bid production cost for the New England Control Area. In implementing the use of Limited Energy Resources, the ISO shall use its best efforts to select the most economic hours of operation for Limited Energy Resources, in order to make optimal use of such Resources in the Day-Ahead Market consistent with the Supply Offers and Demand Reduction Offers of other Resources, the submitted Demand Bids and Decrement Bids, ancillary services offers and requirements, and the Forecast Energy Requirement Demand Quantity.

(c) Market Participants offering energy from facilities with fuel or environmental limitations may submit data to the ISO that is sufficient to enable the ISO to determine the available operating hours of such facilities.

(d) Market Participants shall make available their Pool-Scheduled Resources to the ISO for coordinated operation to supply the needs of the New England Control Area for energy and ancillary services.

III.1.10.3 Self-Scheduled Resources.

A Resource that is Self-Scheduled shall be governed by the following principles and procedures. The minimum duration of a Self-Schedule for a Generator Asset or DARD shall not result in the Generator Asset or DARD operating for less than its Minimum Run Time. A Generator Asset that is online as a result of a Self-Schedule will be dispatched above its Economic Minimum Limit based on the economic merit of its Supply Offer. A DARD that is consuming as a result of a Self-Schedule may be dispatched above its Minimum Consumption Limit based on the economic merit of its Demand Bid. A Demand Response Resource or a Demand Response Distributed Energy Resource Aggregation shall not be Self-Scheduled.

III.1.10.4 External Resources.

Market Participants with External Resources may submit External Transactions as detailed in Section III.1.10.7 and Section III.1.10.7.A of this Market Rule 1.

III.1.10.5 Dispatchable Asset Related Demand.

(a) External Transactions that are sales to an external Control Area are not eligible to be Dispatchable Asset Related Demands.

(b) A Market Participant with a Dispatchable Asset Related Demand in the New England Control Area must:

(i) notify the ISO of any outage (including partial outages) that may reduce the Dispatchable Asset Related Demand's ability to respond to Dispatch Instructions and the expected return date from the outage;

(ii) in accordance with the ISO New England Manuals and Operating Procedures, perform audit tests and submit the results to the ISO or provide to the ISO appropriate historical production data;

(iii) abide by the ISO maintenance coordination procedures; and

(iv) provide information reasonably requested by the ISO, including the name and location of the Dispatchable Asset Related Demand.

III.1.10.5A Large Load.

(a) The Large Load Transmission Customer shall, or shall cause to:

(i) Register the Large Load as a Dispatchable Asset Related Demand; and

(ii) Comply with all applicable requirements in the ISO New England Operating Documents including, but not limited to, forecasting, telemetry, ramp rates, and following Dispatch Instructions.

(b) The Large Load Transmission Customer may, or may cause to:

(i) Submit Demand Bids in the Day-Ahead and Real-Time Energy Markets on behalf of the Large Load; or

(ii) Use energy supply from a Large Load Co-Located Generator or Large Load Electrically Proximate Generator to achieve all or a portion of re-dispatch requirements for Interim Contract Demand Service and/or Non-Firm Contract Demand Service pursuant to Section III.1.10.5A(c)(ii).

(c) The ISO shall:

(i) Schedule the Large Load to withdraw energy based on the lesser of the Large Load's forecasted demand and the sum of the Large Load's transmission services MW pursuant to the Large Load's Transmission Service Agreement.

(a) If the Large Load Transmission Customer elects to submit Demand Bids pursuant to Section III.1.10.5A(b)(i), the ISO shall schedule the Large Load to withdraw energy based on the lesser of the Large Load's Demand Bid MW and the sum of the Large Load's transmission services MW pursuant to the Large Load Transmission Service Agreement.

(ii) Send a Dispatch Instruction to redispatch all or a portion of the Large Load's Interim Contract Demand Service and/or Non-Firm Contract Demand Service based on the Large Load's applicable Locational Marginal Price and the Large Load Re-Dispatch Price.

(d) The Assigned Meter Reader for the Large Load shall:

(i) Submit Revenue Quality Metering for hourly and monthly settlement that represents gross demand quantities for the Large Load, such that the Large Load's Revenue Quality Metering is not netted by other physical load, supply, or Behind-the-Meter Generation; and

(ii) Submit Revenue Quality Metering for hourly and monthly settlement that represents gross supply quantities for Large Load Co-Located Generators and/or Large Load Electrically Proximate Generators associated with a Large Load, such that the generator's Revenue Quality Metering is not netted with any other load or supply.

III.1.10.6 Electric Storage

A storage facility is a facility that is capable of receiving electricity and storing the energy for later injection of electricity into the grid. A storage facility may participate in the New England Markets as described below.

(a) A storage facility that satisfies the requirements of this subsection (a) may participate in the New England Markets as an Electric Storage Facility. An Electric Storage Facility shall:

(i) comprise one or more storage facilities at the same point of interconnection;

(ii) have the ability to inject at least 0.1 MW and consume at least 0.1 MW;

(iii) be directly metered;

(iv) be registered as, and subject to all rules applicable to, a dispatchable Generator Asset;

(v) be registered as, and subject to all rules applicable to, a DARD that represents the same equipment as the Generator Asset;

(vi) settle its injection of electricity to the grid as a Generator Asset and any receipt of electricity from the grid as a DARD;

(vii) not be precluded from providing retail services so long as it is able to fulfill its wholesale Energy Market and Forward Capacity Market obligations including, but not limited to, satisfying meter data reporting requirements and notifying the ISO of any changes to operational capabilities; and

(viii) meet the requirements of either a Binary Storage Facility or a Continuous Storage Facility, as described in subsections (b) and (c) below.

(b) A storage facility that satisfies the requirements of this subsection (b) may participate in the New England Markets as a Binary Storage Facility. A Binary Storage Facility shall:

(i) satisfy the requirements applicable to an Electric Storage Facility; and

(ii) offer its Generator Asset and DARD into the Energy Market as Rapid Response Pricing Assets; and

(iii) be issued Dispatch Instructions in a manner that ensures the facility is not required to consume and inject simultaneously.

(c) A storage facility that satisfies the requirements of this subsection (c) may participate in the New England Markets as a Continuous Storage Facility. A Continuous Storage Facility shall:

(i) satisfy the requirements applicable to an Electric Storage Facility;

(ii) be registered as, may provide Regulation as, and is subject to all rules applicable to, an ATRR that represents the same equipment as the Generator Asset and DARD;

(iii) be capable of transitioning between the facility's maximum output and maximum consumption (and vice versa) in ten minutes or less;

(iv) not utilize storage capability that is shared with another Generator Asset, DARD or ATRR;

(v) specify in Supply Offers a zero MW value for Economic Minimum Limit and Emergency Minimum Limit (except for Generator Assets undergoing Facility and Equipment Testing or auditing); a zero time value for Minimum Run Time, Minimum Down Time, Notification Time, and Start-Up Time; and a zero cost value for Start-Up Fee and No-Load Fee;

(vi) specify in Demand Bids a zero MW value for Minimum Consumption Limit (except for DARDs undergoing Facility and Equipment Testing or auditing) and a zero time value for Minimum Run Time and Minimum Down Time;

(vii) be Self-Scheduled in the Day-Ahead Energy Market and Real-Time Energy Market, and operate in an on-line state, unless the facility is declared unavailable by the Market Participant; and

(viii) be issued a combined dispatch control signal equal to the Desired Dispatch Point (of the Generator Asset) minus the Desired Dispatch Point (of the DARD) plus the AGC SetPoint (of the ATRR).

(d) In clearing the Day-Ahead Energy Market, the ISO will respect Electric Storage Facility Initial State of Charge, Round Trip Efficiency, Maximum State of Charge, and Minimum State of Charge.

(e) A storage facility incapable of receiving and storing electricity from the grid may participate in the New England Markets as a Continuous Storage Facility, so long as that facility satisfies all Continuous Storage Facility registration and participation requirements that are not solely related to consumption capability. Notwithstanding Section III.1.10.6(a), Section III.1.10.6(c), and any other related provisions, such non-consuming storage facilities shall not be required to:

(i) be capable of consuming at least 0.1 MW from the grid; or

(ii) be capable of modifying consumption responsive to Dispatch Instructions.

(f) A storage facility shall comply with all applicable registration, metering, and accounting rules including, but not limited to, the following:

(i) A Market Participant wishing to purchase energy from the ISO-administered wholesale markets must first, jointly with its Host Participant, register one or more wholesale Load Assets with the ISO as described in ISO New England Manual M-28 and ISO New England Manual M-RPA; where the Market Participant wishes to register an Electric Storage Facility, the registered Load Asset must be a DARD.

(ii) A storage facility's charging energy shall not qualify as, or be billed to, a Storage DARD if that facility's charging energy is included in another Load Asset. A storage facility registered as a DARD will be charged the nodal Locational Marginal Price by the ISO and the Market Participant will not pay twice for the same charging energy.

(iii) The registration and metering of all Assets must comply with ISO New England Operating Procedure No. 14 and ISO New England Operating Procedure No. 18, including with the requirement that an Asset's revenue metering must comply with the accuracy requirements found in ISO New England Operating Procedure No. 18.

(iv) Pursuant to ISO New England Manual M-28, the Assigned Meter Reader, the Host Participant, and the ISO provide the data for use in the daily settlement process within the timelines described in the manual. The data may be five-minute interval data, and may be no more than hourly data, as described in Section III.3.2 and in ISO New England Manual M-28.

(v) Based on the Metered Quantity For Settlement and the Locational Marginal Price in the settlement interval, the ISO shall conduct all Energy Market accounting pursuant to Section III.3.2.1.

(g) A facility registered as a dispatchable Generator Asset, an ATRR, and a DARD that each represent the same equipment must participate as a Continuous Storage Facility.

(h) A storage facility not participating as an Electric Storage Facility may, if it satisfies the associated requirements, be registered as a Generator Asset (including a Settlement Only Resource) for settlement of its injection of electricity to the grid and as an Asset Related Demand for settlement of its wholesale load.

(i) A storage facility may, if it satisfies the associated requirements, be registered as a Demand Response Asset. (As described in Section III.8.1.1, a Demand Response Asset and a Generator Asset may not be registered at the same end-use customer facility unless the Generator Asset is separately metered and reported and its output does not reduce the load reported at the Retail Delivery Point of the Demand Response Asset.)

(j) A storage device may, if it satisfies the associated requirements, be registered as a component of either an On-Peak Demand Resource or a Seasonal Peak Demand Resource.

(k) A storage facility may, if it satisfies the associated requirements, provide Regulation pursuant to Section III.14.

III.1.10.7 External Transactions.

The provisions of this Section III.1.10.7 do not apply to Coordinated External Transactions.

(a) Market Participants that submit an External Transaction in the Day-Ahead Energy Market must also submit a corresponding External Transaction in the Real-Time Energy Market in order to be eligible for scheduling in the Real-Time Energy Market. Priced External Transactions for the Real-Time Energy Market must be submitted by the offer submission deadline for the Day-Ahead Energy Market.

(b) Priced External Transactions submitted in both the Day-Ahead Energy Market and the Real-Time Energy Market will be treated as Self-Scheduled External Transactions in the Real-Time Energy Market for the associated megawatt amounts that cleared the Day-Ahead Energy Market, unless the Market Participant modifies the price component of its Real-Time offer during the Re-Offer Period.

(c) Any External Transaction, or portion thereof, submitted to the Real-Time Energy Market that did not clear in the Day-Ahead Energy Market will not be scheduled in Real-Time if the ISO anticipates that the External Transaction would create or worsen an Emergency. External Transactions cleared in the Day-Ahead Energy Market and associated with a Real-Time Energy Market submission will continue to be scheduled in Real-Time prior to and during an Emergency, until the procedures governing the Emergency, as set forth in ISO New England Operating Procedure No. 9, require a change in schedule.

(d) External Transactions submitted to the Real-Time Energy Market must contain the associated e-Tag ID and transmission reservation, if required, at the time the transaction is submitted to the Real-Time Energy Market.

(e) [Reserved.]

(f) External Transaction sales meeting all of the criteria for any of the transaction types described in (i) through (iv) below receive priority in the scheduling and curtailment of transactions as set forth in Section II.44 of the OATT. External Transaction sales meeting all of the criteria for any of the transaction types described in (i) through (iv) below are referred to herein and in the OATT as being supported in Real-Time.

(i) Capacity Export Through Import Constrained Zone Transactions:

(1) The External Transaction is exporting across an external interface located in an import-constrained Capacity Zone, as determined in accordance with Section III.12.4, that experienced price separation in the Annual Capacity Auction as determined in accordance with Section III.15.4.2.2(j) of Market Rule 1;

(2) The External Transaction is directly associated with an Export Offer Segment that did not receive a Capacity Supply Obligation in the Annual Capacity Auction, and the megawatt amount of the External Transaction is less than or equal to the megawatt amount of the unobligated Export Offer Segment;

(3) The External Node associated with the unobligated Export Offer Segment is connected to the import-constrained Capacity Zone, and is not connected to a Capacity Zone that is not import-constrained;

(4) The Resource, or portion thereof, that is associated with the cleared Export Bid or Administrative Export De-List Bid is not located in the import-constrained Capacity Zone;

(5) The External Transaction has been submitted and cleared in the Day-Ahead Energy Market;

(6) A matching External Transaction has also been submitted into the Real-Time Energy Market by the end of the Re-Offer Period for Self-Scheduled External Transactions, and, in accordance with Section III.1.10.7(a), by the offer submission deadline for the Day-Ahead Energy Market for priced External Transactions.

(ii) Annual Capacity Auction Cleared Export Transactions:

(1) The External Transaction sale is exporting to an External Node that is connected only to an import-constrained Reserve Zone;

(2) The External Transaction sale is directly associated with an Export Offer Segment that did not receive a Capacity Supply Obligation in the Annual Capacity Auction, and the megawatt amount of the External Transaction is less than or equal to the megawatt amount of the unobligated Export Offer Segment;

(3) The Resource, or portion thereof, without a Capacity Supply Obligation associated with the Export Offer Segment is located outside the import-constrained Reserve Zone;

(4) The External Transaction sale is submitted and cleared in the Day-Ahead Energy Market;

(5) A matching External Transaction has also been submitted into the Real-Time Energy Market by the end of the Re-Offer Period for Self-Scheduled External Transactions, and, in accordance with Section III.1.10.7(a), by the offer submission deadline for the Day-Ahead Energy Market for priced External Transactions.

(iii) Same Reserve Zone Export Transactions:

(1) A Resource, or portion thereof, without a Capacity Supply Obligation is associated with the External Transaction sale, and the megawatt amount of the External Transaction is less than or equal to the portion of the Resource without a Capacity Supply Obligation;

(2) The External Node of the External Transaction sale is connected only to the same Reserve Zone in which the associated Resource, or portion thereof, without a Capacity Supply Obligation is located;

(3) The Resource, or portion thereof, without a Capacity Supply Obligation is Self-Scheduled in the Real-Time Energy Market and online at a megawatt level greater than or equal to the External Transaction sale's megawatt amount;

(4) Neither the External Transaction sale nor the portion of the Resource without a Capacity Supply Obligation is required to offer into the Day-Ahead Energy Market.

(iv) Unconstrained Export Transactions:

(1) A Resource, or portion thereof, without a Capacity Supply Obligation is associated with the External Transaction sale, and the megawatt amount of the External Transaction is less than or equal to the portion of the Resource without a Capacity Supply Obligation;

(2) The External Node of the External Transaction sale is not connected only to an import-constrained Reserve Zone;

(3) The Resource, or portion thereof, without a Capacity Supply Obligation is not separated from the External Node by a transmission interface constraint as determined in Sections III.12.2.1(b) and III.12.2.2(b) of Market Rule 1 that was binding in the Forward or Annual Capacity Auction in the direction of the export;

(4) The Resource, or portion thereof, without a Capacity Supply Obligation is Self-Scheduled in the Real-Time Energy Market and online at a megawatt level greater than or equal to the External Transaction sale's megawatt amount;

(5) Neither the External Transaction sale, nor the portion of the Resource without a Capacity Supply Obligation is required to offer into the Day-Ahead Energy Market.

(g) Treatment of External Transaction sales in ISO commitment for local second contingency protection.

(i) Capacity Export Through Import Constrained Zone Transactions and Annual Capacity Auction Cleared Export Transactions: The transaction's export demand that clears in the Day-Ahead Energy Market will be explicitly considered as load in the exporting Reserve Zone by the ISO when committing Resources to provide local second contingency protection for the associated Operating Day.

(ii) The export demand of External Transaction sales not meeting the criteria in (i) above is not considered by the ISO when planning and committing Resources to provide local second contingency protection, and is assumed to be zero.

(iii) Same Reserve Zone Export Transactions and Unconstrained Export Transactions: If a Resource, or portion thereof, without a Capacity Supply Obligation is committed to be online during the Operating Day either through clearing in the Day-Ahead Energy Market or through Self-Scheduling subsequent to the Day-Ahead Energy Market and a Same Reserve Zone Export Transaction or Unconstrained Export Transaction is submitted before the end of the Re-Offer Period designating that Resource as supporting the transaction, the ISO will not utilize the portion of the Resource without a Capacity Supply Obligation supporting the export transaction to meet local second contingency protection requirements. The eligibility of Resources not meeting the foregoing criteria to be used to meet local second contingency protection requirements shall be in accordance with the relevant provisions of the ISO New England System Rules.

(h) Allocation of costs to Capacity Export Through Import Constrained Zone Transactions and Annual Capacity Auction Cleared Export Transactions: Market Participants with Capacity Export Through Import Constrained Zone Transactions and Annual Capacity Auction Cleared Export Transactions shall incur a proportional share of the charges described below, which are allocated to Market Participants based on Day-Ahead Load Obligation or Real-Time Load Obligation. The share shall be determined by including the Day-Ahead Load Obligation or Real-Time Load Obligation associated with the External Transaction, as applicable, in the total Day-Ahead Load Obligation or Real-Time Load Obligation for the appropriate Reliability Region, Reserve Zone, or Load Zone used in each cost allocation calculation:

(i) NCPC for Local Second Contingency Protection Resources allocated within the exporting Reliability Region, pursuant to Section III.F.3.3.

(ii) Forward Reserve Market charges allocated within the exporting Load Zone, pursuant to Section III.9.9.

(iii) Real-Time Reserve Charges allocated within the exporting Load Zone, pursuant to Section III.10.3.

(i) When action is taken by the ISO to reduce External Transaction sales due to a system wide capacity deficient condition or the forecast of such a condition, and an External Transaction sale designates a Resource, or portion of a Resource, without a Capacity Supply Obligation, to support the transaction, the ISO will review the status of the designated Resource. If the designated Resource is Self-Scheduled and online at a megawatt level greater than or equal to the External Transaction sale, that External Transaction sale will not be reduced until such time as Regional Network Load within the New England Control Area is also being reduced. When reductions to such transactions are required, the affected transactions shall be reduced pro-rata.

(j) Market Participants shall submit External Transactions as megawatt blocks with intervals of one hour at the relevant External Node. External Transactions will be scheduled in the Day-Ahead Energy Market as megawatt blocks for hourly durations. The ISO may dispatch External Transactions in the Real-Time Energy Market as megawatt blocks for periods of less than one hour, to the extent allowed pursuant to inter-Control Area operating protocols.

III.1.10.7.A Coordinated Transaction Scheduling.

The provisions of this Section III.1.10.7.A apply to Coordinated External Transactions, which are implemented at the New York Northern AC external Location.

(a) Market Participants that submit a Coordinated External Transaction in the Day-Ahead Energy Market must also submit a corresponding Coordinated External Transaction, in the form of an Interface Bid, in the Real-Time Energy Market in order to be eligible for scheduling in the Real-Time Energy Market.

(b) An Interface Bid submitted in the Real-Time Energy Market shall specify a duration consisting of one or more consecutive 15-minute increments. An Interface Bid shall include a bid price, a bid quantity, and a bid direction for each 15-minute increment. The bid price may be positive or negative. An Interface Bid may not be submitted or modified later than 75 minutes before the start of the clock hour for which it is offered.

(c) Interface Bids are cleared in economic merit order for each 15-minute increment, based upon the forecasted real-time price difference across the external interface. The total quantity of Interface Bids cleared shall determine the external interface schedule between New England and the adjacent Control Area. The total quantity of Interface Bids cleared shall depend upon, among other factors, bid production

costs of resources in both Control Areas, the Interface Bids of all Market Participants, transmission system conditions, and any real-time operating limits necessary to ensure reliable operation of the transmission system.

(d) All Coordinated External Transactions submitted either to the Day-Ahead Energy Market or the Real-Time Energy Market must contain the associated e-Tag ID at the time the transaction is submitted.

(e) Any Coordinated External Transaction, or portion thereof, submitted to the Real-Time Energy Market will not be scheduled in Real-Time if the ISO anticipates that the External Transaction would create or worsen an Emergency, unless the procedures governing the Emergency, as set forth in ISO New England Operating Procedure No. 9, permit the transaction to be scheduled.

III.1.10.8 Scheduling Considerations.

(a) In scheduling the Day-Ahead Market, the ISO shall use its best efforts to determine the security-constrained economic commitment and dispatch that jointly optimizes: (i) Demand Bids, Decrement Bids, Demand Reduction Offers, Supply Offers, Increment Offers, and External Transactions, for energy; (ii) Day-Ahead Ancillary Services Offers to satisfy the Day-Ahead Flexible Response Services Demand Quantities; and (iii) Supply Offers, Demand Reduction Offers, External Transactions, and Day-Ahead Ancillary Services Offers to satisfy the Forecast Energy Requirement Demand Quantity.

In making the determination specified in this subsection (a), the ISO shall take into account, as applicable: (i) the ISO's forecasts of New England Markets and New England Control Area energy requirements, giving due consideration to the energy requirement forecasts and purchase requests submitted by Market Participants for the Day-Ahead Energy Market; (ii) the offers and bids submitted by Market Participants; (iii) the availability of Limited Energy Resources; (iv) the capacity, location, and other relevant characteristics of Self-Scheduled Resources; (v) the requirements of the New England Control Area for ancillary services; (vi) the operational capabilities of any Resource to adjust the output, consumption, or demand reduction within the operating characteristics and parameters specified in the Market Participant's Offer Data, Supply Offer, Demand Reduction Offer, or Demand Bid and any audited values of such operating characteristics and parameters; (vii) the benefits of avoiding or minimizing transmission constraint control operations, as specified in the ISO New England Manuals and ISO New England Administrative Procedures; and (viii) such other factors as the ISO reasonably concludes are relevant to the foregoing determination.

In scheduling the Day-Ahead Market, the following limitations shall apply:

(i) For purposes of satisfying the Day-Ahead Flexible Response Services Demand Quantities specified in Sections III.1.8.3(a) through (d), the ISO shall not take into account a Day-Ahead Ancillary Services Offer unless the Generator Asset, Demand Response Resource, Demand Response Distributed Energy Resource Aggregation, or DARD associated with the Day-Ahead Ancillary Services Offer meets the eligibility requirements enumerated in Section III.1.7.19.1.

(ii) For purposes of satisfying the Forecast Energy Requirement Demand Quantity specified in Section III.1.8.4, the ISO shall not take into account a Day-Ahead Ancillary Services Offer unless the offer is associated with a Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation that meets the following conditions:

(1) The Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation is, for the applicable hour, either scheduled for energy in the Day-Ahead Energy Market or is a Fast Start Generator, Fast Start Demand Response Resource, or Fast Start Demand Response Distributed Energy Resource Aggregation.

(2) The Generator Asset, Demand Response Resource, or Demand Response Distributed Energy Resource Aggregation is not designated as constrained by transmission limitations, as described in Section III.1.7.19.1(3).

(b) Not later than 1:30 p.m. of the day before each Operating Day, or such earlier deadline as may be specified by the ISO in the ISO New England Manuals and ISO New England Administrative Procedures or such later deadline as necessary to account for software failures or other events, the ISO shall: (i) post the aggregate Day-Ahead energy and ancillary services schedule; (ii) post the Day-Ahead Prices; and (iii) inform the Market Participants of their scheduled injections and withdrawals. In the event of an Emergency, the ISO will notify Market Participants as soon as practicable if the Day-Ahead Market cannot be operated.

(c) Following posting of the information specified in Section III.1.10.8(b), the ISO shall revise its schedule of Resources to reflect updated projections of load, conditions affecting electric system operations in the New England Control Area, the availability of and constraints on limited energy and

other Resources, transmission constraints, and other relevant factors. The ISO shall use its best efforts to determine the least-cost means to satisfy any remaining reliability requirements of the New England Control Area for the Operating Day.

(d) Market Participants shall pay and be paid for the quantities of energy and ancillary services scheduled in the Day-Ahead Market based upon applicable Day-Ahead Prices.

III.1.10.9 Hourly Scheduling.

(a) Following the initial posting by the ISO of the Locational Marginal Prices resulting from the Day-Ahead Energy Market, and subject to the right of the ISO to schedule and dispatch Resources and to direct that schedules be changed to address an actual or potential Emergency, a Resource Re-Offer Period shall exist from the time of the posting specified in Section III.1.10.8(b) until 2:00 p.m. on the day before each Operating Day or such other Re-Offer Period as necessary to account for software failures or other events. During the Re-Offer Period, Market Participants may submit revisions to Supply Offers, revisions to Demand Reduction Offers, and revisions to Demand Bids for any Dispatchable Asset Related Demand. Resources scheduled subsequent to the closing of the Re-Offer Period shall be settled at the applicable Real-Time Prices, and shall not affect the obligation to pay or receive payment for the quantities of energy scheduled in the Day-Ahead Energy Market at the applicable Day-Ahead Prices.

(b) During the Re-Offer Period, Market Participants may submit revisions to the price of priced External Transactions. External Transactions scheduled subsequent to the closing of the Re-Offer Period shall be settled at the applicable Real-Time Prices, and shall not affect the obligation to pay or receive payment for the quantities of energy scheduled in the Day-Ahead Energy Market at the applicable Day-Ahead Prices. A submission during the Re-Offer Period for any portion of a transaction that was cleared in the Day-Ahead Energy Market is subject to the provisions in Section III.1.10.7. A Market Participant may request to Self-Schedule an External Transaction and adjust the schedule on an hour-to-hour basis or request to reduce the quantity of a priced External Transaction. The ISO must be notified of the request not later than 60 minutes prior to the hour in which the adjustment is to take effect. The External Transaction re-offer provisions of this Section III.1.10.9(b) shall not apply to Coordinated External Transactions, which are submitted pursuant to Section III.1.10.7.A.

(c) Following the completion of the initial Reserve Adequacy Analysis and throughout the Operating Day, a Market Participant may modify certain Supply Offer or Demand Bid parameters for a Generator Asset or a Dispatchable Asset Related Demand on an hour-to-hour basis, provided that the modification is

made no later than 30 minutes prior to the beginning of the hour for which the modification is to take effect:

(i) For a Generator Asset, the Start-Up Fee, the No-Load Fee, the fuel type (for dual-fuel Generator Assets), and the quantity and price pairs of its Blocks may be modified.

(ii) For a Dispatchable Asset Related Demand, the quantity and price pairs of its Blocks may be modified.

(d) Following the completion of the initial Reserve Adequacy Analysis and throughout the Operating Day, a Market Participant may not modify any of the following Demand Reduction Offer parameters: price and demand reduction quantity pairs, Interruption Cost, Demand Response Resource Start-Up Time, Demand Response Resource Notification Time, Minimum Reduction Time, and Minimum Time Between Reductions.

(e) During the Operating Day, a Market Participant may request to Self-Schedule a Generator Asset or Dispatchable Asset Related Demand or may request to cancel a Self-Schedule for a Generator Asset or Dispatchable Asset Related Demand. The ISO will honor the request so long as it will not cause or worsen a reliability constraint. If the ISO is able to honor a Self-Schedule request, a Generator Asset will be permitted to come online at its Economic Minimum Limit and a Dispatchable Asset Related Demand will be dispatched to its Minimum Consumption Limit. A Market Participant may not request to Self-Schedule a Demand Response Resource or a Demand Response Distributed Energy Resource Aggregation. A Market Participant may cancel the Self-Schedule of a Continuous Storage Generator Asset or a Continuous Storage DARD only by declaring the facility unavailable.

(f) During the Operating Day, in the event that in a given hour a Market Participant seeks to modify a Supply Offer or Demand Bid after the deadline for modifications specified in Section III.1.10.9(c), then:

(i) the Market Participant may request that a Generator Asset be dispatched above its Economic Minimum Limit at a specified output. The ISO will honor the request so long as it will not cause or worsen a reliability constraint. If the ISO is able to honor the request, the Generator Asset will be dispatched as though it had offered the specified output for the hour in question at the Energy Offer Floor.

(ii) the Market Participant may request that a Dispatchable Asset Related Demand be dispatched above its Minimum Consumption Limit at a specified value. The ISO will

honor the request so long as it will not cause or worsen a reliability constraint. If the ISO is able to honor the request, the Dispatchable Asset Related Demand will be dispatched at or above the requested amount for the hour in question.

(g) During the Operating Day, in any interval in which a Generator Asset is providing Regulation, the upper limit of its energy dispatch range shall be reduced by the amount of Regulation Capacity, and the lower limit of its energy dispatch range shall be increased by the amount of Regulation Capacity. Any such adjustment shall not affect the Real-Time Reserve Designation.

(h) During the Operating Day, in any interval in which a Continuous Storage ATRR is providing Regulation, the upper limit of the associated Generator Asset's energy dispatch range shall be reduced by the Regulation High Limit, and the associated DARD's consumption dispatch range shall be reduced by the Regulation Low Limit. Any such adjustment shall not affect the Real-Time Reserve Designation.

(i) For each hour in the Operating Day, as soon as practicable after the deadlines specified in the foregoing subsection of this Section III.1.10, the ISO shall provide Market Participants and parties to External Transactions with any revisions to their schedules for the hour.

III.1.10.10 Local Second Contingency Protection Resources

III.1.10.10.1 [Reserved.]

III.1.10.10.2 Day-Ahead and Real-Time Energy Market.

When establishing operating schedules, the ISO will select and identify Local Second Contingency Protection Resources on a not unduly discriminatory basis in accordance with the procedures defined in the ISO New England Manuals. Appendix A will determine which, if any, Supply Offers will be adjusted. The ISO will also record, in an auditable log, the reason the Resource was selected.

III.1.10.10.2.1 Special Constraint Resources.

When establishing operating schedules, at the request of a Transmission Owner or distribution company in order to maintain area reliability, the ISO will commit and dispatch Generator Assets to provide relief for constraints not reflected in the ISO's systems for operating the New England Transmission System or the ISO's operating procedures in accordance with the procedures defined in the ISO New England Manuals. The ISO will also record, in an auditable log, the designation of such a Generator Asset as a

Special Constraint Resource and the name of the requesting Transmission Owner or distribution company. Any NCPC Charge associated with the Real-Time operation of the Special Constraint Resource is charged in accordance with the provisions of Schedule 19 of Section II of the Transmission, Markets and Services Tariff.

III.1.10.10.3 [Reserved.]

III.1.11 Dispatch.

The following procedures and principles shall govern the dispatch of the Resources available to the ISO.

III.1.11.1 Resource Output or Consumption and Demand Reduction.

The ISO shall have the authority to direct any Market Participant to adjust the output, consumption or demand reduction of any Dispatchable Resource within the operating characteristics specified in the Market Participant's Offer Data, Supply Offer, Demand Reduction Offer, or Demand Bid. The ISO may cancel its selection of, or otherwise release, Pool-Scheduled Resources. The ISO shall adjust the output, consumption or demand reduction of Resources as necessary: (a) for both Dispatchable Resources and Non-Dispatchable Resources, to maintain reliability, and subject to that constraint, for Dispatchable Resources, (b) to minimize the cost of supplying the energy, reserves, and other services required by the Market Participants and the operation of the New England Control Area; (c) to balance supply and demand, maintain scheduled tie flows, and provide frequency support within the New England Control Area; and (d) to minimize unscheduled interchange that is not frequency related between the New England Control Area and other Control Areas.

III.1.11.2 Operating Basis.

In carrying out the foregoing objectives, the ISO shall conduct the operation of the New England Control Area and shall, in accordance with the ISO New England Manuals and ISO New England Administrative Procedures, (i) utilize available Operating Reserve and replace such Operating Reserve when utilized; and (ii) monitor the availability of adequate Operating Reserve.

III.1.11.3 Dispatchable Resources.

With the exception of Settlement Only Resources, Settlement Only Distributed Energy Resource Aggregations, and Generator Assets that meet the size criteria to be Settlement Only Resources, External Transactions, and nuclear-powered Resources, all Resources must be Dispatchable Resources in the

Energy Market and meet the technical specifications in ISO New England Operating Procedure No. 14 and ISO New England Operating Procedure No. 18 for dispatchability.

A Market Participant that does not meet the requirement for a Dispatchable Resource to be dispatchable in the Energy Market because the Resource is not connected to a remote terminal unit meeting the requirements of ISO New England Operating Procedure No. 18 shall take the following steps:

1. By January 15, 2017, the Market Participant shall submit to the ISO a circuit order form for the primary and secondary communication paths for the remote terminal unit.
2. The Market Participant shall work diligently with the ISO to ensure the Resource is able to receive and respond to electronic Dispatch Instructions within twelve months of the circuit order form submission.

A Market Participant that does not meet the requirement for a Dispatchable Resource to be dispatchable in the Energy Market by the deadline set forth above shall provide the ISO with a written plan for remedying the deficiencies, and shall identify in the plan the specific actions to be taken and a reasonable timeline for rendering the Resource dispatchable. The Market Participant shall complete the remediation in accordance with and under the timeline set forth in the written plan. Until a Resource is dispatchable, it may only be Self-Scheduled in the Real-Time Energy Market and shall otherwise be treated as a Non-Dispatchable Resource.

Dispatchable Resources in the Energy Market are subject to the following requirements:

(a) The ISO shall optimize the dispatch of energy from Limited Energy Resources by request to minimize the as-bid production cost for the New England Control Area. In implementing the use of Limited Energy Resources, the ISO shall use its best efforts to select the most economic hours of operation for Limited Energy Resources, in order to make optimal use of such Resources consistent with the dynamic load-following requirements of the New England Control Area and the availability of other Resources to the ISO.

(b) The ISO shall implement the dispatch of energy from Dispatchable Resources and the designation of Real-Time Operating Reserve to Dispatchable Resources, including the dispatchable portion of Resources which are otherwise Self-Scheduled, by sending appropriate signals and instructions to the entity controlling such Resources. Each Market Participant shall ensure that the entity controlling a Dispatchable Resource offered or made available by that Market Participant complies with the energy dispatch signals and instructions transmitted by the ISO.

(c) The ISO shall have the authority to modify a Market Participant's operational related Offer Data for a Dispatchable Resource if the ISO observes that the Market Participant's Resource is not operating in accordance with such Offer Data. The ISO shall modify such operational related Offer Data based on observed performance and such modified Offer Data shall remain in effect until either (i) the affected Market Participant requests a test to be performed, and coordinates the testing pursuant to the procedures specified in the ISO New England Manuals, and the results of the test justify a change to the Market Participant's Offer Data or (ii) the ISO observes, through actual performance, that modification to the Market Participant's Offer Data is justified.

(d) Market Participants shall exert all reasonable efforts to operate, or ensure the operation of, their Dispatchable Resources in the New England Control Area as close to dispatched output, consumption or demand reduction levels as practical, consistent with Good Utility Practice.

(e) All wind, solar, and hydro Intermittent Power Resources are required to be DNE Dispatchable Generators, with the exception of wind and hydro Intermittent Power Resources with an injection capability of less than 5 MW that are connected through transmission facilities rated at less than 115 kV. A Distributed Energy Resource Aggregation is required to be a DNE Dispatchable Generator if it 1) consists entirely of wind or hydro Intermittent Power Resources or a combination of wind and hydro Intermittent Power Resources, and 2) participates as a Generator Asset.

(i) A Market Participant may elect to have a wind or hydro Intermittent Power Resource with an injection capability less than 5 MW that is connected through transmission facilities rated at less than 115 kV be a DNE Dispatchable Generator.

(ii) A Market Participant may elect to have a hydro Intermittent Power Resource or a Distributed Energy Resource Aggregation consisting entirely of hydro Intermittent Power Resources and participating as a Generator Asset be a DDP Dispatchable Resource if it is able to operate within a dispatchable range and is capable of responding to Dispatch Instructions to increase or decrease output within its dispatchable range.

(f) The ISO may request that dual-fuel Generator Assets that normally burn natural gas voluntarily take all necessary steps (within the limitations imposed by the operating limitations of their installed equipment and their environmental and operating permits) to prepare to switch to secondary fuel in anticipation of natural gas supply shortages. The ISO may request that Market Participants with dual-fuel Generator Assets that normally burn natural gas voluntarily switch to a secondary fuel in anticipation of natural gas supply shortages. The ISO may communicate with Market Participants with dual-fuel

Generator Assets that normally burn natural gas to verify whether the Market Participants have switched or are planning to switch to an alternate fuel.

III.1.11.4 Emergency Condition.

If the ISO anticipates or declares an Emergency Condition, all External Transaction sales out of the New England Control Area that are not backed by a Resource may be interrupted, in accordance with the ISO New England Manuals, in order to serve load and Operating Reserve in the New England Control Area.

III.1.11.5 Dispatchability Requirements for Intermittent Power Resources.

(a) Intermittent Power Resources that are Dispatchable Resources with Supply Offers that do not clear in the Day-Ahead Energy Market and are not committed by the ISO prior to or during the Operating Day must be Self-Scheduled in the Real-Time Energy Market at the Resource's Economic Minimum Limit in order to operate in Real-Time.

(b) Intermittent Power Resources that are not Settlement Only Resources, are not Dispatchable Resources, and are not committed by the ISO prior to or during the Operating Day must be Self-Scheduled in the Real-Time Energy Market with the Resource's Economic Maximum Limit and Economic Minimum Limit redeclared to the same value in order to operate in Real-Time. Redeclarations must be updated throughout the Operating Day to reflect actual operating capabilities.

(c) Wind and solar Generator Assets that are not Settlement Only Resources shall electronically transmit meteorological and forced outage data, as specified below, to the ISO, over a secure network, using the protocol specified in the ISO Operating Documents, for the development and deployment of wind and solar power production forecasts.

Wind Generator Assets that are not Settlement Only Resources shall provide the ISO with the following site-specific meteorological and forced outage data in the manner described in the ISO Operating Documents:

(i) at least once every 30 seconds: wind speed, and wind direction;

(ii) at least once every 5 minutes: ambient air temperature, standard deviation of ambient air temperature, ambient air pressure, standard deviation of ambient air pressure, ambient air relative humidity, and standard deviation of ambient air relative humidity;

(iii) at least once every 5 minutes: Real-Time High Operating Limit, Wind High Limit, wind turbine counts; and

(iv) at least once every hour at the top of the hour for the next 48 hours and by 1000 each day for the next 49 to 168 hours: Wind Plant Future Availability.

Solar Generator Assets that are not Settlement Only Resources shall provide the ISO with the following site-specific meteorological and forced outage data in the manner described in the ISO Operating Documents:

(i) at least once every 30 seconds: irradiance;

(ii) at least once every 5 minutes: ambient air temperature, standard deviation of ambient air temperature, ambient air pressure, standard deviation of ambient air pressure, ambient air relative humidity, standard deviation of ambient air relative humidity, wind speed, and wind direction;

(iii) at least once every 5 minutes: Real-Time High Operating Limit, and Solar High Limit; and

(iv) at least once every hour at the top of the hour for the next 48 hours and by 1000 each day for the next 49 to 168 hours: Solar Plant Future Availability.

III.1.11.6 Non-Dispatchable Resources.

Non-Dispatchable Resources are subject to the following requirements:

(a) The ISO shall have the authority to modify a Market Participant's operational related Offer Data for a Non-Dispatchable Resource if the ISO observes that the Market Participant's Resource is not operating in accordance with such Offer Data. The ISO shall modify such operational related Offer Data based on observed performance and such modified Offer Data shall remain in effect until either (i) the affected Market Participant requests a test to be performed and coordinates the testing pursuant to the procedures specified in the ISO New England Manuals, and the results of the test justify a change to the

Market Participant's Offer Data or (ii) the ISO observes, through actual performance, that modification to the Market Participant's Offer Data is justified.

(b) Market Participants with Non-Dispatchable Resources shall exert all reasonable efforts to operate or ensure the operation of their Resources in the New England Control Area as close to dispatched levels as practical when dispatched by the ISO for reliability, consistent with Good Utility Practice.

III.2 Day-Ahead Prices, Real-Time Prices, and Real-Time Reserve Clearing Prices Calculation

III.2.1 Introduction.

The ISO shall calculate the price of energy at Nodes, Load Zones, DRR Aggregation Zones and Hubs in the New England Control Area and at External Nodes on the basis of Locational Marginal Prices and shall calculate the price of Operating Reserve in Real-Time for each Reserve Zone on the basis of Real-Time Reserve Clearing Prices as determined in accordance with this Market Rule 1. Locational Marginal Prices for energy shall be calculated on a Day-Ahead basis for each hour of the Day-Ahead Energy Market, and every five minutes during the Operating Day for the Real-Time Energy Market. Real-Time Reserve Clearing Prices shall be calculated on a Real-Time basis every five minutes as part of the joint optimization of energy and Operating Reserve during the Operating Day. Day-Ahead Ancillary Services prices and the Forecast Energy Requirement Price shall be calculated for each hour of the Operating Day, as specified in Section III.2.6.2, as part of the joint optimization of energy and ancillary services in the Day-Ahead Market.

III.2.2 General.

The ISO shall determine the least cost security-constrained economic commitment and dispatch, which is the least costly means of serving load at different Locations in the New England Control Area based on scheduled or actual conditions, as applicable, existing on the power grid and on the prices at which Market Participants have offered to supply and consume energy in the New England Markets. Day-Ahead Locational Marginal Prices for energy for the applicable Locations, Day-Ahead Ancillary Services prices, and the Forecast Energy Requirement Price will be calculated based on the joint optimization process described in Section III.1.10.8(a) utilizing the prices of offers and bids, the Forecast Energy Requirement Penalty Factor as specified in Section III.2.6.2(d) when applicable, and Reserve Constraint Penalty Factors as specified in Section III.2.6.2(c) when applicable. Real-Time Locational Marginal Prices for energy and Real-Time Reserve Clearing Prices will be calculated based on a jointly optimized economic dispatch of energy and designation of Operating Reserve utilizing the prices of energy offers and bids, and Reserve Constraint Penalty Factors as specified in Section III.2.7A when applicable.

Except as further provided in Section III.2.6, the process for the determination of Locational Marginal Prices shall be as follows:

(a) To determine operating conditions, in the Day-Ahead Energy Market or Real-Time Energy Market, on the New England Transmission System, the ISO shall use a computer model of the interconnected grid that uses scheduled quantities or available metered inputs regarding electric output, loads, and power flows to model remaining flows and conditions, producing a consistent representation of power flows on the network. The computer model employed for this purpose in the Real-Time Energy Market, referred to as the State Estimator program, is a standard industry tool and is described in Section III.2.3. It will be used to obtain information regarding the output of resources supplying energy and Operating Reserve to the New England Control Area, loads at busses in the New England Control Area, transmission losses, penalty factors, and power flows on binding transmission and interface constraints for use in the calculation of Day-Ahead and Real-Time Locational Marginal Prices, Real-Time Reserve Clearing Prices, Day-Ahead Ancillary Services prices, and the Forecast Energy Requirement Price. Additional information used in the calculation of Real-Time Locational Marginal Prices and Real-Time Reserve Clearing Prices, including Offer Data, Real-Time Operating Reserve designations and Real-Time schedules for External Transactions, will be obtained from the ISO's dispatch software and dispatchers.

(b) Using the prices at which Market Participants offer and bid energy to the New England Markets, the ISO shall determine the offers and bids of energy that will be considered in the calculation of Day-Ahead Prices, Real-Time Prices and Real-Time Reserve Clearing Prices. During the Operating Day, Real-Time nodal Locational Marginal Prices and Real-Time Reserve Clearing Prices shall be determined every five minutes and such determinations shall be the basis of the settlement of sales and purchases of energy in the Real-Time Energy Market, the settlement associated with the provision of Operating Reserve in Real-Time and the settlement of Congestion Costs and costs for losses under the Transmission, Markets and Services Tariff not covered by the Day-Ahead Energy Market. As described in Section III.2.6, every offer and bid by a Market Participant that is scheduled in the Day-Ahead Energy Market will be utilized in the calculation of Day-Ahead Locational Marginal Prices.

III.2.3 Determination of System Conditions Using the State Estimator.

Power system operations, including, but not limited to, the determination of the least costly means of serving load and system and zonal Real-Time Operating Reserve requirements, depend upon the availability of a complete and consistent representation of generator outputs, loads, and power flows on the network. In calculating Day-Ahead Prices, the ISO shall base the system conditions on the expected transmission system configuration and the set of offers and bids submitted by Market Participants. In calculating Real-Time Locational Marginal Prices and Real-Time Reserve Clearing Prices, the ISO shall obtain a complete and consistent description of conditions on the electric network in the New England

Control Area by using the power flow solution produced by the State Estimator for the pricing interval, which is also used by the ISO for other functions within power system operations. The State Estimator is a standard industry tool that produces a power flow model based on available Real-Time metering information, information regarding the current status of lines, generators, transformers, and other equipment, bus load distribution factors, and a representation of the electric network, to provide a complete description of system conditions, including conditions at Nodes and External Nodes for which Real-Time information is unavailable. In calculating Real-Time Locational Marginal Prices and Real-Time Reserve Clearing Prices, the ISO shall obtain a State Estimator solution every five minutes, which shall provide the megawatt output of generators and the loads at Locations in the New England Control Area, transmission line losses, penalty factors, and actual flows or loadings on constrained transmission facilities. External Transactions between the New England Control Area and other Control Areas shall be included in the Real-Time Locational Marginal Price calculation on the basis of the Real-Time transaction schedules implemented by the ISO's dispatcher.

III.2.4 Adjustment for Rapid Response Pricing Assets.

For any Real-Time pricing interval during which a Rapid Response Pricing Asset is committed by the ISO, is in a dispatchable mode, and is not Self-Scheduled, the energy offer of that Rapid Response Pricing Asset shall be adjusted as described in this Section III.2.4 for purposes of the price calculations described in Section III.2.5 and Section III.2.7A. For purposes of the adjustment described in this Section III.2.4, if no Start-Up Fee, No-Load Fee, or Interruption Cost is specified in the submitted Offer Data, a value of zero shall be used; if no Minimum Run Time, or Minimum Reduction Time is specified in the submitted Offer Data, or if the submitted Minimum Run Time, or Minimum Reduction Time is less than 15 minutes, a duration of 15 minutes shall be used; and the energy offer after adjustment shall not exceed $2,000/MWh.

(a) If the Rapid Response Pricing Asset is a Fast Start Generator or a Flexible DNE Dispatchable Generator, its Economic Minimum Limit shall be set to zero; if the Rapid Response Pricing Asset is a Binary Storage DARD, its Minimum Consumption Limit shall be set to zero; if the Rapid Response Pricing Asset is a Fast Start Demand Response Resource, its Minimum Reduction shall be set to zero.

(b) If the Rapid Response Pricing Asset is a Fast Start Generator or a Flexible DNE Dispatchable Generator that has not satisfied its Minimum Run Time, its energy offer shall be increased by: (i) the Start-Up Fee divided by the product of the Economic Maximum Limit and the Minimum Run Time; and (ii) the No-Load Fee divided by the Economic Maximum Limit.

(c) If the Rapid Response Pricing Asset is a Fast Start Generator or a Flexible DNE Dispatchable Generator that has satisfied its Minimum Run Time, its energy offer shall be increased by the No-Load Fee divided by the Economic Maximum Limit.

(d) If the Rapid Response Pricing Asset is a Fast Start Demand Response Resource that has not satisfied its Minimum Reduction Time, its energy offer shall be increased by the Interruption Cost divided by the product of the Maximum Reduction and the Minimum Reduction Time.

(e) If the Rapid Response Pricing Asset is a Fast Start Demand Response Resource that has satisfied its Minimum Reduction Time, its energy offer shall not be increased.

(f) If the Rapid Response Pricing Asset is a Fast Start Demand Response Distributed Energy Resource Aggregation that has not satisfied its Minimum Reduction Time, its energy offer shall be increased by the Interruption Cost divided by the product of the Maximum Reduction and the Minimum Reduction Time.

(g) If the Rapid Response Pricing Asset is a Fast Start Demand Response Distributed Energy Resource Aggregation that has satisfied its Minimum Reduction Time, its energy offer shall not be increased.

III.2.5 Calculation of Nodal Real-Time Prices.

(a) The ISO shall determine the least costly means of obtaining energy to serve the next increment of load at each Node internal to the New England Control Area represented in the State Estimator and each External Node Location between the New England Control Area and an adjacent Control Area, based on the system conditions described by the power flow solution produced by the State Estimator for the pricing interval. This calculation shall be made by applying an optimization method to minimize energy cost, given actual system conditions, a set of energy offers and bids (adjusted as described in Section III.2.4), and any binding transmission and Operating Reserve constraints that may exist. In performing this calculation, the ISO shall calculate the cost of serving an increment of load at each Node and External Node from all available Generator Assets (excluding Settlement Only Resources), Demand Response Resources, Demand Response Distributed Energy Resource Aggregations, External Transaction purchases submitted under Section III.1.10.7 and Dispatchable Asset Related Demands with an eligible energy offer as the sum of: (1) the price at which the Market Participant has offered to supply or consume

an additional increment of energy from the Resource; (2) the effect on Congestion Costs (whether positive or negative) associated with increasing the output of the Resource or reducing consumption of the Resource, based on the effect of increased output from that Resource or reduced consumption from that Resource on transmission line loadings; and (3) the effect on Congestion Costs (whether positive or negative) associated with increasing the Operating Reserve requirement, based on the effect of Resource re-dispatch on transmission line loadings; (4) the effect on Congestion Costs (whether positive or negative) associated with a deficiency in Operating Reserve, based on the effect of the Reserve Constraint Penalty Factors described under Section III.2.7A(c); and (5) the effect on transmission losses caused by the increment of load, generation and demand reduction. The energy offer or offers and energy bid or bids and re-dispatchable non-firm large load that can jointly serve an increment of load and an increment of Operating Reserve requirement at a Location at the lowest cost, calculated in this manner, shall determine the Real-Time Price at that Node or External Node. For an external interface for which the enhanced scheduling procedures in Section III.1.10.7.A are implemented, the Real-Time Price at the External Node shall be further adjusted to include the effect on Congestion Costs (whether positive or negative) associated with a binding constraint limiting the external interface schedule, as determined when the interface is scheduled.

(b) During the Operating Day, the calculation set forth in this Section III.2.5 shall be performed for every five-minute interval, using the ISO's Locational Marginal Price program, producing a set of nodal Real-Time Prices based on system conditions during the pricing interval. The prices produced at five-minute intervals during an hour will be integrated to determine the nodal Real-Time Prices for that hour.

(c) For any interval during any hour in the Operating Day that the ISO has declared a Minimum Generation Emergency, the affected nodal Real-Time Prices calculated under this Section III.2.5 shall be set equal to the Energy Offer Floor for all Nodes within the New England Control Area and all External Nodes.

III.2.6 Calculation of Day-Ahead Prices.

III.2.6.1 Calculation of Day-Ahead Locational Marginal Prices.

(a) Day-Ahead Locational Marginal Prices shall be determined on the basis of the Day-Ahead Market security-constrained economic commitment and dispatch described in Section III.1.10.8(a) and in accordance with the provisions of this Section applicable to the Day-Ahead Energy Market. Such prices shall be the basis for the settlement of purchases and sales of energy, costs for losses and Congestion Costs resulting from the Day-Ahead Energy Market. This calculation shall be made for each hour in the

Day-Ahead Market by applying a joint optimization method consistent with Section III.1.10.8(a), given scheduled system conditions, scheduled transmission outages, and any transmission limitations that may exist. In performing this calculation, the ISO shall calculate the cost of serving an increment of load at each Node and External Node from each Resource associated with an eligible energy offer, energy bid, re-dispatchable non-firm large load, or Day-Ahead Ancillary Services Offer as the sum of: (1) the price at which the Market Participant has offered to supply an additional increment of energy from the Resource or reduce consumption from the Resource and the effect on ancillary service costs associated with increasing the output of the Resource or reducing consumption of the Resource; (2) the effect on transmission Congestion Costs (whether positive or negative) associated with increasing the output of the Resource or reducing consumption of the Resource, based on the effect of increased output from that Resource or reduced consumption from a Resource on transmission line loadings; and (3) the effect on transmission losses caused by the increment of load and supply. The cost of serving an increment of load at a Node or External Node, calculated in this manner, shall determine the Day-Ahead Locational Marginal Price at that Node.

For External Nodes for which the enhanced scheduling procedures in Section III.1.10.7.A are implemented, the clearing process specified in the previous two paragraphs shall apply. For all other External Nodes, the following process shall apply: in addition to determining the quantity cleared via the application of transmission constraints (i.e., limits on the flow over a line or set of lines), the quantity cleared is limited via the application of a nodal constraint (i.e., a limit on the total net injections at a Node) that restricts the net amount of cleared transactions to the transfer capability of the external interface. Clearing prices at all Nodes will reflect the marginal cost of serving the next increment of load at that Node while reflecting transmission constraints. A binding nodal constraint will result in interface limits being followed, but will not directly affect the congestion component of an LMP at an External Node.

(b) Energy deficient conditions. If the sum of all Day-Ahead fixed Demand Bids cannot be satisfied with the sum of all scheduled External Transaction purchases, cleared Increment Offers, and available supply at the Generator Asset's Economic Maximum Limit, demand reduction at the Demand Response Resource's Maximum Reduction, and deviation at the Demand Response Distributed Energy Resource Aggregation's Maximum Reduction, the technical software issues an Emergency Condition warning message due to a shortage of economic supply in the Day-Ahead Energy Market. The following steps shall then be performed to achieve power balance:

(i) Reduce any remaining price-sensitive Demand Bids (including External Transaction sales) and Decrement Bids from lowest price to highest price to zero MW until power balance is achieved (there may be some price sensitive bids that are higher priced than the highest Supply Offer, Demand Reduction Offer, or Increment Offer price cleared). Set LMP values equal to the highest price-sensitive Demand Bid or Decrement Bid that was cut in this step. If no price-sensitive Demand Bid or Decrement Bid was reduced in this step, the LMP values are set equal to highest offer price of all on-line Generator Assets, dispatched Demand Response Resources, dispatched Demand Response Distributed Energy Resource Aggregations, Increment Offers or External Transaction purchases; and

(ii) If power balance is not achieved after step (i), reduce all remaining fixed Demand Bids proportionately (by ratio of load MW) until balance is achieved. Set LMP values equal to the highest offer price of all on-line Generator Assets (excluding Settlement Only Resources), dispatched Demand Response Resources, dispatched Demand Response Distributed Energy Resource Aggregations, Increment Offers or External Transaction purchases or the price from step (i), whichever is higher.

(c) System-level excess energy conditions. If the total cleared energy supply in the Day-Ahead Energy Market exceeds the total bid-in demand, then the following steps shall be performed to achieve energy balance:

(i) The Day-Ahead security-constrained economic dispatch process will be performed such that all committed Generator Assets shall be dispatched no lower than their respective Emergency Minimum Limits and each such Generator Asset will be treated as offering its output below its Economic Minimum Limit at the Energy Offer Floor; and

(ii) If power balance is not achieved in step (i), the Day-Ahead security-constrained economic dispatch process will be performed such that (a) all committed Generator Assets shall be dispatched no lower than zero, each such Generator Asset will be treated as having an unlimited downward ramp rate, and each such Generator Asset will be treated as offering its output below its Economic Minimum Limit at the Energy Offer Floor; and (b) all committed Demand Response Resources and Demand Response Distributed Energy Resource Aggregations shall be dispatched no lower than zero, each such Demand Response Resource and Demand Response Distributed Energy Resource Aggregation will be treated as having an unlimited

downward ramp rate, and each such Demand Response Resource and Demand Response Distributed Energy Resource Aggregation will be treated as offering its demand reduction below its Minimum Reduction at the Energy Offer Floor.

(d) Local excess energy conditions. If a transmission limit is violated in the Day-Ahead Energy Market, the following steps shall be performed:

(i) The Day-Ahead security-constrained economic dispatch process will be performed such that all Generator Assets contributing to the transmission limit violation shall be dispatched no lower than their respective Emergency Minimum Limits, and each such Generator Asset will be treated as offering its output below its Economic Minimum Limit at the Energy Offer Floor; and

(ii) If the transmission limit violation is not resolved in step (i), the Day-Ahead security-constrained economic dispatch process will be performed such that (a) all Generator Assets contributing to the transmission limit violation shall be dispatched no lower than zero, each such Generator Asset will be treated as having an unlimited downward ramp rate, and each such Generator Asset will be treated as offering its output below its Economic Minimum Limit at the Energy Offer Floor; and (b) all Demand Response Resources and Demand Response Distributed Energy Resource Aggregations contributing to the transmission limit violation shall be dispatched no lower than zero, each such Demand Response Resource and Demand Response Distributed Energy Resource Aggregation will be treated as having an unlimited downward ramp rate, and each such Demand Response Resource and Demand Response Distributed Energy Resource Aggregation will be treated as offering its demand reduction below its Minimum Reduction at the Energy Offer Floor.

III.2.6.2 Calculation of Additional Day-Ahead Prices.

The ISO shall calculate hourly Day-Ahead Prices for additional requirements in the Day-Ahead Market as described in this Section III.2.6.2.

(a) **Day-Ahead Flexible Response Services Clearing Prices.**

(i) The clearing price for Day-Ahead Thirty-Minute Operating Reserve shall be the incremental cost, as measured by the change in the Day-Ahead Market security-constrained economic dispatch objective value, to satisfy:

(1) the next increment of Day-Ahead Minimum Total Reserve Quantity, if the cost of such next increment is greater than or equal to the Reserve Constraint Penalty Factor applicable to the Day-Ahead Total Reserve Demand Quantity; or,

(2) if Section III.2.6.2(a)(i)(1) is inapplicable, the next increment of Day-Ahead Total Reserve Demand Quantity.

(ii) The clearing price for Day-Ahead Ten-Minute Non-Spinning Reserve shall be the sum of (1) the incremental cost, as measured by the change in the Day-Ahead Market security-constrained economic dispatch objective value, to satisfy the next increment of the Day-Ahead Total Ten-Minute Reserve Demand Quantity, and (2) the clearing price for Day-Ahead Thirty-Minute Operating Reserve.

(iii) The clearing price for Day-Ahead Ten-Minute Spinning Reserve shall be the sum of (1) the incremental cost, as measured by the change in the Day-Ahead Market security-constrained economic dispatch objective value, to satisfy the next increment of Day-Ahead Ten-Minute Spinning Reserve, and (2) the clearing price for Day-Ahead Ten-Minute Non-Spinning Reserve.

(iv) If the Day-Ahead Market does not clear sufficient Day-Ahead Flexible Response Services to satisfy one or more of the Day-Ahead Flexible Response Services Demand Quantities, the Day-Ahead Flexible Response Services clearing prices shall be set based upon the applicable Reserve Constraint Penalty Factors, as described by Section III.2.6.2(c)(i) through (iv).

(b) **Forecast Energy Requirement Price**.

(i) The Forecast Energy Requirement Price shall be the marginal cost, as measured by the change in the Day-Ahead Market security-constrained economic dispatch objective value, to satisfy the next increment of the Forecast Energy Requirement Demand Quantity.

(ii) The Forecast Energy Requirement Price shall be based upon the Forecast Energy Requirement Penalty Factor specified by Section III.2.6.2(d) when any one or some combination of the following occurs:

(1) The Day-Ahead Market does not clear sufficient energy and Day-Ahead Energy Imbalance Reserve to satisfy the Forecast Energy Requirement Demand Quantity.

(2) The Day-Ahead Locational Marginal Prices are set pursuant to Section III.2.6.1(b).

I **Reserve Constraint Penalty Factors in the Day-Ahead Market**. The Day-Ahead Market scheduling pursuant to Section III.1.10.8(a), and the Day-Ahead Prices specified in Section III.2.6, shall respect the applicable Reserve Constraint Penalty Factors specified below:

(i) The Reserve Constraint Penalty Factor applicable to the Day-Ahead Ten-Minute Spinning Reserve Demand Quantity shall be equal to the Real-Time Ten-Minute Spinning Reserve Requirement Reserve Constraint Penalty Factor specified in Section III.2.7A.

(ii) The Reserve Constraint Penalty Factor applicable to the Day-Ahead Total Ten-Minute Reserve Demand Quantity shall be equal to the Real-Time Ten-Minute Reserve Requirement Reserve Constraint Penalty Factor specified in Section III.2.7A.

(iii) The Reserve Constraint Penalty Factor applicable to the Day-Ahead Minimum Total Reserve Demand Quantity shall be equal to the Real-Time Minimum Total Reserve Requirement Reserve Constraint Penalty Factor specified in Section III.2.7A.

(iv) The Reserve Constraint Penalty Factor applicable to the Day-Ahead Total Reserve Demand Quantity shall be equal to the Real-Time Total Reserve Requirement Reserve Constraint Penalty Factor specified in Section III.2.7A.

(d) **Forecast Energy Requirement Penalty Factor**. The Day-Ahead Market scheduling pursuant to Section III.1.10.8(a), and the Day-Ahead Prices specified in Section III.2.6, shall respect the Forecast Energy Requirement Penalty Factor applicable to the Forecast Energy Requirement Demand Quantity. The Forecast Energy Requirement Penalty Factor shall be set at $2,575/MWh.

III.2.7 Reliability Regions, Load Zones, Reserve Zones, Zonal Prices and External Nodes.

(a) The ISO shall calculate Zonal Prices for each Load Zone and DRR Aggregation Zone for both the Day-Ahead Energy Market and Real-Time Energy Markets using a load-weighted average of the Locational Marginal Prices for the Nodes within that Load Zone or DRR Aggregation Zone. The load weights used in calculating the Day-Ahead Zonal Prices for the Load Zone and DRR Aggregation Zone shall be determined in accordance with applicable Market Rule 1 provisions and shall be based on historical load usage patterns. The load weights do not reflect Demand Bids or Decrement Bids that settle at the Node level in the Day-Ahead Energy Market. The ISO shall determine, in accordance with applicable ISO New England Manuals, the load weights used in Real-Time based on the actual Real-Time load distribution as calculated by the State Estimator, adjusted for generation modeled at load Nodes, and shall exclude any Asset Related Demand from the load weights used to calculate the applicable Real-Time Zonal Prices.

(b) Each Load Zone shall initially be approximately coterminous with a Reliability Region.

(c) Reserve Zones shall be established by the ISO which represent areas within the New England Transmission System that require local 30 minute contingency response as part of normal system operations in order to satisfy local 2nd contingency response reliability criteria.

(d) The remaining area within the New England Transmission System that is not included within the Reserve Zones established under Section III.2.7(c) is Rest of System.

(e) Each Reserve Zone shall be completely contained within a Load Zone or shall be defined as a subset of the Nodes contained within a Load Zone.

(f) The ISO shall calculate Forward Reserve Clearing Prices and Real-Time Reserve Clearing Prices for each Reserve Zone.

(g) After consulting with the Market Participants, the ISO may reconfigure Reliability Regions, Load Zones, Dispatch Zones, and Reserve Zones and add or subtract Reliability Regions, Load Zones, Dispatch Zones, and Reserve Zones as necessary over time to reflect changes to the grid, patterns of usage, changes in local TMOR contingency response requirements and intrazonal Congestion. The ISO shall file any such changes with the Commission.

(h) In the event the ISO makes changes to a Reliability Region or Load Zone or adds or subtracts Reliability Regions and Load Zones, for settlement purposes and to the extent practicable, Load Assets that are physically located in one Reliability Region and electrically located within another Reliability Region shall be located within the Reliability Region to which they are electrically located.

(i) External Nodes are the nodes at which External Transactions settle. As appropriate and after consulting with Market Participants, the ISO will establish and re-configure External Nodes taking into consideration appropriate factors, which may include: tie line operational matters, FTR modeling and auction assumptions, market power issues associated with external contractual arrangements, impacts on Locational Marginal Prices, and inter-regional trading impacts.

(j) On or about the 20th calendar day of each month, the ISO shall publish the Real-Time nodal load weights (expressed in MW) used to calculate the load-weighted Real-Time Zonal Prices for the preceding month. Nodal load weights will be published for all nodes used in the calculations except for those nodes identified by customers as nodes for which publication would provide individual customer usage data. Any individual customer whose usage data would be revealed by publication of load weight information associated with a specific Node must submit a written request to the ISO to omit the applicable Node from the publication requirement. The request must identify the affected Node and, to the best of the customer's knowledge, the number of customers taking service at the affected Node and the estimated percentage of the total annual load (MWh) at the affected Node period that is attributable to the customer. The information contained in the request must be certified in writing by an officer of the customer's company (if applicable), by an affidavit signed by a person having knowledge of the applicable facts, or by representation of counsel for the customer. The ISO will grant a customer request if it determines based on the information provided that no more than two customers are taking service at the affected Node or that the percentage of the customer's annual load (MWh) at the affected Node is greater than 75 percent of the total load (MWh) at the affected Node. If a customer request is granted and that customer request is the only such customer request within a Load Zone, then the ISO shall randomly select one other Node and not disclose hourly load information for the randomly selected Node unless and until another customer request within the Load Zone is granted. A request to suspend publication for a month must be received by the ISO on or before the 10th calendar day of the following month in order to be effective for that month. Upon receipt of a request, the ISO will suspend publication of the load weight data for the specified Node. The ISO may, from time to time, require customer confirmation that continued omission from publication of load weight data for a particular Node is required in order to

avoid disclosure of individual customer usage data. If customer confirmation is not received within a reasonable period not to exceed 30 days, the ISO may publish load weight data for the applicable Node.

III.2.7A Calculation of Real-Time Reserve Clearing Prices.

(a) The ISO shall obtain Operating Reserve in Real-Time to serve Operating Reserve requirements for the system and each Reserve Zone on a jointly optimized basis with the calculation of nodal Real-Time Prices specified under Section III.2.5, based on the system conditions described by the power flow solution produced by the State Estimator program for the pricing interval. This calculation shall be made by applying an optimization method to maximize social surplus, given actual system conditions, a set of energy offers and bids, and any binding transmission constraints, including binding transmission interface constraints associated with meeting Operating Reserve requirements, and binding Operating Reserve constraints that may exist. In performing this calculation, the ISO shall calculate, on a jointly optimized basis with serving an increment of load at each Node and External Node, the cost of serving an increment of Operating Reserve requirement for the system and each Reserve Zone from all available Generator Assets (excluding Settlement Only Resources), Demand Response Resources, Demand Response Distributed Energy Resource Aggregations and Dispatchable Asset Related Demands with an eligible energy offer or bid. Real-Time Reserve Clearing Prices will be equal to zero unless system re-dispatch is required in order to meet the system and zonal Operating Reserve requirements or there is a deficiency in available Operating Reserve, in which case Real-Time Reserve Clearing Prices shall be set as described in Section III.2.7A(b) and Section III.2.7A(c).

(b) If system re-dispatch is required to maintain sufficient levels of Operating Reserve, the applicable Real-Time Reserve Clearing Price is equal to the highest unit-specific Real-Time Reserve Opportunity Cost associated with all Generator Assets, Demand Response Resources, Demand Response Distributed Energy Resource Aggregations and Dispatchable Asset Related Demands that were re-dispatched to meet the applicable Operating Reserve requirement. The Real-Time Reserve Opportunity Cost of a Resource shall be equal to the difference between (i) the Real-Time Energy LMP at the Location for the Resource and (ii) the offer price associated with the re-dispatch of the Resource necessary to create the additional Operating Reserve.

(c) If there is insufficient Operating Reserve in Real-Time available to meet the Operating Reserve requirements for the system and/or any Reserve Zone or sufficient Operating Reserve is not available at a redispatch cost equal to or less than that specified by the Reserve Constraint Penalty Factors, the

applicable Real-Time Reserve Clearing Prices shall be set based upon the following Reserve Constraint Penalty Factors:

Real-Time Requirement	Reserve Constraint Penalty Factor
Zonal Reserve Requirement (combined amount of TMSR, TMNSR, and TMOR required for a Reserve Zone)	$250/MWh
Minimum Total Reserve Requirement (does not include Replacement Reserve) (combined amount of TMSR, TMNSR, and TMOR required system-wide)	$1000/MWh
Total Reserve Requirement (includes Replacement Reserve) (combined amount of TMSR, TMNSR, and TMOR required system-wide)	$250/MWh
Ten-Minute Reserve Requirement (combined amount of TMSR and TMNSR required system-wide)	$1500/MWh
Ten-Minute Spinning Reserve Requirement (amount of TMSR required system-wide)	$50/MWh

The Reserve Constraint Penalty Factors shall be applied in a manner that is consistent with the price cascading described in Section III.2.7A(d).

(d) Real-Time Reserve designations and Real-Time Reserve Clearing Prices shall be calculated in such a manner to ensure that excess Real-Time Operating Reserve capability will cascade down for use in meeting any remaining Real-Time Operating Reserve requirements from TMSR to TMNSR to TMOR and that the pricing of Real-Time Operating Reserve shall cascade up from TMOR to TMNSR to TMSR.

(e) During the Operating Day, the calculation set forth in this Section III.2.7A shall be performed for every five-minute interval, using the ISO's Unit Dispatch System and Locational Marginal Price program, producing a set of zonal Real-Time Reserve Clearing Prices based on system conditions for the pricing interval. The prices produced at five-minute intervals during an hour will be integrated to determine the Real-Time Reserve Clearing Prices for the system and/or each Reserve Zone for that hour.

III.2.8 Hubs and Hub Prices.

(a) On behalf of the Market Participants, the ISO shall maintain and facilitate the use of a Hub or Hubs for the Day-Ahead Energy Market and Real-Time Energy Market, comprised of a set of Nodes

within the New England Control Area, which Nodes shall be identified by the ISO on its internet website. The ISO has used the following criteria to establish an initial Hub and shall use the same criteria to establish any additional Hubs:

(i) Each Hub shall contain a sufficient number of Nodes to try to ensure that a Hub Price can be calculated for that Hub at all times;

(ii) Each Hub shall contain a sufficient number of Nodes to ensure that the unavailability of, or an adjacent line outage to, any one Node or set of Nodes would have only a minor impact on the Hub Price;

(iii) Each Hub shall consist of Nodes with a relatively high rate of service availability;

(iv) Each Hub shall consist of Nodes among which transmission service is relatively unconstrained; and

(v) No Hub shall consist of a set of Nodes for which directly connected load and/or generation at that set of Nodes is dominated by any one entity or its Affiliates.

(b) The ISO shall calculate and publish Hub Prices for both the Day-Ahead and Real-Time Energy Markets based upon the arithmetic average of the Locational Marginal Prices of the nodes that comprise the Hub.

III.2.9A Final Real Time Prices, Real-Time Reserve Clearing and Regulation Clearing Prices.

(a) The ISO normally will post provisional Real-Time Prices, Real-Time Reserve Clearing Prices and Regulation clearing prices in Real-Time or soon thereafter. The ISO shall post the final Real-Time Prices, final Real-Time Reserve Clearing Prices and final Regulation clearing prices as soon as practicable following the Operating Day, in accordance with the timeframes specified in the ISO New England Manuals, except that the posting of such final Real-Time Prices, final Real-Time Reserve Clearing Prices and final Regulation clearing prices by the ISO shall not exceed five business days from the applicable Operating Day. If the ISO is not able to calculate Real-Time Prices, Real-Time Reserve Clearing Prices or Regulation clearing prices normally due to human error, hardware, software, or telecommunication problems that cannot be remedied in a timely manner, the ISO will calculate Real-

Time Prices, Real-Time Reserve Clearing Prices or Regulation clearing prices as soon as practicable using the best data available; provided, however, in the event that the ISO is unable to calculate and post final Real-Time Prices, Real-Time Reserve Clearing Prices or Regulation clearing prices due to exigent circumstances not contemplated in this market rule, the ISO shall make an emergency filing with the Commission within five business days from the applicable Operating Day detailing the exigent circumstance, which will not allow the final clearing prices to be calculated and posted, along with a proposed resolution including a timeline to post final clearing prices.

(b) The permissibility of correction of errors in Real-Time Prices, Real-Time Reserve Clearing Prices or Regulation clearing prices for an Operating Day due to database, software or similar errors of the ISO or its systems, and the timeframes and procedures for permitted corrections, are addressed solely in this Section III.2.9A and not in those sections of Market Rule 1 relating to settlement and billing processes.

III.2.9B Final Day-Ahead Market Results

(a) Day-Ahead Market results are final when published except as provided in this subsection. If the ISO determines based on reasonable belief that there may be one or more errors in the Day-Ahead Market results for an Operating Day or if no Day-Ahead Market results are available due to human error, database, software or similar errors of the ISO or its systems, the ISO shall post on the ISO website prior to 12:01 a.m. of the applicable Operating Day, a notice that the results are provisional and subject to correction or unavailable for initial publishing. Any Day-Ahead Market results for which no notice is posted shall be final and not subject to correction or other adjustment, and shall be used for purposes of settlement. The ISO shall confirm within three business days of the close of the applicable Operating Day whether there was an error in any provisional Day-Ahead Market results and shall post a notice stating its findings.

(b) The ISO will publish corrected Day-Ahead Market results within three business days of the close of the applicable Operating Day or the results of the Day-Ahead Market for the Operating Day will stand; provided, however, in the event that the ISO is unable to calculate and post final Day-Ahead Market results due to exigent circumstances not contemplated in this market rule, the ISO shall make an emergency filing with the Commission within five business days from the applicable Operating Day detailing the exigent circumstance, which will not allow the final prices to be calculated and posted, along with a proposed resolution including a timeline to post final prices. The ISO shall also publish a statement describing the nature of the error and the method used to correct the results.

(c) If the ISO determines in accordance with subsection (a) that there are one or more errors in the Day-Ahead Market results for an Operating Day, the ISO shall calculate corrected Day-Ahead Market results by determining and substituting for the initial results, final results that reasonably reflect how the results would have been calculated but for the errors. To the extent that it is necessary, reasonable and practicable to do so, the ISO may specify an allocation of any costs that are not otherwise allocable under applicable provisions of Market Rule 1. The ISO shall use the corrected results for purposes of settlement.

(d) For every change in the Day-Ahead Market results made pursuant to Section III.2.9B, the ISO will prepare and submit, as soon as practicable, an informational report to the Commission describing the nature of any errors, the precise remedy administered, the method of determining corrected prices and allocating any costs, and any remedial actions that will be taken to avoid similar errors in the future.

(e) The permissibility of correction of errors in Day-Ahead Market results, and the timeframes and procedures for permitted corrections, are addressed solely in this Section III.2.9B and not in those sections of Market Rule 1 relating to settlement and billing processes.

III.12. Calculation of Capacity Requirements.

III.12.1. Installed Capacity Requirement.

Large Loads receiving Interim Contract Demand Service or Non-Firm Contract Demand Service shall be excluded from the calculation of the Installed Capacity Requirement and related values. Prior to each Annual Capacity Auction, the ISO shall calculate the Installed Capacity Requirement for the New England Control Area for the Capacity Commitment Period associated with that Annual Capacity Auction in accordance with this Section III.12.1. Prior to the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, the ISO shall calculate an Installed Capacity Requirement for the New England Control Area for such Capacity Commitment Period in accordance with this Section III.12.1.

The ISO shall determine the Installed Capacity Requirement such that the probability of disconnecting non-interruptible customers due to resource deficiency, on average, will be no more than once in ten years. Compliance with this resource adequacy planning criterion shall be evaluated probabilistically, such that the Loss of Load Expectation ("LOLE") of disconnecting non-interruptible customers due to resource deficiencies shall be no more than 0.1 day each year. The forecast Installed Capacity Requirement shall meet this resource adequacy planning criterion for each Capacity Commitment Period. The Installed Capacity Requirement shall be determined assuming all resources pursuant to Sections III.12.7 and III.12.9 will be deliverable to meet the forecasted demand determined pursuant to Section III.12.8.

If the Installed Capacity Requirement shows a consistent bias over time, either high or low, the ISO shall make adjustments to the modeling assumptions and/or methodology through the stakeholder process to eliminate the bias in the Installed Capacity Requirement. The modeling assumptions used in determining the Installed Capacity Requirement are specified in Sections III.12.7, III.12.8 and III.12.9. For the purpose of this Section III.12, a "resource" shall mean any Capacity Resource eligible to receive Capacity Base Payments in the Annual or Forward Capacity Market.

III.12.1.1. System-Wide Marginal Reliability Impact Values.

Prior to each Annual Capacity Auction, the ISO shall determine the system-wide Marginal Reliability Impact of incremental capacity at various capacity levels for the New England Control Area. For purposes of calculating these Marginal Reliability Impact values, the ISO shall apply the same modeling assumptions and methodology used in determining the Installed Capacity Requirement. Prior to the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity

Commitment Period beginning on June 1, 2027, the ISO shall determine a system-wide Marginal Reliability Impact value for such Capacity Commitment Period.

III.12.2. Local Sourcing Requirements and Maximum Capacity Limits.

Prior to each Annual Capacity Auction, the ISO shall calculate the capacity requirements and limitations, accounting for relevant transmission interface limits which shall be determined pursuant to Section III.12.5, for each modeled Capacity Zone (as described in Section III.12.4) for the Capacity Commitment Period associated with that Annual Capacity Auction.

The ISO shall use consistent assumptions and standards to establish a resource's electrical location for purposes of qualifying a resource for the Annual Capacity Market and for purposes of calculating Local Sourcing Requirements and Maximum Capacity Limits. The methodology used in determining the Local Sourcing Requirements and the Maximum Capacity Limits are specified in Sections III.12.2.1 and III.12.2.2, respectively. The modeling assumptions used in determining the Local Sourcing Requirements and the Maximum Capacity Limits are specified in Sections III.12.5, III.12.6, III.12.7, III.12.8 and III.12.9.

III.12.2.1. Calculation of Local Sourcing Requirements for Import-Constrained Capacity Zones.

For each import-constrained Capacity Zone, the Local Sourcing Requirement shall be the amount needed to satisfy the higher of: (i) the Local Resource Adequacy Requirement as determined pursuant to Section III.12.2.1.1; or (ii) the Transmission Security Analysis Requirement as determined pursuant to Section III.12.2.1.2.

III.12.2.1.1. Local Resource Adequacy Requirement.

The Local Resource Adequacy Requirement shall be calculated as follows:

(a) Two areas shall be modeled: (i) the Capacity Zone under study which includes all load and all resources electrically located within the Capacity Zone, including external Control Area support from tie benefits on the import-constrained side of the interface, if any; and (ii) the rest of the New England Control Area which includes all load and all resources electrically located within the rest of the New England Control Area, including external Control Area support from tie benefits on the unconstrained side of the interface, if any.

(b) The only transmission constraint to be modeled shall be the transmission interface limit between the Capacity Zone under study and the rest of the New England Control Area as identified pursuant to Section III.12.5.

(c) Any proxy units that are required in the New England Control Area pursuant to Section III.12.7.1 shall be modeled as specified in Section III.12.7.1, in order to ensure that the New England Control Area meets the resource adequacy planning criterion specified in Section III.12.1. If the system LOLE is less than 0.1 days/year, firm load is added (or unforced capacity is subtracted) so that the system LOLE equals 0.1 days/year.

(d) The Local Resource Adequacy Requirement for the import-constrained Capacity Zone Z shall be determined in accordance with the following formula:

$$LRA_Z = Resources_z + Proxy\ Units_z - (Proxy\ Units\ Adjustment_z(1-FOR_z)) - (Firm\ Load\ Adjustment_z(1-FOR_z))$$

In which:

LRA_Z	=	MW of Local Resource Adequacy Requirement for Capacity Zone Z;
$Resources_z$	=	MW of resources electrically located within Capacity Zone Z, including import Capacity Resources on the import-constrained side of the interface, if any;
$Proxy\ Units_z$	=	MW of proxy unit additions in Load Zone Z;
Firm Load $Adjustment_z$	=	MW of firm load added (or subtracted) within Capacity Zone Z to make the LOLE of the New England Control Area equal to 0.105 days per year; and
FOR_z	=	Capacity weighted average of the forced outage rate modeled for all resources within Capacity Zone Z,

		including any proxy unit additions to Capacity Zone Z.
Proxy Units Adjustment	=	MW of firm load added to (or unforced capacity subtracted from) Capacity Zone Z until the system LOLE equals 0.1 days/year.

To determine the Local Resource Adequacy Requirement, the firm load is adjusted within Capacity Zone Z until the LOLE of the New England Control Area reaches 0.105 days per year. The LOLE of 0.105 days per year includes an allowance for transmission related LOLE of 0.005 days per year associated with each interface. As firm load is added to (or subtracted from) Capacity Zone Z, an equal amount of firm load is removed from (or added to) the rest of New England Control Area.

III.12.2.1.2. Transmission Security Analysis Requirement.

A Transmission Security Analysis shall be used to determine the requirement of the zone being studied, and shall include the following features:

(a) The ISO shall perform a series of transmission load flow studies and/or a deterministic operable capacity analysis targeted at determining the performance of the system under stressed conditions, and at developing a resource requirement sufficient to allow the system to operate through those stressed conditions.

(b) The Transmission Security Analysis Requirement shall be set at a level sufficient to cover most reasonably anticipated events, but will not guarantee that every combination of obligated resources within the zone will meet system needs.

(c) In performing the Transmission Security Analysis, the ISO may establish static transmission interface transfer limits, as identified pursuant to Section III.12.5, as a reasonable representation of the transmission system's capability to serve load with available existing resources.

(d) The Transmission Security Analysis may model the entire New England system and individual zones, for both the first contingency (N-1) and second contingency (N-1-1) conditions. First contingency conditions (N-1) shall include the loss of the most critical generator or most critical transmission element

with respect to the zone. Second contingency conditions (N-1-1) shall include both: (i) the loss of the most critical generator with respect to the zone followed by the loss of the most critical transmission element ("Line-Gen"); and (ii) the loss of the most critical transmission element followed by the loss of the next most critical transmission element ("Line-Line") with respect to the zone.

III.12.2.1.3. Marginal Reliability Impact Values for Import-Constrained Capacity Zones.
Prior to each Annual Capacity Auction, the ISO shall determine the Marginal Reliability Impact of incremental capacity, at various capacity levels, for each import-constrained Capacity Zone. For purposes of calculating these Marginal Reliability Impact values, the ISO shall apply the same modeling assumptions and methodology used to determine the Local Resource Adequacy Requirement pursuant to Section III.12.2.1.1, except that the capacity transfer capability between the Capacity Zone under study and the rest of the New England Control Area determined pursuant to Section III.12.2.1.1(b) shall be reduced by the greater of: (i) the Transmission Security Analysis Requirement minus the Local Resource Adequacy Requirement, and; (ii) zero.

III.12.2.2. Calculation of Maximum Capacity Limit for Export-Constrained Capacity Zones.
For each export-constrained Capacity Zone, the Maximum Capacity Limit shall be calculated using the following method:

(a) Two areas shall be modeled: (i) the Capacity Zone under study which includes all load and all resources electrically located within the Capacity Zone, including external Control Area support from tie benefits on the export-constrained side of the interface, if any; and (ii) the rest of the New England Control Area, which includes all load and all resources electrically located within the rest of the New England Control Area, including external Control Area support from tie benefits to the rest of the New England Control Area, if any.

(b) The only transmission constraint to be modeled shall be the transmission interface limit between the Capacity Zone under study and the rest of the New England Control Area as identified pursuant to Section III.12.5.

(c) Any proxy units that are required in the New England Control Area pursuant to Section III.12.7.1 shall be modeled as specified in Section III.12.7.1, in order to ensure that the New England Control Area meets the resource adequacy planning criterion specified in Section III.12.1. If the system LOLE is less

than 0.1 days/year, firm load is added (or unforced capacity is subtracted) so that the system LOLE equals 0.1 days/year.

(d) The Maximum Capacity Limit for the export-constrained Capacity Zone Y shall be determined in accordance with the following formula:

$$\text{Maximum Capacity Limit}_{Y} = \text{ICR} - \text{LRA}_{\text{RestofNewEngland}}$$

In which:

$\text{Maximum Capacity Limit}_{Y}$ = Maximum MW amount of resources , including Import Capacity Resources on the export-constrained side of the interface, if any, that can be procured in the export-constrained Capacity Zone Y to meet the Installed Capacity Requirement;

ICR = MW of Installed Capacity Requirement for the New England Control Area, determined in accordance with Section III.12.1; and

$\text{LRA}_{\text{RestofNewEngland}}$ = MW of Local Sourcing Requirement for the rest of the New England Control Area, which for the purposes of this calculation is treated as an import-constrained region, determined in accordance with Section III.12.2.1.

III.12.2.2.1. Marginal Reliability Impact Values for Export-Constrained Capacity Zones.
Prior to each Annual Capacity Auction, the ISO shall determine the Marginal Reliability Impact of incremental capacity, at various capacity levels, for each export-constrained Capacity Zone. For purposes of calculating these Marginal Reliability Impact values, the ISO shall apply the same modeling assumptions and methodology used to determine the export-constrained Capacity Zone's Maximum Capacity Limit. Prior to the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, the ISO shall determine zonal Marginal Reliability Impact values for each export-constrained Capacity Zone for such Capacity Commitment Period.

III.12.3 Consultation and Filing of Capacity Requirements.

(a) **Capacity Requirements Filing.** At least two months prior to filing the Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits, System-Wide Capacity Demand Curve and Capacity Zone Demand Curves for the relevant Capacity Commitment Period with the Commission, the ISO shall review the modeling assumptions and resulting Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits, System-Wide Capacity Demand Curve and Capacity Zone Demand Curves with the Governance Participants, the state utility regulatory agencies in New England and, as appropriate, other state agencies. Following consultation with Governance Participants, the state utility regulatory agencies in New England and, as appropriate, other state agencies, the ISO shall file the Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits, System-Wide Capacity Demand Curve and Capacity Zone Demand Curves for the Capacity Commitment Period with the Commission pursuant to Section 205 of the Federal Power Act at least 90 days prior to the Annual Capacity Auction for the Capacity Commitment Period. For the capacity requirements that the ISO will determine for the Capacity Commitment Period beginning on June 1, 2027 described in Sections III.12.1 and III.12.2, the ISO shall file such Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits, System-Wide Capacity Demand Curve and Capacity Zone Demand Curves with the Commission pursuant to Section 205 of the Federal Power Act at least 90 days prior to the third annual reconfiguration auction for such Capacity Commitment Period.

(b) **New Capacity Zone Filing.** The ISO shall file with the Commission pursuant to Section 205 of the Federal Power Act, the proposed identification of a potential new Capacity Zone when the boundary of the potential new Capacity Zone differs from the boundaries of existing Load Zones or Capacity Zones. In order to be used in a given Annual Capacity Auction, any new Capacity Zone must be accepted by the Commission prior to the Deactivation Notification Deadline of the applicable Annual Capacity Auction.

III.12.4. Capacity Zones.

For each Annual Capacity Auction, the ISO shall, using the results of the most recent annual assessment of transmission transfer capability conducted pursuant to ISO Tariff Section II, Attachment K, determine the Capacity Zones to model as described below, and will publish the Capacity Zones modeled for the Annual Capacity Auction publicly on its website prior to conducting the auction, in accordance with Section III.15.9:

(a) The ISO shall model in the Annual Capacity Auction, as separate export-constrained Capacity Zones, those zones identified in the most recent annual assessment of transmission transfer capability pursuant to ISO Tariff Section II, Attachment K, for which the Maximum Capacity Limit is less than the sum of the Resource Adequacy Assessment Qualified Capacity and potential new capacity that could qualify to be procured in the export constrained Capacity Zone, including potential Import Capacity Resources on the export-constrained side of the interface.

(b) The ISO shall model in the Annual Capacity Auction, as separate import-constrained Capacity Zones, those zones identified in the most recent annual assessment of transmission transfer capability pursuant to ISO Tariff Section II, Attachment K, for which the second contingency transmission capability results in a line-line Transmission Security Analysis Requirement, calculated pursuant to Section III.12.2.1.2 and pursuant to ISO New England Planning Procedures, that is greater than the Resource Adequacy Assessment Qualified Capacity in the zone, with the largest generating station in the zone modeled as out-of-service. Each assessment will model out-of-service all capacity for which a Deactivation Notification has been submitted for the relevant Capacity Commitment Period.

(c) Adjacent Load Zones that are neither export-constrained nor import-constrained shall be modeled together as the Rest of Pool Capacity Zone in the Annual Capacity Auction.

III.12.4A. Dispatch Zones.

The ISO shall establish Dispatch Zones that reflect potential transmission constraints within a Load Zone that are expected to exist during each Capacity Commitment Period. Dispatch Zones shall be used to establish the geographic location of Active Demand Capacity Resources. For each Capacity Commitment Period, the ISO shall establish and publish Dispatch Zones by the Deactivation Notification Deadline of the applicable Annual Capacity Auction, and those Dispatch Zones shall remain in place through the end of the Capacity Commitment Period for which they were established. The ISO will review proposed Dispatch Zones with Market Participants prior to establishing and publishing final Dispatch Zones.

III.12.5. Transmission Interface Limits.

Transmission interface limits, used in the determination of Local Sourcing Requirements, shall be determined pursuant to ISO Tariff Section II, Attachment K using network models that include all resources, existing transmission lines and proposed transmission lines that the ISO determines, in accordance with Section III.12.6, will be in service no later than the first day of the relevant Capacity

Commitment Period. The transmission interface limits shall be established, using deterministic analyses, at levels that provide acceptable thermal, voltage and stability performance of the system both with all lines in service and after any criteria contingency occurs as specified in ISO New England Manuals and ISO New England Administrative Procedures.

III.12.6. Modeling Assumptions for Determining the Network Model.

The ISO shall determine, in accordance with this Section III.12.6, the generating units and transmission infrastructure to include in the network model that: (i) are expected to be in service no later than the first day of the relevant Capacity Commitment Period; and (ii) may have a material impact on the network model, a potential interface constraint, or on one or more Local Sourcing Requirements. The network model shall be used, among other purposes, (i) for the Forward and Annual Capacity Market qualification process and (ii) to calculate transmission interface limits in order to forecast the Local Sourcing Requirements. The network model shall include:

(a) For the relevant Capacity Commitment Period, the network model shall include:

(i) all existing resources, along with any associated interconnection facilities and/or Elective Transmission Upgrades that have not been approved to be retired for the relevant Capacity Commitment Period, as described in Sections III.13.2.5.2.5.3 and III.13.2.8.3 for the Forward Capacity Market, and other than those for which a Deactivation Notification has been submitted for the Annual Capacity Market;

(ii) all new resources with Qualified Capacity for the relevant Capacity Commitment Period, along with any associated interconnection facilities and/or Elective Transmission Upgrades; and

(iii) in the case of an initial interconnection analysis that is conducted consistent with the Network Capability Interconnection Standard, any generating unit or External Elective Transmission Upgrade that has a valid Interconnection Request and is reasonably expected to declare commercial operation no later than the Capacity Demonstration Deadline for the Annual Capacity Auction or first day of the relevant Capacity Commitment Period for the Forward Capacity Auction.

(b) Prior to each Annual Capacity Auction, the ISO shall determine and publish a list of the transmission projects and elements of transmission projects that will be included in the network model. During the process of making the transmission infrastructure determinations, as described in Section

III.12.6.1, the ISO shall consult with the Governance Participants, the Transmission Owners, any transmission project proponents, the state utility regulatory agencies in New England and, as appropriate, other state agencies. Prior to the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, the ISO shall determine and publish a list of the transmission projects and elements of transmission projects that will be included in the network model for such third annual reconfiguration auction.

III.12.6.1. Process for Establishing the Network Model.

(a) The ISO shall establish an initial network model prior to the Annual Capacity Auction that only includes transmission infrastructure, including Internal Elective Transmission Upgrades, that is already in service at the time that the initial network model is developed.

(b) After establishing the initial network model, the ISO shall compile a preliminary list of the transmission projects or elements of transmission projects in the RSP Project List, individually or in combination with each other, as appropriate, to identify transmission projects that may achieve an in-service date no later than the first day of the relevant Capacity Commitment Period and that will have a material impact on the network model, on a potential interface constraint or one or more Local Sourcing Requirements.

(c) For the transmission projects or elements of transmission projects in the RSP Project List that are included in the preliminary list developed pursuant to subsection (b), the ISO shall determine whether the transmission projects or elements of transmission projects meet all of the initial threshold milestones specified in Section III.12.6.2 and will be considered for further evaluation pursuant to subsection (d).

(d) For those transmission projects or elements of transmission projects that meet the initial threshold milestones in subsection (c), the ISO shall use the evaluation criteria specified in Section III.12.6.3, and any other relevant information, to determine whether to include a transmission project or element of a transmission project in the final network model.

(e) If after completing its evaluation pursuant to Sections III.12.6.1 through III.12.6.3 and conferring with the transmission project proponents, the Governance Participants, the state utility regulatory agencies in New England and, as appropriate, other state agencies, the ISO determines that the transmission project or a portion of the transmission project is reasonably expected to be in service no later than the first day for the relevant Capacity Commitment Period, then such transmission project or portion of transmission

project shall be considered in service in the finalized network model to calculate the transmission interface limits pursuant to Section III.12.5.

III.12.6.2. Initial Threshold to be Considered In-Service.

The ISO shall determine whether transmission projects or elements of transmission projects meet all of the following initial threshold milestones:

(a) A critical path schedule for the transmission project has been furnished to ISO showing that the transmission project or the element of the transmission project will be in-service no later than the first day of the relevant Capacity Commitment Period. The critical path schedule must be sufficiently detailed to allow the ISO to evaluate the feasibility of the schedule.

(b) At the time of the milestone review, siting and permitting processes, if required, are on schedule as shown on the critical path schedule.

(c) At the time of the milestone review, engineering is on schedule as shown on the critical path schedule.

(d) At the time of the milestone review, land acquisition, if required, is on schedule as shown on the critical path schedule.

(e) Corporate intent to build the transmission project has been furnished to the ISO. An officer of the host Transmission Owner or Elective Transmission Upgrade Interconnection Customer has submitted to the ISO a statement verifying that the officer has reviewed the proposal and critical path schedule submitted to the ISO, and the Transmission Owner or Elective Transmission Upgrade Interconnection Customer concurs that the schedule is achievable, and it is the intent of the Transmission Owner or Elective Transmission Upgrade Interconnection Customer to build the proposed transmission project in accordance with that schedule. The Transmission Owner or Elective Transmission Upgrade Interconnection Customer may develop alternatives or modifications to the transmission project during the course of design of the transmission project that accomplish at least the same transfer capability. Such alternatives or modifications are acceptable, so long as the ISO determines that the alternative or modification is reasonably expected to achieve an in-service date no later than the first day of the relevant Capacity Commitment Period. The provision of an officer's statement shall be with the understanding that the statement shall not create any liability on the officer and that any liability with respect to the

Transmission Owner's obligations shall be as set forth in the Transmission Operating Agreement and shall not be affected by such officer's statement.

III.12.6.3. Evaluation Criteria.

For a transmission project or element of a transmission project that meets the initial threshold milestones specified in Section III.12.6.2, the ISO shall consider the following factors and any other relevant information to determine whether to include the transmission project or element of the transmission project in the network model for the relevant Capacity Commitment Period.

(a) Sufficient engineering to initiate construction is on schedule as shown on the critical path schedule.

(b) Approval under Section I.3.9 of the Transmission, Markets and Services Tariff, if required, has been obtained or is on schedule to be obtained as shown on the critical path schedule.

(c) Significant permits, including local permits, if required to initiate construction have been obtained or are on schedule consistent with the critical path schedule.

(d) Easements, if required, have been obtained or are on schedule consistent with the critical path schedule. Needed land purchases, if required, have been made or are on schedule consistent with the critical path schedule.

(e) Any contracts required to procure or construct a transmission project are in place consistent with the critical path schedule. The ISO's analysis may also take into account whether such contracts contain incentive and/or penalty clauses to encourage third parties to advance the delivery of material services to conform with the critical path schedule.

(f) Physical site work is on schedule consistent with the critical path schedule.

(g) The transmission project is in a designated National Interest Electric Transmission Corridor in accordance with Section 216 of the Federal Power Act, 16 U.S.C. §§ 824p.

III.12.6.4. Transmission Solutions Selected Through the Competitive Transmission Process.

For a transmission solution, which may consist of single or multiple proposals, selected through the competitive transmission process pursuant to Sections 4.3, 4A, 16 or 17 of Attachment K, such transmission solution, or relevant portion thereof, shall be considered in-service on the in-service date provided in the executed Selected Qualified Transmission Project Sponsor Agreement(s). The ISO shall use the in-service date in the executed Selected Qualified Transmission Project Sponsor Agreement(s) to determine whether to include the transmission solution, or relevant portion thereof, in the network model for the relevant Capacity Commitment Period. In the event that the selected transmission solution includes an upgrade(s) located on a PTO's existing transmission system where the Selected Qualified Transmission Project Sponsor is not the PTO for the existing system element(s) being upgraded, the process for establishing the in-service date and determining whether to include the upgrade(s) on the existing transmission system, or relevant portion thereof, in the network model for the Capacity Commitment Period shall be as described in Section III.12.6.1.

III.12.7. Resource Modeling Assumptions.

III.12.7.1. Proxy Units.

When the available resources are insufficient for the unconstrained New England Control Area to meet the resource adequacy planning criterion specified in Section III.12.1, proxy units shall be used as additional capacity to determine the Installed Capacity Requirement, Local Resource Adequacy Requirements, Maximum Capacity Limits and Marginal Reliability Impact values. The proxy units shall reflect resource capacity and outage characteristics such that when the proxy units are used in place of all other resources in the New England Control Area, the reliability, or LOLE, of the New England Control Area does not change. The outage characteristics are the summer capacity weighted average availability of the resources in the New England Control Area as determined in accordance with Section III.12.7.3. The capacity of the proxy unit is determined by adjusting the capacity of the proxy unit until the LOLE of the New England Control Area is equal to the LOLE calculated while using the capacity assumptions described in Section III.12.7.2.

When modeling transmission constraints for the determination of Local Resource Adequacy Requirements, the same proxy units may be added to the import-constrained zone or elsewhere in the rest of the New England Control Area depending on where system constraints exist.

III.12.7.2. Capacity.

(a) For calculations made in relation to the Capacity Commitment Period beginning on June 1, 2028 and Capacity Commitment Periods thereafter, the resources included in the calculation of the Installed

Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits and Marginal Reliability Impact values shall include all Capacity Resources that cleared in any previous Annual Capacity Auction or Forward Capacity Auction but shall exclude (i) Import Capacity Resources that are not backed by a multiyear contract to provide capacity in the New England Control Area that requires delivery of capacity for the Capacity Commitment Period for which the calculations are made and (ii) capacity from Capacity Resources for which a Deactivation Notification has been submitted that will be in effect for the relevant Capacity Commitment Period.

The rating of Capacity Resources used in the calculation of the Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits and Marginal Reliability Impact values shall be the Resource Adequacy Assessment Qualified Capacity for the upcoming Capacity Commitment Period. Resources are located within the Capacity Zones in which they are electrically connected as determined during the Resource Adequacy Assessment Qualified Capacity process.

(b) For calculations made in relation to the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, the resources included in the calculation of the Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits and Marginal Reliability Impact values shall include:

(i) all Existing Generating Capacity Resources,

(ii) resources cleared in previous Forward Capacity Auctions or obligated for the relevant Capacity Commitment Period,

(iii) all Existing Import Capacity Resources backed by a multiyear contract to provide capacity in the New England Control Area, where that multiyear contract requires delivery of capacity for the Commitment Period for which the Installed Capacity Requirement is being calculated, and

(iv) Existing Demand Capacity Resources that are qualified to participate in the Forward Capacity Market and New Demand Capacity Resources that have cleared in previous Forward Capacity Auctions and obligated for the relevant Capacity Commitment Period,

but shall exclude:

(v) capacity associated with Export Bids cleared in previous Forward Capacity Auctions and obligated for the relevant Capacity Commitment Period,

(vi) capacity de-listed or retired as a result of Permanent De-List Bids, Retirement De-List Bids, or substitution auction demand bids that cleared in previous Forward Capacity Auctions, and

(vii) capacity retired pursuant to Section III.13.1.2.4.1(a), unless the Lead Market Participant has opted to have the resource reviewed for reliability pursuant to Section III.13.1.2.3.1.5.1.

The rating of Existing Generating Capacity Resources and Existing Import Capacity Resources used in the calculation of the Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits and Marginal Reliability Impact values shall be the summer Qualified Capacity value of such resources for the relevant zone. The rating of Demand Capacity Resources shall be the summer Qualified Capacity value reduced by any reserve margin adjustment factor that is otherwise included in the summer Qualified Capacity value. The rating of resources, except for Demand Capacity Resources, cleared in previous Forward Capacity Auctions and obligated for the relevant Capacity Commitment Period shall be based on the amount of Qualified Capacity that cleared in previous Forward Capacity Auctions or obligated for the relevant Capacity Commitment Period. Resources are located within the Capacity Zones in which they are electrically connected as determined during the qualification process.

III.12.7.3. Resource Availability.

(a) For calculations made in relation to the Capacity Commitment Period beginning on June 1, 2028, and Capacity Commitment Periods thereafter, the Installed Capacity Requirement, Local Resource Adequacy Requirements, Transmission Security Analysis Requirements, Maximum Capacity Limits and Marginal Reliability Impact values shall be calculated taking resource availability into account and shall be determined as follows:

(i) For Generating Capacity Resources, the most recent five-year moving average of EFORd shall be used as the measure of resource availability used in the calculation of the Installed Capacity Requirement, Local Resource Adequacy Requirements, Transmission Security Analysis Requirements, Maximum Capacity Limits and Marginal Reliability Impact values. For Generating Capacity Resources that do not have sufficient data to calculate an availability metric using the most recent five-year moving average of EFORd, class average data for similar resource types shall be used.

(ii) For Active Demand Capacity Resources, historical performance data for those resources shall be used to develop an availability metric for use in the calculation of the Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits and Marginal Reliability Impact values.

(iii) For Distributed Energy Capacity Resources, the availability metric for each underlying technology type shall be applied in the same manner as it would be applied if the Distributed Energy Capacity Resource were qualified as a generator or demand response resource.

(b) For calculations made in relation to the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, the Installed Capacity Requirement, Local Resource Adequacy Requirements, Transmission Security Analysis Requirements, Maximum Capacity Limits and Marginal Reliability Impact values shall be calculated taking resource availability into account and shall be determined as follows:

(i) For Existing Generating Capacity Resources:
the most recent five-year moving average of EFORd shall be used as the measure of resource availability used in the calculation of the Installed Capacity Requirement, Local Resource Adequacy Requirements, Transmission Security Analysis Requirements, Maximum Capacity Limits and Marginal Reliability Impact values.

(ii) For resources cleared in previous Forward Capacity Auctions or obligated for the relevant Capacity Commitment Period that do not have sufficient data to calculate an availability metric as defined in subsection (a) above, class average data for similar resource types shall be used.

(iii) For existing Active Demand Capacity Resources:
historical performance data for those resources will be used to develop an availability metric for use in the calculation of the Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits and Marginal Reliability Impact values.

III.12.7.4. Load and Capacity Relief.

Load and capacity relief expected from system-wide implementation of the following actions specified in ISO New England Operating Procedure No. 4. Action During a Capacity Deficiency, shall be included in the calculation of the Installed Capacity Requirement, Local Resource Adequacy Requirements, Maximum Capacity Limits and Marginal Reliability Impact values:

(a) **Implement voltage reduction**. The MW value of the load relief shall be equal to 1% of (the 90/10 forecasted seasonal net peak loads minus all Demand Capacity Resources).

(b) **Arrange for available Emergency energy from Market Participants or neighboring Control Areas.** These actions are included in the calculation through the use of tie benefits to meet system needs. The MW value of tie benefits is calculated in accordance with Section III.12.9.

(c) **Maintain an adequate amount of ten-minute synchronized reserves**. The amount of system reserves included in the determination of the Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits and Marginal Reliability Impact values shall be consistent with those needed for reliable system operations during Emergency Conditions. When modeling transmission constraints, the reserve requirement for a zone shall be the zone's pro rata share of the forecasted system peak load multiplied by the system reserves needed for reliable system operations during Emergency Conditions.

III.12.8. Load Modeling Assumptions.

The ISO shall forecast load for the New England Control Area and for each Load Zone within the New England Control Area. The load forecasts shall be based on appropriate models and data inputs. Each year, the load forecasts and underlying methodologies, inputs and assumptions shall be reviewed with Governance Participants, the state utility regulatory agencies in New England and, as appropriate, other state agencies. If the load forecast shows a consistent bias over time, either high or low, the ISO shall propose adjustments to the load modeling methodology to the Governance Participants, the state utility regulatory agencies in New England and, as appropriate, other state agencies to eliminate the bias. To ensure that Demand Response Resources, On-Peak Demand Capacity Resources, and Seasonal Peak Demand Capacity Resources are not reflected as reductions in the load forecast, the ISO shall reflect them in historical loads as specified below.

(a) The ISO shall add back into historical loads the metered MW demand reduction of Demand Response Resources dispatched by the ISO.

(b) The ISO shall add back into historical loads summer and winter MW values to account for On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources as follows:

The ISO shall develop a trend line between (i) the point when summer MW values for On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources are assumed to be zero (June 1, 2006) and (ii) the point when summer MW values for On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources are reflected by the Capacity Supply Obligations that those resources acquired in the most recent Forward Capacity Auction or Annual Capacity Auction, as appropriate, for June 1 of the associated Capacity Commitment Period. To determine the summer MW values to be added back into historical loads, the ISO shall apply the resulting trend to the summer months (April through November) in all the historical years covered by the trend line.

The ISO shall develop a trend line between (i) the point when winter MW values for On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources are assumed to be zero (December 1, 2006) and (ii) the point when winter MW values for On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources are reflected by the Capacity Supply Obligations that those resources acquired in the most recent Forward Capacity Auction or Annual Capacity Auction, as appropriate, for December 1 of the associated Capacity Commitment Period. To determine the winter MW values to be added back into historical loads, the ISO shall apply the resulting trend to the winter months (December through March) in all the historical years covered by the trend line.

As necessary prior to the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, the ISO shall make adjustments to forecasted loads to account for any differences between the most recently available MW values reflective of the Capacity Supply Obligations that On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources acquired in each of the annual reconfiguration auctions and the MW values reflective of the Capacity Supply Obligations that those resources acquired in the corresponding Forward Capacity Auctions.

III.12.9. Tie Benefits.

The Installed Capacity Requirement, Local Sourcing Requirements, Maximum Capacity Limits and Marginal Reliability Impact values shall be calculated assuming appropriate tie benefits, if any, available from interconnections with neighboring Control Areas. Tie benefits shall be calculated only for

interconnections (1) without Capacity Network Import Interconnection Service or Network Import Interconnection Service or (2) that have not requested Capacity Network Import Interconnection Service or Network Import Interconnection Service with directly interconnected neighboring Control Areas with which the ISO has in effect agreements providing for emergency support to New England, including but not limited to inter-Control Area coordination agreements, emergency aid agreements and the NPCC Regional Reliability Plan.

Tie benefits shall be calculated using a probabilistic multi-area reliability model, by comparing the LOLE for the New England system before and after interconnecting the system to the neighboring Control Areas. To quantify tie benefits, firm capacity equivalents shall be added until the LOLE of the isolated New England Control Area is equal to the LOLE of the interconnected New England Control Area.

III.12.9.1. Overview of Tie Benefits Calculation Procedure.

III.12.9.1.1. Tie Benefits Calculation for the Annual Capacity Auction and Annual Reconfiguration Auction; Modeling Assumptions and Simulation Program.

For each Capacity Commitment Period, tie benefits shall be calculated for the Annual Capacity Auction using the calculation methodology in this Section III.12.9. Prior to the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, the ISO shall calculate tie benefits for such Capacity Commitment Period using the calculation methodology in this Section III.12.9.

Tie benefits shall be calculated using the modeling assumptions developed in accordance with Section III.12.9.2 and using a probabilistic resource adequacy simulation program.

III.12.9.1.2. Tie Benefits Calculation.

The total tie benefits to New England from all directly interconnected neighboring Control Areas are calculated first using the methodology in Section III.12.9.3. Following the calculation of total tie benefits, individual tie benefits from each qualifying neighboring Control Area are calculated using the methodology in Section III.12.9.4.1. If the sum of the tie benefits from each Control Area does not equal the total tie benefits to New England, then each Control Area's tie benefits are adjusted based on the ratio of the individual Control Area tie benefits to the sum of the tie benefits calculated for each Control Area using the methodology in Section III.12.9.4.2. Following this calculation, tie benefits are calculated for each qualifying individual interconnection or group of interconnections using the methodology in Section

III.12.9.5.1. If the sum of the tie benefits from individual interconnections or groups of interconnections does not equal their associated Control Area's tie benefits, then the tie benefits of each individual interconnection or group of interconnections is adjusted based on the ratio of the tie benefits of the individual interconnection or group of interconnections to the sum of the tie benefits within the Control Area using the methodology in Section III.12.9.5.2.

III.12.9.1.3. Adjustments to Account for Transmission Import Capability and Capacity Imports.

Once the initial calculation of tie benefits is performed, the tie benefits for each individual interconnection or group of interconnections is adjusted to account for capacity imports and any changes in the import capability of interconnections with neighboring Control Areas, using the methodologies in Section III.12.9.6. Once the import capability and capacity import adjustments are completed, the sum of the tie benefits of all individual interconnections and groups of interconnections for a Control Area, with the import capability and capacity import adjustments, represents the tie benefits associated with that Control Area, and the sum of the tie benefits from all Control Areas, with the import capability and capacity import adjustments, represents the total tie benefits available to New England.

III.12.9.2. Modeling Assumptions and Procedures for the Tie Benefits Calculation.

III.12.9.2.1. Assumptions Regarding System Conditions.

In calculating tie benefits, "at criterion" system conditions shall be used to model the New England Control Area and all interconnected Control Areas.

III.12.9.2.2. Modeling Internal Transmission Constraints in New England.

In calculating tie benefits, all New England internal transmission constraints that (i) are modeled in the most recent Regional System Plan resource adequacy studies and assessments and (ii) are not addressed by either a Local Sourcing Requirement or a Maximum Capacity Limit calculation shall be modeled, using the procedures in Section III.12.9.2.5.

III.12.9.2.3. Modeling Transmission Constraints in Neighboring Control Areas.

The ISO will review annually NPCC's assumptions regarding transmission constraints in all directly interconnected neighboring Control Areas that are modeled for the tie benefits calculations. In the event that NPCC models a transmission constraint in one of the modeled neighboring Control Areas, the ISO will perform an evaluation to determine which interfaces are most critical to the ability of the neighboring

Control Area to reliably provide tie benefits to New England from both operational and planning perspectives, and will model those transmission constraints in the tie benefits calculation, using the procedures in Section III.12.9.2.5.

III.12.9.2.4. Other Modeling Assumptions.

A. External transfer capability determinations. The transfer capability of all external interconnections with New England will be determined using studies that take account of the load, resource and other electrical system conditions that are consistent with those expected during the Capacity Commitment Period for which the calculation is being performed. Transfer capability studies will be performed using simulations that consider the contingencies enumerated in sub-section (iii) below.

(i) The transmission system will be modeled using the following conditions:

1. The forecast 90/10 peak load conditions for the Capacity Commitment Period;
2. Qualified Generating Capacity Resources reflecting their output at their Capacity Network Resource level;
3. Qualified Demand Capacity Resources reflecting their Capacity Supply Obligation received in the most recent Forward Capacity Auction or Annual Capacity Auction, as appropriate;
4. Qualified Distributed Energy Capacity Resources reflecting their existing Qualified Capacity for the Capacity Commitment Period;
5. Transfers on the transmission system that impact the transfer capability of the interconnection under study.

(ii) The system will be modeled in a manner that reflects the design of the interconnection. If an interconnection and its supporting system upgrades were designed to provide incremental capacity into the New England Control Area, simulations will assume imports up to the level that the interconnection was designed to support. If the interconnection was not designed to be so comparably integrated, simulations will determine the amount of power that can be delivered into New England over the interconnection.

(iii) The simulations will take into account contingencies that address a fault on a generator or transmission facility, loss of an element without a fault, and circuit breaker failure following the loss of an element or an association with the operation of a special protection system.

B. In calculating tie benefits, New England capacity exports are removed from the internal capacity resources and are modeled as a resource in the receiving Control Area. The transfer capability of external interconnections is not adjusted to account for capacity exports.

III.12.9.2.5. Procedures for Adding or Removing Capacity from Control Areas to Meet the 0.1 Days Per Year LOLE Standard.

In calculating tie benefits, capacity shall be added or removed from the interconnected system of New England and its neighboring Control Areas, until the LOLE of New England and the LOLE of each Control Area of the interconnected system equals 0.1 days per year simultaneously. The following procedures shall be used to add or remove capacity within New England and the interconnected Control Areas to achieve that goal.

A. Adding Proxy Units within New England when the New England system is short of capacity. In modeling New England as part of the interconnected system, if New England is short of capacity to meet the 0.1 days per year LOLE, proxy units (with the characteristics identified in Section III.12.7.1) will be added to the sub-areas that are created by any modeled internal transmission constraints within New England, beginning with the sub-area with the highest LOLE. If there are no modeled internal transmission constraints in the New England Control Area, then proxy units will be added to the entire Control Area. If, as a result of the addition of one or more proxy units, the system is surplus of capacity, then the methodology in Section III.12.9.2.5(b) will be used to remove the surplus capacity.

B. Removing capacity from New England when the New England system is surplus of capacity. In modeling New England as part of the interconnected system, if New England is surplus of capacity to meet the 0.1 days per year LOLE, the surplus capacity will be removed from the sub-areas as follows. Resources will be removed from sub-areas with capacity surplus based on the ratio of capacity surplus in the sub-area to the total capacity surplus in these surplus sub-areas. The amount of capacity surplus for a sub-area is the amount of the Resource Adequacy Assessment Qualified Capacity, and any amount of proxy units added in that sub-area that is above its 50-50 peak load forecast. For the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, the amount of capacity surplus for a sub-area is the amount of the existing Qualified Capacity. Notwithstanding the foregoing, if removing resources will exacerbate a binding transmission constraint, then capacity will not be removed from that sub-area and will instead be removed from the remaining sub-areas using the same ratios

described above for the removal of capacity surplus. If there are no modeled internal transmission constraints in the New England Control Area, then the surplus capacity shall be removed from the entire Control Area.

C. **Adding capacity within neighboring Control Areas when the neighboring Control Area is short of capacity**. In modeling **neighboring** Control Areas as part of the interconnected system, if the neighboring Control Area is short of capacity to meet the 0.1 days per year LOLE, additional capacity will be added to the neighboring Control Area's sub-areas that are created by any modeled internal transmissions constraints, beginning with the sub-area with the highest LOLE. If there are no modeled internal transmission constraints in the Control Area, then capacity will be added to the entire Control Area. The process that the neighboring Control Area utilizes in its resource adequacy study to meet its resource adequacy criterion will be utilized to add capacity to that Control Area. In filing the Installed Capacity Requirement values pursuant to Section III.12.3, the ISO will provide citations to any resource adequacy studies relied upon for these purposes. If, as a result of the capacity addition, the system is surplus of capacity, then the methodology in Section III.12.9.2.5(d) shall be used to remove the surplus capacity.

D. **Removing capacity from neighboring Control Areas when the neighboring Control Area is surplus of capacity**. In modeling **neighboring** Control Areas as part of the interconnected system, if the neighboring Control Area is surplus of capacity to meet the 0.1 days per year LOLE, the surplus capacity will be removed from the neighboring Control Area's sub-areas as follows. Resources will be removed from sub-areas with capacity surplus based on the ratio of capacity surplus in the sub-area to the total capacity surplus in the surplus sub-areas. The amount of capacity surplus for a sub-area is the amount of the installed capacity in the sub-area above its 50/50 peak load forecast. For a sub-area that has a minimum locational resource requirement above its 50/50 peak load forecast, the amount of capacity surplus is the amount of the installed capacity in the sub-area above its minimum locational resource requirement. Notwithstanding the foregoing, if removing resources from a sub-area will exacerbate a binding transmission constraint, then capacity will not be removed from that sub-area and will instead be removed from the remaining sub-areas using the same ratio of capacity surplus in the sub-area to the total capacity surplus in the those remaining surplus sub-areas. If there are no modeled internal transmission constraints in the neighboring Control Area, then the surplus capacity will be removed from the entire Control Area.

E. Maintaining the neighboring Control Area's locational resource requirements. In modeling a neighboring **Control** Area with internal transmission constraints, all minimum locational resource requirements in the Control Area's sub-areas as established by the neighboring Control Area's installed capacity requirement calculations shall be observed.

III.12.9.3. Calculating Total Tie Benefits.

The total tie benefits with all qualifying directly interconnected neighboring Control Areas shall be calculated by comparing the interconnection state of the New England system with all interconnections to neighboring Control Areas connected with the interconnection state of the New England system with all interconnections with neighboring Control Areas disconnected. To calculate total tie benefits:

A. The New England system shall be interconnected with all directly interconnected neighboring Control Areas and the New England Control Area, and each neighboring Control Area shall be brought to 0.1 days per year LOLE simultaneously by adjusting the capacity of each Control Area, utilizing the methods for adding or removing capacity in Section III.12.9.2.5.

B. Once the interconnected system is brought to 0.1 days per year LOLE, the LOLE of the New England Control Area shall be calculated a second time, with the New England system isolated from the rest of the interconnected system that was brought to 0.1 days per year LOLE.

C. Total tie benefits shall be the sum of the amounts of firm capacity that needs to be added to the isolated New England Control Area at the point at which each interconnection with neighboring Control Areas interconnects in New England to bring the New England LOLE back to 0.1 days per year. This value is subject to adjustment in accordance with Section III.12.9.6.

III.12.9.4. Calculating Each Control Area's Tie Benefits.

III.12.9.4.1. Initial Calculation of a Control Area's Tie Benefits.

Tie benefits from each neighboring Control Area shall be determined by calculating the tie benefits for every possible interconnection state that has an impact on the tie benefit value between the New England system and the target neighboring Control Area. If two or more interconnections between New England and the target neighboring Control Area exist, then all interconnections grouped together will be used to represent the state of interconnection between New England and the target neighboring Control Area. The tie benefits from the target neighboring Control Area shall be equal to the simple average of the tie

benefits calculated from all possible interconnection states, subject to adjustment in accordance with Section III.12.9.4.2.

III.12.9.4.2. Pro Ration Based on Total Tie Benefits.

If the sum of the individual Control Area tie benefits calculated in accordance with Section III.12.9.4.1 is different than the total tie benefits from all Control Areas calculated in accordance with Section III.12.9.3, then each Control Area's tie benefits shall be increased or decreased based on the ratio of the individual Control Area tie benefits to the sum of the tie benefits for each individual Control Area, so that the sum of each Control Area's tie benefits, after the pro-ration, is equal to the total tie benefits calculated in accordance with Section III.12.9.3. The pro-rated Control Area tie benefits are subject to further adjustment in accordance with Section III.12.9.6.

III.12.9.5. Calculating Tie Benefits for Individual Ties.

Tie benefits shall be calculated for an individual interconnection or group of interconnections to the extent that a discrete and material transfer capability can be identified for the interconnection or group of interconnections. All interconnections or groups of interconnections shall have equal rights in calculating individual tie benefits, with no grandfathering or incremental tie capability treatment.

For purposes of calculating tie benefits, a group of interconnections refers to two or more AC lines that operate in parallel to form a transmission interface in which there are significant overlapping contributions of each line toward establishing the transfer limit, such that the individual lines in a group of interconnections cannot be assigned individual contributions.

III.12.9.5.1. Initial Calculation of Tie Benefits for an Individual Interconnection or Group of Interconnections.

Tie benefits for an individual interconnection or group of interconnections shall be calculated by calculating tie benefits for each possible interconnection state between the New England system and the individual interconnection or group of interconnections. The tie benefits from that interconnection or group of interconnections shall be equal to the simple average of the tie benefits calculated from all possible interconnection states, subject to adjustment in accordance with Section III.12.9.5.2.

III.12.9.5.2. Pro Ration Based on Total Tie Benefits.

If the sum of the individual interconnection's or group of interconnection's tie benefits calculated in accordance with Section III.12.9.5.1 is different than the associated Control Area's tie benefits calculated

in accordance with Section III.12.9.4, then the tie benefits of the individual interconnection or group of interconnections shall be adjusted based on the ratio of the tie benefits of the individual interconnection or group of interconnections to the sum of the tie benefits for each interconnection or group of interconnections in that Control Area, so that the sum of the tie benefits for each interconnection or group of interconnections in the Control Area, after the pro-ration, is equal to the total tie benefits for the Control Area calculated in accordance with Section III.12.9.4. The pro-rated tie benefits for each interconnection or group of interconnections is subject to further adjustment in accordance with Section III.12.9.6.

III.12.9.6. Accounting for Capacity Imports and Changes in External Transmission Facility Import Capability.

III.12.9.6.1. Accounting for Capacity Imports.

In the initial tie benefits calculations, capacity imports are modeled as internal resources in New England, and the import capability of the interconnections with neighboring Control Areas is not reduced to reflect the impact of capacity imports. After the initial tie benefits calculations, total tie benefits, tie benefits for each Control Area, and tie benefits from each individual interconnection or group of interconnections shall be adjusted to account for capacity imports using the methodology contained in this Section III.12.9.6.1. For each Annual Capacity Auction and the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, this adjustment shall be applied to the tie benefit values calculated in accordance with Sections III.12.9.3, III.12.9.4 and III.12.9.5 respectively.

A. Capacity imports shall be deducted from the import capability of each individual interconnection or group of interconnections to determine the available import capability of the interconnection or group of interconnections prior to accounting for tie benefits from those interconnections. The transfer capability of an interconnection or group of interconnections shall be determined using the procedures in Section III.12.9.2.4.A.

B. If the tie benefits value of an individual interconnection or group of interconnections, as determined in accordance with Section III.12.9.5, is greater than the remaining transmission import capability of the interconnection or group of interconnections after accounting for capacity imports, the tie benefit value of the individual interconnection or group of interconnections shall be equal to the remaining transmission import capability (taking into account any further adjustments to transmission import capability in accordance with Section III.12.9.6.2). If the tie benefits value of an individual interconnection or group of

interconnections is not greater than the remaining transmission import capability after accounting for capacity imports, then the tie benefit value of the individual interconnection or group of interconnections shall be equal to the value determined in accordance with Section III.12.9.5 (taking into account any further adjustments to transmission import capability in accordance with Section III.12.9.6.2).

C. The tie benefits for each Control Area shall be the sum of the tie benefits from the individual interconnections or groups of interconnections with that Control Area, after accounting for any adjustment for capacity imports and any further adjustments to transmission import capability in accordance with Section III.12.9.6.2.

D. The total tie benefits from all qualifying neighboring Control Areas shall be the sum of the Control Area tie benefits, after accounting for any adjustment for capacity imports and any further adjustments to transmission import capability in accordance with Section III.12.9.6.2.

E. For purposes of determining the adjustment to tie benefits to account for capacity imports under this Section III.12.9.6.1, the capacity imports applicable for determining tie benefits for the Annual Capacity Auction shall be any Import Capacity Resources previously cleared in a Forward Capacity Auction or Annual Capacity Auction backed by a multiyear contract to provide capacity in the New England Control Area, where that multiyear contract requires delivery of capacity for the relevant Capacity Commitment Period. The capacity imports applicable for determining tie benefits for the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, are those Import Capacity Resources that hold Capacity Supply Obligations for the relevant Capacity Commitment Period as of the time the tie benefits calculation is being performed for such annual reconfiguration auction.

III.12.9.6.2. Changes in the Import Capability of Interconnections with Neighboring Control Areas.

For purposes of calculating tie benefits for each Annual Capacity Auction and the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, the most recent import capability values for an interconnection or group of interconnections with a neighboring Control Area shall be reflected in the modeling of system conditions for the tie benefits calculation.

III.12.9.7. Tie Benefits Over the HQ Phase I/II HVDC-TF.

The tie benefits from the Quebec Control Area over the HQ Phase I/II HVDC-TF calculated in accordance with Section III.12.9.1 shall be allocated to the Interconnection Rights Holders or their designees in proportion to their respective percentage shares of the HQ Phase I and the HQ Phase II facilities, in accordance with Section I of the Transmission, Markets and Services Tariff.

III.12.10. Calculating the Maximum Amount of Import Capacity Resources that May be Cleared Over External Interfaces in the Annual Capacity Auction.

For external interfaces, Import Capacity Resources shall be allowed in the Annual Capacity Auction and the third annual reconfiguration auction conducted pursuant to Section III.13.4.2.1.2.2 for the Capacity Commitment Period beginning on June 1, 2027, up to the interface limit minus the tie benefits, calculated pursuant to Section III.12.9.1 or 12.9.2 over the applicable interface.

III.15. Annual Capacity Market.

(a) Annual Capacity Market Overview.

The ISO shall administer an annual market for capacity (Annual Capacity Market) in accordance with the provisions of this Section III.15. For each one-year period from June 1 through May 31, starting with the period June 1, 2028 to May 31, 2029, for which Capacity Supply Obligations are assumed and payments are made in the Annual Capacity Market ("Capacity Commitment Period"), the ISO shall conduct an Annual Capacity Auction in accordance with the provisions of Section III.15.4 to procure the amount of capacity needed in the New England Control Area and in each modeled Capacity Zone during the Capacity Commitment Period, as determined in accordance with the provisions of Section III.12. To be eligible to assume a Capacity Supply Obligation for a Capacity Commitment Period through the Annual Capacity Auction, a resource must have Qualified Capacity resulting from the Annual Capacity Auction qualification process in accordance with the provisions of Sections III.15.2 and III.15.3. Obligations associated with the Annual Capacity Market may be traded during ISO-administered Monthly Reconfiguration Auctions and monthly bilateral transactions, in accordance with Section III.15.5 and Section III.15.6, respectively. The obligations of resources with Capacity Supply Obligations resulting from the Annual Capacity Auction, Monthly Reconfiguration Auctions, and monthly bilateral transactions are set forth in Section III.15.7. Payments and charges resulting from participation in the Annual Capacity Market, Monthly Reconfiguration Auctions, and bilateral transactions, as well as Capacity Performance Payments and System-Backed Export Charges, are set forth in Section III.15.8. The publication of auction-related information is set forth in Section III.15.9.

(b) Capacity Auction Calendar.

Beginning with the timeline for the Capacity Commitment Period beginning on June 1, 2028, and for each Capacity Commitment Period thereafter, the ISO shall publish a calendar of dates and deadlines for the administration of the Capacity Market, with the dates and deadlines being consistent for each Annual Capacity Auction cycle. The Capacity Auction Calendar shall include specific dates and deadlines for all such Capacity Market dates and deadlines defined in this Section III.15 and related Tariff provisions. The following defines several milestone dates and deadlines.

(1) the Qualification Data Submission Deadline for the Annual Capacity Auction shall occur during the month of February;

(2) the Capacity Demonstration Deadline for the Annual Capacity Auction shall occur during the month of April; and

(3) the Annual Capacity Auction shall occur during the month of May.

(c) Modification of Capacity Auction Calendar.

The ISO may, on a prospective basis, reasonably revise any date or deadline in the Capacity Auction Calendar with written notice of such revision to each Governance Participant in the manner specified in Section 17.11(b) of the Participants Agreement prior to the occurrence of the date or deadline being revised. In the event a Market Participant fails to meet a deadline in the Capacity Auction Calendar for submission of information or data, the ISO shall extend such deadline for that Market Participant upon receipt of an order from the Commission granting the Market Participant's request for a waiver of such deadline for good cause shown. In no event shall a date or deadline be extended, prospectively by the ISO or retroactively by filing of a Market Participant, should doing so interfere with the ISO's effective administration of the Capacity Market.

(d) Effectiveness for the 2028-2029 Capacity Commitment Period and Thereafter.

The provisions of this Section III.15 are effective for the Capacity Commitment Period that runs from June 1, 2028 through May 31, 2029 and all Capacity Commitment Periods thereafter. Unless otherwise expressly stated, the provisions of this Section III.15 are not applicable to the Forward Capacity Market. Section III.13, addressing the administration of the Forward Capacity Market, shall continue to be effective for Capacity Commitment Periods through May 31, 2028. Unless otherwise expressly stated, the provisions of Section III.13 are not applicable to the Annual Capacity Market, Monthly Reconfiguration Auctions and monthly bilateral transactions addressed in this Section III.15 of Market Rule 1.

III.15.A. Non-Commercial Capacity Transition Rules.

All Capacity Resources that are on critical path schedule monitoring pursuant to Section III.13.3 as of June 1, 2028 are subject to the provisions of this Section III.15.A.

The ISO shall monitor the Non-Commercial Capacity resource's compliance with its critical path schedule from the time the ISO approves the request until the resource achieves FCM Commercial Operation, is terminated pursuant to Section III.15.A.2.1, or withdraws from critical path schedule monitoring pursuant to Section III.15.A.2.3.

III.15.A.1. Non-Commercial Capacity Resource Critical Path Schedule Reports.

For each resource that is being monitored for compliance with its critical path schedule, the Lead Market Participant for that resource must provide a written critical path schedule report to the ISO no later than five Business Days after the end of each calendar quarter. If the Lead Market Participant does not provide a written critical path schedule report to the ISO by the fifth Business Day after the end of the calendar quarter, then the ISO shall issue a notice thereof to the Lead Market Participant. If the Lead Market Participant fails to provide the critical path schedule report within five Business Days of issuance of that notice, then the resource will be subject to termination pursuant to Section III.15.A.2.1. Each critical path schedule report shall include a complete updated version of the critical path schedule as described in Section III.15.A.1.1 through Section III.15.A.1.3.

III.15.A.1.1. Updated Critical Path Schedule.

The critical path schedule report must include a complete updated version of the critical path schedule as described in Section III.15.A.1, dated contemporaneously with the submission of the critical path schedule report. The updated critical path schedule must clearly indicate if the Lead Market Participant is proposing to change any of the milestones or dates from the previously submitted version of the critical path schedule, and must include an explanation of any such proposed changes. In the critical path schedule report, the Lead Market Participant must also explain in detail any proposed changes to the project design and the potential impact of such changes on the amount of capacity the resource will be able to provide.

III.15.A.1.2. Documentation of Milestones Achieved.

(a) For all new resources (except for Demand Capacity Resources installed at multiple facilities and Demand Capacity Resources from a single facility with a demand reduction value of less than 5 MW,

which are discussed in Section III.15.A.1.2(b)), for each critical path schedule milestone achieved since the submission of the previous critical path schedule report, the Lead Market Participant must include in the critical path schedule report documentation demonstrating that the milestone has been achieved by the date indicated and as otherwise described in the critical path schedule, as follows:

(i) **Major Permits**. For each major permit described in the critical path schedule, the Lead Market Participant shall provide documentation showing that the permit was applied for and obtained as described in the critical path schedule. For permit applications, this documentation could include a dated copy of the permit application or cover letter requesting the permit. For approved permits, this documentation could include a dated copy of the approved permit or letter granting the permit from the permitting authority.

(ii) **Project Financing Closing**. The Lead Market Participant shall provide documentation showing that the sources of financing identified in the critical path schedule have committed to provide the amount of financing described in the critical path schedule. This documentation could include copies of commitment letters from the sources of financing.

(iii) **Major Equipment Orders**. For each major component described in the critical path schedule, the Lead Market Participant shall provide documentation showing that the equipment was ordered as described in the critical path schedule. This documentation should include a copy of a dated confirmation of the order from the manufacturer or supplier. This documentation should confirm scheduled delivery dates consistent with milestone Section III.15.A.1.2(a)(v).

(iv) **Substantial Site Construction.** The Lead Market Participant shall provide documentation showing that the amount of money expended on construction activities occurring on the project site has exceeded 20 percent of the construction financing costs.

(v) **Major Equipment Delivery**. For each major component described in the critical path schedule, the Lead Market Participant shall provide documentation showing that the equipment was delivered to the project site and received as preliminarily acceptable as described in the critical path schedule. This documentation should include a copy of a dated confirmation of delivery to the project site.

(vi) **Major Equipment Testing.** For each major component described in the critical path schedule, the Lead Market Participant shall provide documentation showing that the component was tested, including major systems testing as appropriate for the specific technology as described in the critical path schedule, and that the test results demonstrate the equipment's suitability to allow, in conjunction with other major components, subsequent operation of the project in accordance with the amount of capacity subject to critical path schedule monitoring in accordance with Good Utility Practice. This documentation could include a dated copy of the satisfactory test results.

(vii) **Commissioning**. The Lead Market Participant shall provide documentation showing that the resource has demonstrated a level of performance equal to or greater than the amount of capacity subject to critical path schedule monitoring. This documentation should include a copy of a dated letter of confirmation from the applicable manufacturer, contractor, or installer.

(viii) **Commercial Operation.** The Lead Market Participant is not required to provide documentation of Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff) to the ISO as part of the ISO's critical path schedule monitoring. The ISO shall confirm that the resource has achieved Commercial Operation (as defined in Schedule 22, 23, or 25 of Section II of the Transmission, Markets and Services Tariff) as described in the critical path schedule through the resource's compliance with the other relevant requirements of the Transmission, Markets and Services Tariff and the ISO New England System Rules.

(ix) **Transmission Upgrades**. The Lead Market Participant shall provide documentation showing that all interconnection facilities and upgrades identified for the project associated with the resource in a Transitional Cluster Study, Cluster Study, or Cluster Restudy (conducted pursuant to Section 7.5 of Schedule 22, Section 7.5 of Schedule 23, or Section 7.5 of Schedule 25 of Section II of the Transmission, Markets and Services Tariff), or interconnection request or agreement under applicable state tariff, rules or procedures, have been completed.

(b) For Demand Capacity Resources installed at multiple facilities and Demand Capacity Resources from a single facility with a demand reduction value of less than 5 MW, for each critical path schedule milestone achieved since the submission of the previous critical path schedule report, the Lead Market

Participant must include in the critical path schedule report documentation demonstrating that the milestone has been achieved by the date indicated and as otherwise described in the critical path schedule, as follows:

(i) **Substantial Project Completion**. The Lead Market Participant shall provide documentation showing the resource will be capable of providing its total offered demand reduction value as described in the New Demand Capacity Resource Qualification Package by the proposed Commercial Operation Date reported in the critical path schedule report.

(ii) **Additional Requirements**. For each customer and each prospective customer the Lead Market Participant shall provide: name, location, MW amount, and description of stage of negotiation. If the customer's Asset has been registered with the ISO, then the Lead Market Participant shall also provide the Asset identification number.

III.15.A.1.3. Additional Relevant Information.

The Lead Market Participant must include in the critical path schedule report any other information regarding the status or progress of the project or any of the project milestones that might be relevant to the ISO's evaluation of the feasibility of the project being built in accordance with the critical path schedule.

III.15.A.2. Failure to Meet Critical Path Schedule.

If the ISO determines that any critical path schedule milestone date has been missed, or if the Lead Market Participant proposes a change to any milestone date in a quarterly critical path schedule report (as described in Section III.15.A.1), then the ISO shall consult with the Lead Market Participant to determine the impact of the missed milestone or proposed revision, and shall determine a revised date for the milestone and for any other milestones affected by the change. If a milestone date is revised for any reason, the ISO may require the Lead Market Participant to submit a written report to the ISO on the fifth Business Day of each month until the revised milestone is achieved detailing the progress toward meeting the revised milestone. If the Lead Market Participant does not provide a written critical path schedule report to the ISO on the fifth Business Day of a month, then the ISO shall issue a notice thereof to the Lead Market Participant. If the Lead Market Participant fails to provide the critical path schedule report within five Business Days of issuance of that notice, then the resource will be subject to termination pursuant to Section III.15.A.2.1. Such a monthly reporting requirement, if imposed, shall be in addition to the quarterly critical path schedule reports described in Section III.15.A.1.

III.15.A.2.1. Termination of Critical Path Schedule Monitoring.

If a Lead Market Participant fails to comply with the requirements of Sections III.15.A.1 or III.15.A.2, or if, as a result of milestone date revisions, the date by which a resource will have achieved all its critical path schedule milestones is more than two years after the beginning of the Capacity Commitment Period for which the resource first received a Capacity Supply Obligation, then the ISO, after consultation with the Lead Market Participant, shall have the right, through a filing with the Commission, to terminate the resource's status on critical path schedule monitoring, provided that, where a Lead Market Participant voluntarily withdraws its resource from critical path schedule monitoring in accordance with Section III.15.A.2.3 no filing with the Commission shall be necessary. Upon Commission ruling, the Lead Market Participant shall forfeit any financial assurance provided with respect to that Capacity Supply Obligation. If in these circumstances, however, the ISO does not take steps to terminate the resource and instead permits the Lead Market Participant to continue on critical path schedule monitoring, such continuation shall be subject to the ISO's right to revoke that permission and to file with the Commission to terminate the resource, and subject to continued reporting by the Lead Market Participant in accordance with Section III.15.A.1.

III.15.A.2.2. Termination of Interconnection Agreement.

If the ISO terminates, or files with the Commission to terminate, a resource's ability to remain on critical path schedule monitoring, the ISO shall have the right to terminate the Interconnection Agreement with that resource through a filing with the Commission and upon Commission ruling. The ISO shall also reduce the resource's assigned capacity interconnection service (or equivalent for resources not subject to the ISO Interconnection Procedures).

III.15.A.2.3. Withdrawal from Critical Path Schedule Monitoring.

A Lead Market Participant may withdraw its resource from critical path schedule monitoring by the ISO at any time by submitting a written request to the ISO.

III.15.A.3. Financial Assurance.

The financial assurance requirements for Designated FCM Participants offering Non-Commercial Capacity into the Forward Capacity Auction, as described in Section VII.B.2.b the ISO New England Financial Assurance Policy, shall continue to apply to all Capacity Resources that are subject to the provisions of this Section III.15.A.

Once a resource with Non-Commercial Capacity achieves commercial operation, its financial assurance obligation shall be released pursuant to the terms of the ISO New England Financial Assurance Policy and it shall have the same financial assurance requirements as a resource that has achieved Capacity Market Commercial Operation, as governed by the ISO New England Financial Assurance Policy.

If a Capacity Resource is only capable of delivering less than the amount of capacity that cleared in the Forward Capacity Auction, then the portion of its financial assurance associated with the shortfall shall be forfeited. Any financial assurance that is forfeited pursuant to Section III.15.A shall be used to reduce charges incurred by load in the relevant Capacity Zone.

III.15.A.4. Demonstrating FCM Commercial Operation

All Capacity Resources subject to the provisions of this Section III.15.A shall achieve commercial operation, for purposes of ending critical path schedule monitoring, in accordance with the FCM Commercial Operation requirements specified in Section III.13.3.8.

III.15.A.5. Settlement of Qualification Process Cost Reimbursement Deposit.

Upon the date on which the entire resource is no longer on critical path schedule monitoring, the ISO shall provide the Lead Market Participant with a statement in writing of the costs incurred by the ISO and its consultants, including the documented and reasonably-incurred costs of the affected Transmission Owner(s), associated with the qualification process and critical path schedule monitoring received by the ISO pursuant to Section IV.A.6.1 of the Transmission, Markets and Services Tariff. All Capacity Resources that are subject to the provisions of this Section III.15.A shall be subject to the Forward Capacity Market payment and refund requirements as set forth in Section III.13.1.9.3.2 of the Tariff.

III.15.1. Auction Demand Curves and Other Auction Inputs.

III.15.1.1. Annual Capacity Auction Demand Curves.

The total amount of capacity cleared in the Annual Capacity Auction pursuant to Section III.15.4 shall be determined using the System-Wide Capacity Demand Curve and the Capacity Zone Demand Curves for the Capacity Zones modeled for the Annual Capacity Auction.

III.15.1.1.1. System-Wide Capacity Demand Curve.

The System-Wide Capacity Demand Curve shall specify a price for system capacity quantities based on the product of the system-wide Marginal Reliability Impact value, calculated pursuant to Section III.12.1.1, and the scaling factor specified in Section III.15.1.1.4. For any system capacity quantity greater than 110% of the Installed Capacity Requirement (net of HQICCs), the System-Wide Capacity Demand Curve shall specify a price of zero. The System-Wide Capacity Demand Curve shall not specify a price in excess of the Capacity Auction Offer Price Cap.

III.15.1.1.2. Import-Constrained Capacity Zone Demand Curves.

For each import-constrained Capacity Zone, the Capacity Zone Demand Curve shall specify a price for all Capacity Zone quantities based on the product of the import-constrained Capacity Zone's Marginal Reliability Impact value, calculated pursuant to Section III.12.2.1.3, and the scaling factor specified in Section III.15.1.1.4. The prices specified by an import-constrained Capacity Zone Demand Curve shall be non-negative. At all quantities greater than the truncation point, which is the amount of capacity for which the Capacity Zone Demand Curve specifies a price of $0.01/kW-month, the Capacity Zone Demand Curve shall specify a price of zero. The Capacity Zone Demand Curve shall not specify a price in excess of the Capacity Auction Offer Price Cap.

III.15.1.1.3. Export-Constrained Capacity Zone Demand Curves.

For each export-constrained Capacity Zone, the Capacity Zone Demand Curve shall specify a price for all Capacity Zone quantities based on the product of the export-constrained Capacity Zone's Marginal Reliability Impact value, calculated pursuant to Section III.12.2.2.1, and the scaling factor specified in Section III.15.1.1.4. The prices specified by an export-constrained Capacity Zone Demand Curve shall be non-positive. At all quantities less than the truncation point, which is the amount of capacity for which the Capacity Zone Demand Curve specifies a price of negative $0.01/kW-month, the Capacity Zone Demand Curve shall specify a price of zero.

III.15.1.1.4. Capacity Demand Curve Scaling Factor.

The demand curve scaling factor shall be set at the value such that, at the quantity specified by the System-Wide Capacity Demand Curve at a price of Net CONE, the Loss of Load Expectation is 0.1 days per year.

III.15.1.2. Capacity Auction Offer Price Cap and the Cost of New Entry.

III.15.1.2.1. Calculation of Capacity Auction Offer Price Cap, CONE, and Net CONE.

(a) The Capacity Auction Offer Price Cap shall be the greater of (i) 1.6 multiplied by Net CONE; and (ii) CONE. References in this Section III.15 and Sections III.A.21 and III.A.24 to the Capacity Auction Offer Price Cap shall mean the Capacity Auction Offer Price Cap for the Annual Capacity Auction associated with the relevant Capacity Commitment Period.

(b) To determine the CONE and Net CONE for the Annual Capacity Auctions associated with the Capacity Commitment Period beginning on June 1, 2028 and the Capacity Commitment Period beginning on June 1, 2029, the ISO shall make interim-year adjustments as described in Section III.15.1.2.2 to the following CONE and Net CONE calculated for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2025:

(i) CONE for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2025 was $12.400/kW-month.

(ii) Net CONE for the Forward Capacity Auction for the Capacity Commitment Period beginning on June 1, 2025 was $7.468/kW-month.

(c) The ISO shall recalculate CONE and Net CONE for the Annual Capacity Auction for the Capacity Commitment Period beginning on June 1, 2030. Thereafter, CONE and Net CONE shall be recalculated no less often than once every four years. Whenever these values are recalculated, the ISO will review the results of the recalculation with stakeholders, and the new values will be filed with the Commission prior to the Annual Capacity Auction in which the new value is to apply.

III.15.1.2.2. Interim-Year Adjustments to CONE and Net CONE.

(a) For years in which no full recalculation is performed pursuant to Section III.15.1.2.1, CONE and Net CONE shall be adjusted for each Annual Capacity Auction with the following updates to the capital

budgeting model used to calculate the CONE and Net CONE values set forth above in this Section III.15.1.2:

(1) Each line item associated with capital costs that is included in the capital budgeting model shall be updated to reflect changes in the Bureau of Labor Statistics Producer Price Index for Machinery and Equipment: General Purpose Machinery and Equipment (WPU114).

(2) For each line item in (1) above, the ISO shall calculate a multiplier that is equal to the average of values published during the most recent 12 month period available at the time of making the adjustment divided by the average of the most recent 12 month period available at the time of establishing the CONE and Net CONE values set forth in Section III.15.1.2.1. The value of each line item associated with capital costs in the capital budgeting model will be adjusted by the relevant multiplier.

(3) The energy and ancillary services offset values in the capital budgeting model shall be adjusted by inputting to the capital budgeting model the Henry Hub natural gas futures prices, the Algonquin Citygates Basis natural gas futures prices and the Massachusetts Hub Day-Ahead Peak electricity prices, as published by ICE, for each month of the Capacity Commitment Period to which the updated value will apply.

(4) The annual adjustment to CONE and Net CONE for the Annual Capacity Auction for the Capacity Commitment Period beginning June 1, 2028, shall use a cost of debt of 6.85% and a cost of equity of 13.80%. These values shall also be used for the Annual Capacity Auction for the Capacity Commitment Period beginning on June 1, 2029.

(5) If any of the values required for the calculations described in this Section III.15.1.2.2 are unavailable, then comparable values, prices or sources shall be used.

(b) The CONE and Net CONE values adjusted pursuant to this Section III.15.1.2.2 will be published on the ISO's website.

III.15.2. Capacity Resource Qualification.

Each resource, or portion thereof, must qualify as a Generating Capacity Resource, an Import Capacity Resource, a Demand Capacity Resource, or a Distributed Energy Capacity Resource. Each resource must be at least 100 kW in size to participate in an Annual Capacity Auction, except for resources registered with the ISO prior to the earliest date that any portion of Section III.13 became effective. The summer period of a Capacity Resource's Seasonal Qualified Capacity Values shall be the months of June through September and the winter period shall be the months of October through May, except in the case of Demand Capacity Resources, where the summer period shall be the months of April through November and the winter period shall be the months of December through March.

This Section III.15.2 details the requirements of the qualification process for the Annual Capacity Auction, as well as certain requirements related to Monthly Reconfiguration Auctions and Capacity Supply Obligation Bilateral transactions. Data submission and demonstration requirements for resources that have never previously counted as capacity and seek to qualify to participate in an Annual Capacity Auction, are set forth in Section III.15.2.1. Data submission and demonstration requirements for resources that have never previously counted as capacity and seek to qualify to participate in a Monthly Reconfiguration Auction are set forth in Section III.15.2.2. Qualification requirements with respect to interconnection service are addressed in Section III.15.2.3. Qualification requirements with respect to resources that have previously counted as capacity and have materially changed are addressed in Section III.15.2.4. Following the Annual Capacity Auction's Qualification Data Submission Deadline, the ISO calculates and provides to Lead Market Participants Advisory Qualified Capacity Values for each Capacity Resource, per Section III.15.2.5. Lead Market Participants then have until the Capacity Demonstration Deadline to demonstrate that their Capacity Resources have achieved Commercial Operation, per Section III.15.2.6. Thereafter, the ISO calculates Seasonal Qualified Capacity Values for each Capacity Resource, per Section III.15.2.7, which values are subject to the challenge process addressed therein. Lead Market Participants are then permitted to submit Composite Offers in accordance with Section III.15.2.8, and load serving entities are permitted to submit self-supply designations in accordance with III.15.2.9. Final Qualified Capacity values for each Capacity Resource are calculated by the ISO one Business Day prior to the opening of the Annual Capacity Auction Offer Window in accordance with Section III.15.2.10. The publication of offer information during the qualification process and after the Annual Capacity Auction is addressed in Section III.15.2.11.

Resources seeking to qualify for an Annual Capacity Auction may be subject to buyer-side market power review and mitigation pursuant to Section III.A.21 and must abide by the applicable submission

requirements and timelines set forth therein prior to seeking to qualify for an Annual Capacity Auction. To the extent not already established for the purposes of the submission requirements of Section III.A.21.1.5, all capacity suppliers seeking to qualify for an Annual Capacity Auction must be Market Participants prior to the Qualification Data Submission Deadline. The Lead Market Participant for a resource participating in an Annual Capacity Auction may not change during the period beginning 15 Business Days prior to the opening of the Annual Capacity Auction Offer Window and ending with the posting of the results of the Annual Capacity Auction.

III.15.2.1. Qualification Data Submission Requirements.

III.15.2.1.1. Qualification Data Submission Package.

(a) For a resource that has not previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction to qualify as a Capacity Resource for participation in an Annual Capacity Auction, a Lead Market Participant must submit the following information to the ISO by the Qualification Data Submission Deadline, as applicable:

(i) the resource name;

(ii) the Lead Market Participant's contact information;

(iii) the date by which the resource is expected to complete its capacity demonstration pursuant to III.15.2.6(c) or to update its as-built data pursuant to III.15.2.6(d);

(iv) the resource address or location, and if available, asset identification number;

(v) whether the resource has ever previously had a Capacity Supply Obligation;

(vi) the location of the resource's interconnection;

(vii) the estimated Seasonal Qualified Capacity Values of the resource, as well as an estimate of any incremental Seasonal Qualified Capacity Values (in MW) (for Generating Capacity Resources and Import Capacity Resources);

(viii) the estimated total summer and winter demand reduction value (for Demand Capacity Resources and Distributed Energy Capacity Resources) or net injection capability values per facility (for Distributed Energy Capacity Resources);

(ix) a description of the resource, including (for Generating Capacity Resources and Import Capacity Resources) a general description of the resource's equipment configuration and a description of the resource technology type, and (for Demand Capacity Resources) a description of the resource's Demand Capacity Resource type and measure type, and (for Distributed Energy Capacity Resources) a description of the project and its configuration, including the types of generation and demand response composing the project, and (for

Generating Capacity Resources and Distributed Energy Capacity Resources comprising generation) a one-line diagram of the resource's configuration;

(x) for resources supported by an Internal Elective Transmission Upgrade, all unique project identifiers associated with the Internal Elective Transmission Upgrade;

(xi) for Generating Capacity Resources with a contract to export capacity from the New England Control Area during the Capacity Commitment Period, the interface over which the capacity will be exported and the contract associated with the export capacity;

(xii) Additional requirements for Import Capacity Resources, the interface over which the capacity will be imported and one of the following submissions documenting the source of the imported capacity, as further detailed in Section III.15.2.1.1.1: (i) documentation of a contract entered into before the Qualification Data Submission Deadline to provide capacity in the New England Control Area from outside of the New England Control Area for one or more years encompassing the entire Capacity Commitment Period, including documentation of the MW value of the contract; (ii) proof of ownership or direct control over one or more External Resources that will be used to back the Import Capacity Resource during the Capacity Commitment Period, including information to establish the summer and winter ratings of the resource(s) backing the import; or (iii) documentation for system-backed import capacity that the Import Capacity Resource will be supported by the Control Area and that the energy associated with that system-backed import capacity will be afforded the same curtailment priority as that Control Area's native load.

(xiii) Additional requirements for Demand Capacity Resources, as further detailed in Section III.15.2.1.1.2: resource technical and credit/financial contacts; Measurement and Verification Plan (for On-Peak Demand Capacity Resources or Seasonal Peak Demand Capacity Resources); Load Zone and Dispatch Zone (for Active Demand Capacity Resources);

(xiv) Additional requirements for Distributed Energy Capacity Resources, as further detailed in Section III.15.2.1.1.3: expected nameplate capacity by technology type per facility; installation date of facilities that are part of the project and already constructed, installed, or in commercial operation; indication of whether the project elects Intermittent Power Resource treatment; resource technical and credit/financial contacts; Load Zone, Dispatch Zone and DRR Aggregation Zone;

(xv) Additional requirements for resources with capacity impacted by ambient air conditions between 90 degrees and 100 degrees, as further detailed in Section III.15.2.1.5; and

(xvi) Additional requirements for resources seeking ISO-estimated Seasonal Qualified Capacity Values, as further detailed in III.15.2.6(d): the Qualification Data Submission Package shall satisfy the technical data requirements associated with such resources and be supplemented with the as-built status of the resource on the date of the relevant Capacity Demonstration Deadline.

(b) By submitting the required qualification information, the Lead Market Participant certifies that a Capacity Offer from the resource will not include any anticipated revenues the resource is expected to receive for its capacity cost as a Qualified Generator Reactive Resource pursuant to Schedule 2 of Section II of the Tariff.

(c) The ISO may waive the submission of any information not required for evaluation of the resource.

III.15.2.1.1.1. Additional Import Capacity Resource Requirements.

Import Capacity Resources must be backed by one or more External Resources or by an external Control Area for the duration of the relevant Capacity Commitment Period. An external demand resource may not be an Import Capacity Resource. External nodes shall be established and mapped to Capacity Zones pursuant to the provisions in Attachment K to Section II of the Transmission, Markets and Services Tariff. For the purposes of the qualification process, all Import Capacity Resources shall be treated as if they had never previously participated as capacity and must submit the materials described pursuant to this Section III.15.2.1.1 for each Capacity Commitment Period for which the Import Capacity Resource seeks to qualify capacity. Import Capacity Resources backed by an External Control Area that does not have a Coordination Agreement with the ISO shall be ineligible to participate in the Annual Capacity Market. No single Import Capacity Resource may qualify capacity in excess of the external interface limits as described in Section III.12.10.

An Elective Transmission Upgrade with Capacity Network Import Interconnection Service under Schedule 25 of Section II of the Transmission, Markets and Services Tariff shall have its external node modeled in the Annual Capacity Auction after it has established a contractual association with an Import Capacity Resource and that Import Capacity Resource has met the Annual Capacity Auction qualification requirements of this Section III.15.2.1 and demonstration requirements of III.15.2.6. The Qualified Capacity of all Import Capacity Resources associated with an Elective Transmission Upgrade shall not exceed the Elective Transmission Upgrade's Capacity Network Import Capability.

Capacity Offers for Import Capacity Resources shall be subject to rationing except for Capacity Offers priced above the Capacity Offer Price Threshold for Import Capacity resources associated with an Elective Transmission Upgrade, which must obtain a Capacity Supply Obligation or not in whole unless the Capacity Offer indicated that it may be rationed as described in III.15.4.1.

III.15.2.1.1.1.1. Imports Backed by External Resources.

If the Import Capacity Resource will be backed by one or more External Resources, the Lead Market Participant shall submit a description of how the Import Capacity Resource will meet its Capacity Supply Obligation in the Capacity Commitment Period(s) for which it seeks to qualify. The description must indicate specifically which External Resources will back the Import Capacity Resource during the Capacity Commitment Period and contain the relevant historical performance data for each resource. If those External Resources are not owned or controlled directly by the Lead Market Participant, the description must include a commitment that the External Resources will have sufficient capacity that is not obligated outside the New England Control Area to fully satisfy the Import Capacity Resource's potential Capacity Supply Obligation during the Capacity Commitment Period and demonstrate how that commitment will be met.

III.15.2.1.1.1.2. Imports Backed by an External Control Area.

If the Import Capacity Resource will be backed by an external Control Area, the Lead Market Participant shall submit system load and capacity projections for the external Control Area showing sufficient excess capacity during the Capacity Commitment Period to back the Import Capacity Resource.

III.15.2.1.1.1.3. Imports Crossing Intervening Control Areas.

Imports of capacity from a Control Area or resources located in a Control Area where such import crosses an intervening Control Area or Control Areas shall comply with the following additional requirements: (1) for imports crossing a single intervening Control Area, the Lead Market Participant entering the import contract shall demonstrate, as detailed in the ISO New England Manuals, by the Qualification Data Submission Deadline, that the remote Control Area will afford the energy export to the adjacent intervening Control Area the same curtailment priority as its native load, that the adjacent intervening Control Area has procedures in place to explicitly recognize the linkage between the import and re-export of energy in support of the import contract, and that the energy export to the ISO will not be curtailed (except pro-rata with a curtailment of native load) so long as the linked import is flowing; (2) for imports crossing more than one intervening Control Area, in addition to the requirements above, the Lead Market Participant entering the import contract shall demonstrate, as detailed in the ISO New England Manuals,

by the Qualification Data Submission Deadline, that explicit market and operating procedures exist among the intervening Control Areas to ensure that the energy required to be delivered to the New England Control Area will be guaranteed the same curtailment priority as the intervening native loads, and that none of the intervening Control Areas will curtail the transaction except in conjunction with a curtailment of native load; and (3) the Lead Market Participant entering the import contract shall demonstrate that capacity it supplies to the New England Control Area will not be recalled or curtailed to satisfy the load of the external Control Area, or that the external Control Area in which it is located will afford New England Control Area load the same curtailment priority that it affords its own Control Area native load.

III.15.2.1.1.2. Additional Demand Capacity Resource Requirements.

A Demand Capacity Resource may be an Active Demand Capacity Resource, On-Peak Demand Capacity Resource, or Seasonal Peak Demand Capacity Resource, and may include an end-use customer facility with a Net Supply Capability of 5 MW or more only if the facility's Net Supply Capability does not exceed its Maximum Facility Load. Demand Capacity Resources must comply with all applicable federal, state, and local regulatory, siting, and tariff requirements, including interconnection tariff requirements related to siting, interconnection, and operation of the Demand Capacity Resource. Demand Capacity Resources are not permitted to submit a Capacity Offer to import into or export out of the New England Control Area.

For a resource, or portion thereof, that never previously obtained a Capacity Supply Obligation in a Forward Capacity Auction or Annual Capacity Auction to qualify as an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource for the Capacity Commitment Period beginning June 1, 2028, the measure or measures contained in the resource must not have been in-service prior to June 1, 2024. For a resource, or portion thereof, that never previously obtained a Capacity Supply Obligation in a Forward Capacity Auction or Annual Capacity Auction to qualify as an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource in the Annual Capacity Auction or Monthly Reconfiguration Auction, as relevant, for or during the Capacity Commitment Period beginning June 1, 2029, and all Capacity Commitment Periods thereafter, the measure or measures contained in the resource must have been placed in-service or previously qualified as capacity no more than six months before the prior Annual Capacity Auction's Capacity Demonstration Deadline.

III.15.2.1.1.2.1. Measurement and Verification of Demand Capacity Resources.

(a) To demonstrate the demand reduction value of an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource, the Lead Market Participant of such a resource participating in the Annual Capacity Auction, Capacity Supply Obligation Bilaterals, or Monthly Reconfiguration Auctions shall submit to the ISO Measurement and Verification Documents in accordance with this Section III.15.2.1.1.2.1 and the ISO New England Manuals. The ISO shall review such Measurement and Verification Documents to determine whether they are consistent with the measurement and verification requirements set forth in this Section III.15.2.1.1.2.1 and the ISO New England Manuals.

(b) Measurement and Verification Documents must demonstrate both availability and performance of an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource in reducing demand coincident with Demand Resource On-Peak Hours or Demand Resource Seasonal Peak Hours such that the reported monthly demand reduction value shall achieve at least a ten percent relative precision and an eighty percent confidence interval as described and applied in the ISO New England Manuals and ISO New England Operating Procedures. The Measurement and Verification Documents shall: (1) serve as the basis for the claimed demand reduction value of an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource; (2) document the measurement and verification performed to verify the achieved demand reduction value of the On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource; and (3) contain a projection of the On-Peak Demand Capacity Resource's or Seasonal Peak Demand Capacity Resource's demand reduction value for each month of the Capacity Commitment Period and, for those Demand Capacity Resources composed of energy efficiency measures, over the expected Measure Lives. An On-Peak Demand Capacity Resource's or Seasonal Peak Demand Capacity Resource's Measurement and Verification Documents must describe the methodology used to calculate electrical energy load reduction or output during Demand Resource On-Peak Hours or Demand Resource Seasonal Peak Hours. If an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource includes Distributed Generation, the Measurement and Verification Documents must describe the individual metering or metering protocol used to monitor and verify the output of the Distributed Generation, consistent with the measurement and verification requirements set forth in Market Rule 1 and the ISO New England Manuals.

(c) The Measurement and Verification Documents shall include a Measurement and Verification Plan submitted in the Annual Capacity Auction qualification process, as described in this Section III.15.2.1.1.2.1, and monthly Measurement and Verification data submitted during the Capacity Commitment Period. The monthly Measurement and Verification data shall reference the measurement and verification protocols and performance data documented in the Measurement and Verification Plan.

Such monthly Measurement and Verification data shall document the Lead Market Participant's total demand reduction value from both eligible pre-existing measures and new measures, and the Lead Market Participant's total demand reduction value from both eligible pre-existing measures and new measures, for all measures in operation as of the end of the previous month. The monthly Measurement and Verification data shall be based on Measurement and Verification Documents determined in accordance with Market Rule 1 and the ISO New England Manuals, and shall be the basis for monthly settlement with Lead Market Participants. All Measurement and Verification Documents shall conform to the ISO's specifications with respect to content, format and delivery methodology, and shall be submitted in accordance with the timelines and deadlines set forth in Market Rule 1 and the ISO New England Manuals.

(d) Lead Market Participants for On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources shall submit no less frequently than once per year, a statement certifying that the Demand Capacity Resource for which the Lead Market Participant is requesting compensation continues to perform in accordance with the submitted Measurement and Verification Documents reviewed by the ISO. One such statement must be received by the ISO no later than ten Business Days before the Qualification Data Submission Deadline.

(e) For On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources comprising customer facilities with greater than or equal to 10 kW of demand reduction value per facility, Lead Market Participants shall maintain records of retail customers served, including, at a minimum, the retail customer's address, the customer's utility distribution company, utility distribution company account identifier, measures installed, and corresponding monthly demand reduction values. For On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources targeting customer facilities with under 10 kW of demand reduction value per facility, the Lead Market Participant shall maintain records as described above for customer facilities with greater than or equal to 10 kW of demand reduction value per facility, or shall maintain records of aggregated demand reduction values and measures installed by Load Zone and meter domain. Lead Market Participants shall maintain such records until the end of the Measure Life, or until the Demand Capacity Resource is retired or deactivated from the Annual Capacity Market, and shall submit such records to the ISO upon request in a readable electronic format.

(f) The ISO shall review the Measurement and Verification Documents and complete such review and identify any necessary modifications in accordance with the Annual Capacity Auction qualification

process as described in Section III.15.2 and pursuant to the ISO New England Manuals. In its review of the Measurement and Verification Documents, the ISO may consult with the Lead Market Participant to seek clarification, to gather additional necessary information, or to address questions or concerns arising from the materials submitted. At the discretion of the ISO, the ISO may consider revisions or additions to the Measurement and Verification Documents resulting from such consultation; provided, however, that in no case shall the ISO consider revisions or additions to the Measurement and Verification Documents if the ISO believes that such consideration cannot be properly accomplished within the time periods established for the qualification process.

III.15.2.1.1.3. Additional Distributed Energy Capacity Resource Requirements.

(a) Distributed Energy Capacity Resources. A facility connected at a point of interconnection that is 5 MW or greater cannot be a part of a Distributed Energy Capacity Resource. A Distributed Energy Capacity Resource comprises one or more Distributed Energy Resource Aggregations located in a single Capacity Zone and a single DRR Aggregation Zone, except that (a) a Settlement Only Distributed Energy Resource Aggregation may not participate in a Distributed Energy Capacity Resource with any other type of Distributed Energy Resource Aggregation, and (b) an end-use customer facility participating as part of an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource with measures other than Energy Efficiency may not participate in a Distributed Energy Capacity Resource. Distributed Energy Capacity Resources are not permitted to submit a Capacity Offer to import into or export out of the New England Control Area. For purposes of this Section III.15.2.1.1.3: (i) if a facility is expected to interconnect at a point of interconnection, its net injection capability is the generation capability of the installed generation technology at the point of interconnection; (ii) if a facility is expected to interconnect at a Retail Delivery Point and does not plan to participate in the aggregation as a Demand Response Resource or Demand Response Distributed Energy Resource Aggregation, the net injection capability is the lesser of the generation less the load profile measured at the location of the end-use customer meter or the amount the facility is contractually able to inject.

(b) Demand Response Resource in Distributed Energy Capacity Resources. If the Distributed Energy Capacity Resource includes Demand Response Resources, the completed Qualification Data Submission Package shall include the following additional information: the estimated summer and winter demand reduction values (MW) per measure and/or per customer facility (measured at the customer meter and not including losses); the estimated total summer and winter demand reduction value of the Demand Response Resource (which must be consistent with the baseline calculation methodology in Section

III.8.2); and supporting documentation (e.g., engineering estimates or documentation of verified savings from comparable projects) to substantiate the reasonableness of the estimated demand reduction values.

(c) Net Injection of 5 MW or Greater. If the Distributed Energy Capacity Resource contains a Distributed Energy Resource Aggregation with a facility with net injection of 5 MW or greater at a Retail Delivery Point, then the completed Qualification Data Submission Package for such a resource shall include the following additional information: the Pnode and service address at which the end-use facility is located; nameplate MW and net injection capability; non-coincident peak load (MW) of the facility without generation; technology type; and the Market Participant's portion of generation requested to be included as Qualified Capacity.

(d) Net Injection Greater Than or Equal to 1 MW and less than 5 MW. If the Distributed Energy Capacity Resource contains a Distributed Energy Resource Aggregation with a facility that has net injection capability at the point of interconnection of 1 MW or greater and less than 5 MW, then the completed Qualification Data Submission Package for such a facility shall include the following additional information: distribution bus; technology type; nameplate MW; one-line diagram of the plant and station facilities, including any known transmission facilities; if the facility is intermittent, the requested contribution of Qualified Capacity and supporting site-specific data; if an interconnection agreement is required under state requirements, the date when the interconnection request was submitted and the status of that interconnection request.

III.15.2.1.2. Market Power Review.

Lead Market Participants seeking to qualify a Capacity Resource that has not previously obtained a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, or that is otherwise treated as if it had never done so pursuant to this Section III.15.2, must comply with the market power review provisions of Section III.A.21 by the Annual Capacity Auction Qualification Data Submission Deadline.

III.15.2.1.3. Capacity Commitment Period Election.

For the Annual Capacity Auctions for the 2028-2029, 2029-2030 and 2030-2031 Capacity Commitment Periods, a Lead Market Participant that has made the election in Section III.13.1.1.2.2.4 of the Forward Capacity Market rules with respect to a Capacity Resource must specify by the Qualification Data Submission Deadline whether it elects to continue to have the associated Capacity Supply Obligation and Capacity Clearing Price apply in Annual Capacity Auctions for the balance of the period permitted for

such Capacity Resource pursuant to Section III.13.1.1.2.2.4. Should a Lead Market Participant elect to terminate Section III.13.1.1.2.2.4 treatment for its Capacity Resource, it may not re-elect such treatment for any future Annual Capacity Auctions.

A Lead Market Participant that has made the election in Section III.13.1.1.2.2.4 of the Forward Capacity Market rules with respect to a Capacity Resource which has not achieved Capacity Market Commercial Operation as defined in Section III.15.2.6 of Market Rule 1 may not participate in the Annual Capacity Auction for the 2028-2029 Capacity Commitment Period and shall not have the previously elected Capacity Supply Obligation and Capacity Clearing Price apply for the 2028-2029 Capacity Commitment Period. Should such resource achieve Capacity Market Commercial Operation in time for participation in the Annual Capacity Auction for the 2029-2030 Capacity Commitment Period, or the Annual Capacity Auction for the 2030-2031 Capacity Commitment Period, it may elect to have the Capacity Supply Obligation and Capacity Clearing Price it received pursuant to Section III.13.1.1.2.2.4 apply for the balance of the period permitted for such Capacity Resource pursuant to Section III.13.1.1.2.2.4, and in no event after the Annual Capacity Auction for the 2030-2031 Capacity Commitment Period.

III.15.2.1.4. Material Deficiency in Data Submission.

In its review of a Lead Market Participant's data submission under this Section III.15.2.1, the ISO may consult with the Lead Market Participant, to gather additional necessary information, or to address questions or concerns arising from the materials submitted. At the discretion of the ISO, the ISO may consider revisions or additions to the qualification materials resulting from such consultation; provided, however, that in no case shall the ISO consider revisions or additions to the qualification materials if the ISO determines that such consideration cannot be properly accomplished within the time periods established for the qualification process. In addition, the ISO or the Lead Market Participant may confer to seek clarification, to gather additional necessary information, or to address questions or concerns prior to the ISO's final determination and notification of qualification.

In the event the ISO determines that a Lead Market Participant's data submission under Section III.15.2.1 is materially deficient, it shall notify the participant of such deficiencies at least ten Business Days prior to publication of the Advisory Seasonal Qualified Capacity Values, and the Lead Market Participant shall have five Business Days from the date of notification to cure the deficiencies. Should a Lead Market Participant fail to cure such deficiencies by the end of the cure period, it shall not be permitted to participate in the Annual Capacity Auction. In the event of such a rejection, the ISO shall provide the

Lead Market Participant with a written explanation of the reason for the rejection within ten Business Days of the close of the cure period.

III.15.2.1.5. Additional Qualification Requirements for Ambient Air Condition Impacts.

In the Qualification Data Submission Package, a Lead Market Participant may submit documentation indicating that a portion of its resource's capacity will not be physically available due to an ambient air condition. The size of such ambient air condition is calculated as the difference between the summer Qualified Capacity at 90 degrees and the rating of the resource at 100 degrees. The ISO shall verify during the qualification process the size of the ambient air condition.

III.15.2.2. Monthly Reconfiguration Auction Qualification.

For a resource that has not previously obtained a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction to qualify as a Capacity Resource for the purpose of participation in a Monthly Reconfiguration Auction pursuant to Section III.15.5 or bilateral activities pursuant to Section III.15.6, prior to the Capacity Demonstration Deadline for the relevant month a Lead Market Participant must: (1) submit the Qualification Data Submission Package as described in Section III.15.2.1 (except for the information described at Section III.15.2.1.2) by the Capacity Demonstration Deadline for the relevant month, except that an Import Capacity Resource or a Resource seeking ISO-estimated Seasonal Qualified Capacity Values pursuant to Section III.15.2.6(d) must submit its Qualification Data Submission Package 30 calendar days prior to the Capacity Demonstration Deadline; and (2) complete a capacity demonstration pursuant to Section III.15.2.6.

III.15.2.3. Deliverability Review.

A Generating Capacity Resource, Active Demand Capacity Resource, Import Capacity Resource associated with an External Elective Transmission Upgrade, and Distributed Energy Capacity Resource must satisfy the deliverability review requirements described in this Section III.15.2.3 in order to qualify capacity for participation in an Annual Capacity Auction, Monthly Reconfiguration Auction, or bilateral transaction above the deliverability value associated with the resource's qualification for any previous Forward Capacity Auction, Annual Capacity Auction, Monthly Reconfiguration Auction, or bilateral transaction. None of the provisions of this Section III.15.2, supersedes, replaces, or satisfies any of the requirements of Schedules 22, 23 or 25 of Section II of the Transmission, Markets and Services Tariff, except as specifically provided thereunder.

III.15.2.3.1. Deliverability Review for Capacity Resources Associated with Generating Facilities or External Elective Transmission Upgrades Subject to Schedule 22, 23, or 25 of Section II of the Tariff.

A Generating Facility or External Elective Transmission Upgrade subject to Schedules 22, 23 or 25 of Section II of the Tariff must complete the applicable interconnection processes set forth therein and have been assigned, as applicable, either Capacity Network Resource Interconnection Service or Capacity Network Import Interconnection Service, as necessary to support the delivery of the associated Capacity Resource's Qualified Capacity.

III.15.2.3.2. Deliverability Review for Capacity Resources Associated with Resources Not Subject to Schedule 22, 23, or 25 of Section II of the Tariff.

For a Generating Capacity Resource, Active Demand Capacity Resource, or Distributed Energy Capacity Resource not subject to Schedules 22, 23, or 25 of Section II of the Tariff, the ISO shall perform a deliverability review based on: (1) the information provided in the resource's Qualification Data Submission Package; and (2) the results of the ISO's most recent deliverability analysis, performed consistent with the criteria and conditions conducted as described in the ISO New England Planning Procedures. Where, as a result of this analysis, the ISO determines that such a resource cannot deliver any of the requested incremental capacity, then the resource or incremental portion thereof shall not qualify for participation in the Capacity Market as reflected in the Seasonal Qualified Capacity Values issued pursuant to Section III.15.2.7; otherwise, the ISO shall determine that the requested Qualified Capacity of the Capacity Resource is deliverable, and the Capacity Resource shall be eligible to continue to proceed with the remainder of the processes described in this Section III.15.2.

III.15.2.4. Resources Previously Counted as Capacity.

Resources that have previously counted as capacity shall, for the purposes of Section III.15.2, be treated as if they had never previously obtained a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction if: (1) there is a material change to the Capacity Resource as described in III.15.2.4.1, or (2) if a deactivated or retired resource seeks to re-enter the Capacity Market pursuant to III.15.2.4.2.

III.15.2.4.1. Material Change to a Capacity Resource.

(a) A Lead Market Participant that materially changes a Capacity Resource that has previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, or plans to do so prior to the relevant Capacity Demonstration Deadline, may, by the relevant Qualification Data

Submission Deadline or monthly Capacity Demonstration Deadline, inform the ISO of that material change, update the information provided under Section III.15.2.1.1 to reflect the change to the Capacity Resource, and demonstrate its updated Commercial Capacity pursuant to Section III.15.2.6. The updated Qualified Capacity of the resource, accounting for the change, shall be calculated in accordance with Section III.15.3.1 for the subsequent Annual Capacity Auction, Monthly Reconfiguration Auction, or Capacity Supply Obligation Bilateral. The Seasonal Qualified Capacity of a Capacity Resource that notifies the ISO of a material change but does not demonstrate pursuant to III.15.2.6 shall remain unmodified until demonstration of the material change occurs.

(b) For purposes of this Section III.15.2.4, a material change to a Capacity Resource is a change to the design or operating characteristics of the resource, including its interconnection facilities, that may have a significant effect on the reliability or operating characteristics associated with the Capacity Resource, and shall include, but not be limited to, changing the resource technology type, making a change to the Capacity Resource that increases or decreases the resource's Annual Qualified Capacity by greater than the lesser of 5 MW or 10 percent, or any change to the resource that requires a material modification to its interconnection agreement. No less than 30 calendar days prior to the Qualification Data Submission Deadline or Monthly Capacity Demonstration Deadline, as relevant, a Lead Market Participant may request, and the ISO shall within 20 calendar days provide, a determination regarding whether a change qualifies as a material change to a Capacity Resource pursuant to this Section III.15.2.4 and requires submission of the materials required pursuant to Section III.15.2.1.1.

III.15.2.4.2. Treatment of Previously Deactivated or Retired Resources.

In order to qualify for participation in the Capacity Market, a resource that previously has been deactivated or retired pursuant to Section I.3.9 of the Transmission, Markets and Services Tariff (or its predecessor provisions) must: (1) have reached its deactivation date and reduced its Capacity Network Resource Capability pursuant to Section II.48.3; (2) if the resource was compensated for delaying deactivation through a Commission-approved cost-of-service agreement, have refunded to the ISO all costs subject to refund under the claw-back provision set forth in Section II.54.1; and (3) have satisfied the provisions of Section III.15.2, including submission of the Qualification Data Submission Package described in Section III.15.2.1 and completed the capacity interconnection service requirements described in Section III.15.2.3, as if the resource had never previously received a Capacity Supply Obligation in a Forward Capacity Auction or Annual Capacity Auction.

III.15.2.5. Calculation of Advisory Qualified Capacity Values.

Following the Qualification Data Submission Deadline, by a date in the month of February published on the Capacity Auction Calendar, the ISO shall calculate and provide to Lead Market Participants summer and winter Advisory Qualified Capacity Values for each resource that has met the data submission requirements in Section III.15.2.1. The Advisory Qualified Capacity Values of any resource that has not previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, or is otherwise treated as if it had not done so, shall equal its demonstrated Commercial Capacity determined in accordance with Section III.15.2.6; except that in the event that a resource has not yet demonstrated a portion of its Commercial Capacity, its Advisory Qualified Capacity Values shall equal the sum of its Commercial Capacity and the estimated incremental Seasonal Qualified Capacity Values of the resource as submitted pursuant to Section III.15.2.1. For all other resources, the Advisory Qualified Capacity Values shall equal the Capacity Resource's summer and winter Qualified Capacity as calculated pursuant to Section III.15.3.

During the period beginning with the ISO's issuance of Advisory Qualified Capacity Values and ending with the conclusion of the Annual Capacity Auction, any change to a capacity resource or the information submitted in a Qualification Data Submission Package shall not impact the resource's Seasonal Qualified Capacity Values for that Annual Capacity Auction unless the change has already been accounted for in the submitted Qualification Data Submission Package, or is made pursuant to Section III.15.2.1.4 or Section III.15.2.7.

III.15.2.6. Capacity Commercial Operation Demonstration Requirement.

To participate in an Annual Capacity Auction, Monthly Reconfiguration Auctions, or a Capacity Supply Obligation Bilateral transaction, a Capacity Resource must first demonstrate that its capacity is commercially operational by meeting the demonstration requirements in this Section III.15.2.6 by the applicable Capacity Demonstration Deadline. A resource that meets the demonstration requirements of this Section III.15.2.6 shall be deemed to have achieved Capacity Market Commercial Operation.

(a) Demonstration must be completed (i) prior to a Capacity Resource's initial participation in the Annual Capacity Auction, Monthly Reconfiguration Auction, or bilateral transaction, and (ii) when a Capacity Resource that has previously received a Capacity Supply Obligation in a Forward Capacity Auction or Annual Capacity Auction materially changes or reactivates pursuant to Section III.15.2.4.

(b) The Capacity Demonstration Deadline for each Annual Capacity Auction shall be during the month of April preceding the relevant Annual Capacity Auction, as published on the Capacity Auction

Calendar; for each Monthly Reconfiguration Auction and Capacity Supply Obligation Bilateral window, the Capacity Demonstration Deadline shall precede the relevant Obligation Month by approximately two weeks, as published on the Capacity Auction Calendar.

(c) To demonstrate commercial capacity, a resource must perform an audit by the relevant Capacity Demonstration Deadline, using the following audit requirements:

(i) For Generating Capacity Resources that are not Intermittent Power Resources, each Generator Asset must perform an Establish Claim Capability Audit pursuant to Section III.1.5.1.2, provide the data described in ISO New England Operating Procedure No. 23, and have its audit value become effective pursuant to Section III.1.5.1.2(d)(iv).

(ii) For Generating Capacity Resources that are Intermittent Power Resources, each Generator Asset must perform a Seasonal Claim Capability Audit pursuant to Section III.1.5.1.3, provide the data described in ISO New England Operating Procedure No. 23, and have its audit value become effective pursuant to Section III.1.5.1.3(i).

(iii) For Active Demand Capacity Resources, each Demand Response Asset must perform a Seasonal DR Audit pursuant to III.1.5.1.3.1, as specified by season in III.15.7.1.5.3(c), requested by the Lead Market Participant, and have its audit value become effective pursuant to Section III.1.5.1.3.1(m).

(iv) For Demand Capacity Resources that are not Active Demand Capacity Resources, each Demand Capacity Resource must perform a Passive DR Audit pursuant to III.15.7.1.5.4, as specified by season in III.15.7.1.5.3(c), at the request of the Lead Market Participant, and have its audit value become effective pursuant to Section III.15.7.1.5.4(f).

(v) For Distributed Energy Capacity Resources, each asset comprising the Distributed Energy Capacity Resource must meet the demonstration requirement in sub-sections (i) through (iii) above for its corresponding asset type.

(vi) For Import Capacity Resources, demonstration is achieved through provision of performance data in the resource's Qualification Data Submission Package in accordance with Section III.15.2.1, except that Import Capacity Resources associated with an external Elective

Transmission Upgrade must demonstrate the ability to transfer power between regions pursuant to Schedule 25, Article 6.

(d) For those resources identified in Sections III.15.2.6(c)(ii), III.15.2.6(c)(iv), and III.15.2.6(c)(v) providing asset-level meter-based performance data by the Capacity Demonstration Deadline that is, as determined by the Lead Market Participant, of insufficient duration to establish accurate Seasonal Qualified Capacity Values, or for a period inconsistent with the audit described in Section III.15.2.6(c), the Lead Market Participant may request that the ISO determine Seasonal Qualified Capacity Values based on the lesser of: (1) the Seasonal Qualified Capacity Values requested for qualification by the Lead Market Participant; or (2) the Seasonal Qualified Capacity Values estimated by the ISO. In no instance shall the Seasonal Qualified Capacity Values developed pursuant to this Section III.15.2.6(d) exceed a resource's seasonal Capacity Network Resource Interconnection Service, or its equivalent.

The ISO-estimated Seasonal Qualified Capacity Values shall be based on technical data requirements for recently commercial resources identified in the Qualification Data Submission Package. The Qualification Data Submission Package of resources seeking ISO-estimated Seasonal Qualified Capacity Values shall include a description of the as-built status of the resource at time of submission, including whether the resource is fully or partially operational. For those resources seeking ISO-estimated Seasonal Qualified Capacity Values, the Qualification Data Submission Package must be submitted to the ISO by the Lead Market Participant by the Qualification Data Submission Deadline for the Annual Capacity Auction, or 30 days prior to the relevant monthly Capacity Demonstration Deadline, with the submission updated at the time of the Capacity Demonstration Deadline to reflect the as-built status of the resource. Resources satisfying the provisions of this Section III.15.2.6(d) shall be deemed to have demonstrated Commercial Capacity.

Resources seeking ISO-estimated Seasonal Qualified Capacity Values that have completed the relevant audit described in III.15.2.6(c) for only one season may elect to use the ISO-estimated Seasonal Qualified Capacity Values for one or both seasons. The ISO-estimated Seasonal Qualified Capacity Values may constitute a resource's Seasonal Qualified Capacity Value for up to one year after issuance, but shall be valid for no longer than one year after a resource becomes fully operational. A Lead Market Participant may request replacement of ISO-estimated Seasonal Qualified Capacity Values once the relevant seasonal audit has been completed.

III.15.2.7. Seasonal Qualified Capacity Values and Challenge Process.

(a) Following the April Capacity Demonstration Deadline, for each Capacity Resource qualified to participate in an Annual Capacity Auction, the ISO shall notify the Lead Market Participant of the resource's summer Qualified Capacity and winter Qualified Capacity, calculated in accordance with Section III.15.3, and the Load Zone in which the resource is located. This notification will be provided by the Seasonal Qualified Capacity Notification Date specified in the Capacity Auction Calendar.

(b) If the Lead Market Participant believes that the ISO has made a mathematical error in calculating the summer Qualified Capacity or winter Qualified Capacity for a Capacity Resource, then the Lead Market Participant must notify the ISO within five calendar days of the Seasonal Qualified Capacity Notification Date.

(c) If a Capacity Resource's summer Qualified Capacity has been subject to a significant decrease pursuant to Section III.15.3.6, the Lead Market Participant may submit a restoration plan in accordance with Section III.15.3.6(b) within five calendar days of the Seasonal Qualified Capacity Notification Date.

(d) The ISO shall notify the Lead Market Participant of the outcome of any challenge submitted under (b) above or of its determination regarding the sufficiency of a restoration plan submitted under (c) above, by the date specified in the Capacity Auction Calendar for such responses. In assessing the sufficiency of a restoration plan, the ISO shall determine whether the plan provides sufficient information to support the reasonable likelihood of the resource providing capacity consistent with its summer Qualified Capacity value by the start of the Capacity Commitment Period.

III.15.2.8. Offers Composed of Separate Resources (Composite Offers).

Separate resources seeking to participate together in an Annual Capacity Auction shall submit a Composite Offer Form no later than the Composite Offer Deadline, which shall be approximately two business days prior to the auction as specified in the Capacity Auction Calendar, with the exception that Distributed Energy Capacity Resources may not participate in composite offers. Composite offers may not be modified or withdrawn after the Composite Offer Deadline. Composite offers must meet the following conditions:

(a) In all months of the summer period of the Capacity Commitment Period, only one resource may be used to supply the amount of capacity offered during the entire summer period. In all months of the winter period of the Capacity Commitment Period, multiple resources may be combined to supply the amount of capacity offered, provided that: (i) the resources combined meet the amount of the offer in all

months of the winter period; and (ii) to combine for a month, that month must be a winter month for both the summer resource and the resource combining with that summer resource in that month.

(b) Each resource that is part of a composite offer must qualify in accordance with all of the provisions of Section III.15.2 applicable to that resource type. A composite offer participates in the Annual Capacity Auction in accordance with the resource type of the resource providing capacity in the summer period.

(c) The summer Qualified Capacity of a composite offer shall be the summer Qualified Capacity of the single resource that will provide the Capacity Supply Obligation during the summer period. If the summer Qualified Capacity of an offer composed of separate resources is greater than the winter capacity for any month, then the provisions of Section III.15.3.7 shall apply, even where one or more of the resources that are part of the offer composed of separate resources is an Intermittent Power Resource. If the winter capacity of the composite offer in any month is higher than the summer Qualified Capacity, then the capacity offered from the winter resources will be reduced pro-rata to equal the summer Qualified Capacity.

(d) Composite offers are subject to the locational restrictions specified in the following table:

		Location of Summer Resource			
		Import-Constrained Capacity Zone	Rest-of-Pool Capacity Zone	Export-Constrained Capacity Zone	Nested Export-Constrained Capacity Zone
Location of Winter Resource	Import-Constrained Capacity Zone	Eligible (within same Capacity Zone)	Eligible	Eligible	Eligible
	Rest-of-Pool Capacity Zone	Ineligible	Eligible	Eligible	Eligible
	Export-Constrained Capacity Zone	Ineligible	Ineligible	Eligible (within same Capacity Zone)	Eligible (within same Capacity Zone where nested export-constrained Capacity Zone is located)

	Nested Export-Constrained Capacity Zone	Ineligible	Ineligible	Ineligible	Eligible (within same Capacity Zone)

III.15.2.9. Self-Supplied Capacity.

Where a load serving entity elects to designate all or a portion of its Capacity Load Obligation as self-supplied, the load serving must make such designation to the ISO during the self-supply designation window, as published in the Capacity Auction Calendar on the ISO's website. The load serving entity's designation shall specify the MW amount and Lead Market Participant providing the self-supplied capacity. During the Annual Capacity Auction Offer Window, the Lead Market Participant supplying such capacity shall confirm the load serving entity's self-supply designation by specifying each Self-Supplied Capacity Resource and the MW amount of self-supplied capacity in its Capacity Offer. A Generating Capacity Resource or an Import Capacity Resource may be designated as a Self-Supplied Capacity Resource. A Distributed Energy Capacity Resource may only designate its net injection capability as a Self-Supplied Capacity Resource. All self-supplied capacity shall be subject to the eligibility and locational requirements in this Section III.15.2.9. If designated as a Self-Supplied Capacity Resource the resource will clear in the Annual Capacity Auction as described in Section III.15.4 and, with the exception of demand programs for Self-Supplied Capacity Resources, shall offset an equal amount of the load serving entity's Capacity Load Obligation in the Capacity Commitment Period. A load serving entity seeking to self-supply using a Demand Capacity Resource shall realize the benefit through the actual reduction in its annual system coincident peak load, shall not receive credit for a resource and, therefore, is not required to participate in the qualification process described in this Section III.15.2. All designations as a Self-Supplied Capacity Resource in the Annual Capacity Auction qualification process are binding.

III.15.2.9.1. Self-Supplied Capacity Eligibility.

Where all or a portion of a resource is designated as a Self-Supplied Capacity Resource, it shall also maintain its status as a Generating Capacity Resource, Import Capacity Resource, or Distributed Energy Capacity Resource and must satisfy the Annual Capacity Auction qualification process requirements set forth in the remainder of Section III.15.2 applicable to that resource type, in addition to the requirements of this Section III.15.2.9.1. Where a Capacity Offer composed of separate resources is submitted for a Self-Supplied Capacity Resource, all of the requirements and deadlines specified in Section III.15.2.8 shall apply to that offer, in addition to the requirements of this Section III.15.2.9. The total quantity of capacity that a load serving entity designates as self-supplied capacity

may not exceed the load serving entity's projected share of the Installed Capacity Requirement during the Capacity Commitment Period, which shall be calculated by determining the load serving entity's most recent percentage share of the Installed Capacity Requirement multiplied by the projected Installed Capacity Requirement for the commitment year. No resource may be designated as a Self-Supplied Capacity Resource for more MW than the lesser of that resource's summer Qualified Capacity and winter Qualified Capacity.

III.15.2.9.2. Locational Requirements for Self-Supplied Capacity Resources.

In order to participate in the Annual Capacity Auction as a Self-Supplied Capacity Resource for a load in an import-constrained Capacity Zone, the Self-Supplied Capacity Resource must be located in the same Capacity Zone as the associated load, unless the Self-Supplied Capacity Resource is a pool-planned unit or other unit with a special allocation of Capacity Transfer Rights. In order to participate in the Annual Capacity Auction as a Self-Supplied Capacity Resource in an export-constrained Capacity Zone for a load outside that export-constrained Capacity Zone, the Self-Supplied Capacity Resource must be a pool-planned unit or other unit with a special allocation of Capacity Transfer Rights.

III.15.2.10. Publication of Annual Qualified Capacity Values for Annual Capacity Auction.

The ISO shall provide Annual Qualified Capacity values to Lead Market Participants of each Capacity Resource participating in an Annual Capacity Auction one business day before the opening of the Annual Capacity Auction Offer Window.

III.15.2.11. Publication of Offer Information.

(a) For each Capacity Offer, the quantity and Load Zone (or interface, as applicable) in which the resource is located will be published to the ISO's website no later than 15 days after the Annual Capacity Auction is conducted.

(b) For Capacity Offers from Import Capacity Resources, the name of submitter, quantity, and interface shall be published to the ISO's website no later than 15 days after the Annual Capacity Auction is conducted.

(c) The name of each Lead Market Participant submitting Capacity Offers, as well as the number of Capacity Offers submitted by each Lead Market Participant, shall be published to the ISO's website no later than 15 calendar days after the issuance of Advisory Qualified Capacity Values. Authorized Persons

of Authorized Commissions will be provided confidential access to full information about posted Capacity Offers upon request pursuant to Section 3.3 of the ISO New England Information Policy.

III.15.3. Capacity Resource Accreditation.

Pursuant to the provisions of this Section III.15.3, the ISO shall determine a summer Qualified Capacity, a winter Qualified Capacity, an Annual Qualified Capacity and, where applicable, a Monthly Qualified Capacity for each Generating Capacity Resource, Import Capacity Resource, Demand Capacity Resource, and Distributed Energy Capacity Resource. A Capacity Resource's Seasonal Qualified Capacity Values shall not exceed its seasonal Capacity Network Resource Interconnection Service or equivalent, or Capacity Network Import Interconnection Service, as applicable. Qualified Capacity for resources that have previously received a Capacity Supply Obligation in an Annual Capacity Auction or a Forward Capacity Auction shall not exceed the resource's highest previously received Capacity Supply Obligation unless the resource has demonstrated and qualified the additional capacity pursuant to Section III.15.2.4.1.

Qualified Capacity values for resources that have never previously obtained a Capacity Supply Obligation in an Annual Capacity Auction or a Forward Capacity Auction shall be calculated pursuant to Section III.15.3.1. Qualified Capacity for resources that have previously received a Capacity Supply Obligation in an Annual Capacity Auction or a Forward Capacity Auction shall be calculated pursuant to Sections III.15.3.2 through III.15.3.5.

III.15.3.1. Qualified Capacity for Resources Never Previously Counted as Capacity.

III.15.3.1.1. Resources Never Previously Counted as Capacity.

The summer and winter Qualified Capacity of a Capacity Resource that has never previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, or is otherwise treated as such pursuant to the terms of this Section III.15, shall be determined in accordance with the capacity demonstration requirements set forth in Section III.15.2.6, as specified below.

To determine the Seasonal Qualified Capacity Values of a Generating Capacity Resource that is not an Intermittent Power Resource that has never previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, and has demonstrated commercial capacity pursuant to Section III.15.2.6(c)(i), the ISO shall use the Section III.1.5.1.2(c) audit results. The annual and Monthly Qualified Capacity of such a resource shall be determined pursuant to Section III.15.3.2.3 and III.15.3.2.4, respectively.

To determine the Seasonal Qualified Capacity Values of a Generating Capacity Resource that is an Intermittent Power Resource that has never previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, and has demonstrated commercial capacity pursuant Section III.15.2.6(c)(ii), the ISO shall use the Section III.1.5.1.3 audit results. The annual and Monthly Qualified Capacity of such a resource shall be determined pursuant to Section III.15.3.2.3 and Section III.15.3.2.4, respectively.

To determine the Seasonal Qualified Capacity Values of an Active Demand Capacity Resource that has never previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, and has demonstrated commercial capacity pursuant III.15.2.6(c)(iii), the ISO shall use the Section III.1.5.1.3.1 audit results. To determine the Seasonal Qualified Capacity Values of a Demand Capacity Resource other than an Active Demand Capacity Resource that has never previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, and has demonstrated commercial capacity pursuant III.15.2.6(c)(iv), the ISO shall use the Section III.15.7.1.5.4 audit results. The annual and Monthly Qualified Capacity of such resources shall be determined pursuant to Sections III.15.3.4.2 and III.15.3.4.3, respectively.

To determine the Seasonal Qualified Capacity Values of a Distributed Energy Capacity Resource that has never previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, and has demonstrated commercial capacity pursuant III.15.2.6(c)(v), the ISO shall use the audit results specified therein for the corresponding asset type. The annual and Monthly Qualified Capacity of such a resource shall be determined pursuant to III.15.3.5.2 and III.15.3.5.3, respectively.

To determine the Seasonal Qualified Capacity Values of an Import Capacity Resource that has never previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, and has demonstrated commercial capacity pursuant Section III.15.2.6(c)(vi), the ISO shall use the performance data results specified therein. The annual and monthly Qualified Capacity of such a resource shall be determined pursuant to III.15.3.3.

To determine the Seasonal Qualified Capacity Values of a resource that has never previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction, and that has elected to demonstrate commercial capacity pursuant Section III.15.2.6(d), the ISO shall use the values developed pursuant to Section III.15.2.6(d). The annual Qualified Capacity of such a resource shall be determined pursuant to Section III.15.3.2.3, Section III.15.3.4.2, or Section III.15.3.5.2, as applicable to

the relevant resource type. The Monthly Qualified Capacity of such a resource shall be determined pursuant to Section III.15.3.2.4, III.15.3.4.3, or Section III.15.3.5.3, as applicable to the relevant resource type.

III.15.3.2 Qualified Capacity for Generating Capacity Resources.

The summer, winter, annual, and monthly Qualified Capacity for Generating Capacity Resources that have previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction shall be determined pursuant to this Section III.15.3.2.

III.15.3.2.1. Summer Qualified Capacity.

(a) For the purpose of Annual Capacity Auction qualification, the summer Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be equal to the median of that Generating Capacity Resource's summer Seasonal Claimed Capability ratings from the most recent five years, as of the Capacity Demonstration Deadline each year, with only positive summer ratings included in the median calculation. Where a Generating Capacity Resource has fewer than five summer Seasonal Claimed Capability ratings, then the summer Qualified Capacity for that Generating Capacity Resource shall be equal to the median of all the Generating Capacity Resource's previous summer Seasonal Claimed Capability ratings, as of the Capacity Demonstration Deadline of each year, with only positive summer ratings included in the median calculation.

(b) For the purpose of Annual Capacity Auction qualification, the summer Qualified Capacity of a Generating Capacity Resource that is an Intermittent Power Resource shall be the average of the median of the Intermittent Power Resource's net output during Summer Intermittent Reliability Hours for each of the previous five summer periods. If there are fewer than five full summer periods since the Intermittent Power Resource achieved Capacity Market Commercial Operation or FCM Commercial Operation, the summer Qualified Capacity of such resource shall be the average of the median of the Intermittent Power Resource's net output during Summer Intermittent Reliability Hours in each of the previous summer periods, or portion thereof, since the Intermittent Power Resource achieved Capacity Market Commercial Operation or FCM Commercial Operation. The Summer Intermittent Reliability Hours shall be hours ending 1400 through 1800 each day of the summer period (June through September) and all summer period hours in which there was a system-wide Capacity Scarcity Condition, and for Intermittent Power Resources in an import-constrained Capacity Zone, all summer period hours in which there was a Capacity Scarcity Conditions in that Capacity Zone.

III.15.3.2.2. Winter Qualified Capacity.

(a) For the purpose of Annual Capacity Auction qualification, the winter Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be equal to the median of that Generating Capacity Resource's winter Seasonal Claimed Capability ratings from the most recent five years, as of the Capacity Demonstration Deadline of each year, with only positive winter ratings included in the median calculation. Where a Generating Capacity Resource has fewer than five winter Seasonal Claimed Capability ratings, then the winter Qualified Capacity for that Generating Capacity Resource shall be equal to the median of all the Generating Capacity Resource's previous winter Seasonal Claimed Capability ratings, as of the Capacity Demonstration Deadline of each year, with only positive winter ratings included in the median calculation.

(b) For the purpose of Annual Capacity Auction qualification, the winter Qualified Capacity of a Generating Capacity Resource that is an Intermittent Power Resource shall be the average of the median of the Intermittent Power Resource's net output during Winter Intermittent Reliability Hours for each of the previous five summer periods. If there are fewer than five full summer periods since the Intermittent Power Resource achieved Capacity Market Commercial Operation or FCM Commercial Operation, the winter Qualified Capacity of such resource shall be the average of the median of the Intermittent Power Resource's net output during Winter Intermittent Reliability Hours in each of the previous winter periods, or portion thereof, since the Intermittent Power Resource achieved Capacity Market Commercial Operation or FCM Commercial Operation. The Winter Intermittent Reliability Hours shall be hours ending 1800 and 1900 each day of the winter period (October through May) and all winter period hours in which there was a system-wide Capacity Scarcity Condition, and for Intermittent Power Resources in an import-constrained Capacity Zone, all winter period hours in which there was a Capacity Scarcity Conditions in that Capacity Zone.

III.15.3.2.3. Annual Qualified Capacity.

The Annual Qualified Capacity of a Generating Capacity Resource that is not an Intermittent Power Resource shall be the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity, as adjusted to account for applicable offers composed of separate resources. The Annual Qualified Capacity of a Generating Capacity Resource that is an Intermittent Power Resource shall be the resource's summer Qualified Capacity, as adjusted to account for applicable offers composed of separate resources.

III.15.3.2.4. Monthly Qualified Capacity.

The Monthly Qualified Capacity of a Generating Capacity Resource shall be the resource's most recent Seasonal Claimed Capability value for the season applicable to the relevant month; for those Generating Capacity Resources that elect use of ISO-estimated Seasonal Qualified Capacity Values pursuant to III.15.2.6(d), the Monthly Qualified Capacity shall be the ISO-estimated Seasonal Qualified Capacity Value for the season applicable to the relevant month.

III.15.3.3. Qualified Capacity for Import Capacity Resources.

The summer, winter, annual, and monthly Qualified Capacity of an Import Capacity Resource backed by an External Control Area shall be based on the values and data submitted during the qualification process, subject to ISO review and verification. The summer, winter, annual, and monthly Qualified Capacity of an Import Capacity Resource backed by one or more External Resources shall be based on the data submitted during the qualification process, subject to ISO review and verification, and calculated based on the summer and winter Qualified Capacity of the resources underlying the Import Capacity Resource, in accordance with Sections III.15.3.2.1 and III.15.3.2.2.

III.15.3.4. Qualified Capacity for Demand Capacity Resources.

The summer, winter, annual, and monthly Qualified Capacity for Demand Capacity Resources that have previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction shall be determined pursuant to this Section III.15.3.4.

III.15.3.4.1. Summer and Winter Qualified Capacity.

(a) For Demand Capacity Resources composed of Energy Efficiency measures, the summer (or winter, as applicable) Qualified Capacity shall equal the sum of the summer (or winter, as applicable) demand reduction values of the installed Energy Efficiency measures as of the Capacity Demonstration Deadline (excluding any capacity that will retire or deactivate, or whose Measure Life will expire, prior to the start of the applicable season of the relevant Capacity Commitment Period, and increased by average avoided peak transmission and distribution losses).

(b) For Demand Capacity Resources other than those composed of Energy Efficiency measures, the summer and winter Qualified Capacity shall equal the median of the resource's Seasonal DR Audit value or Passive DR Audit value from the five most recent years, for the relevant season, increased by average avoided peak transmission and distribution losses. Where a Demand Capacity Resource has fewer than five summer or winter Seasonal Audit Values, as applicable, then the summer (or winter) Qualified Capacity for that Demand Capacity Resource shall be equal to the median of all the resource's previous

summer (or winter) Seasonal Audit Values, as of the Capacity Demonstration Deadline of each year, with only positive summer (or winter) values included in the median calculation.

III.15.3.4.2. Annual Qualified Capacity.

The Annual Qualified Capacity of a Demand Capacity Resource shall equal the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity, as adjusted to account for applicable offers composed of separate resources.

III.15.3.4.3 Monthly Qualified Capacity.

The Monthly Qualified Capacity of a Demand Capacity Resource, other than a resource composed of Energy Efficiency measures, shall equal its most recent Seasonal DR Audit value or Passive DR Audit value for the season applicable to the relevant month; for those Demand Capacity Resources that elect use of ISO-estimated Seasonal Qualified Capacity Values pursuant to III.15.2.6(d), the Monthly Qualified Capacity shall be the ISO-estimated Seasonal Qualified Capacity Value for the season applicable to the relevant month.

The Monthly Qualified Capacity of a Demand Capacity Resource composed of Energy Efficiency measures shall equal the most recently-determined summer or winter demand reduction values of the resource's installed Energy Efficiency measures (excluding any capacity that will retire, deactivate, or whose Measure Life will expire, prior to the start of the relevant Obligation Month, and increased by average avoided peak transmission and distribution losses).

III.15.3.5. Qualified Capacity of Distributed Energy Capacity Resources.

The summer, winter, annual, and monthly Qualified Capacity for Distributed Energy Capacity Resources that have previously received a Capacity Supply Obligation in an Annual Capacity Auction or Forward Capacity Auction shall be determined pursuant to this Section III.15.3.5.

III.15.3.5.1. Summer and Winter Qualified Capacity.

The summer (or winter, as applicable) Qualified Capacity of a Distributed Energy Capacity Resource that is not an Intermittent Power Resource shall equal the median of the resource's summer (or winter) Seasonal Audit Value from the five most recent years, as of the Capacity Demonstration Deadline of each year, with only positive summer (or winter) values included in the median calculation. Where a Distributed Energy Capacity Resource has fewer than five summer (or winter) Seasonal Audit Values, then the summer (or winter) Qualified Capacity for that Distributed Energy Capacity Resource shall be

equal to the median of the resource's previous summer (or winter) Seasonal Audit Values, as of the Capacity Demonstration Deadline of each year, with only positive summer (or winter) values included in the median calculation.

The summer or winter Qualified Capacity of Distributed Energy Capacity Resources that are Intermittent Power Resources shall be determined in accordance with the rules for Generating Capacity Resources that are Intermittent Power Resources in Section III.15.3.2.

III.15.3.5.2. Annual Qualified Capacity.

Annual Qualified Capacity for a Distributed Energy Capacity Resource shall be the lesser of the resource's summer Qualified Capacity and winter Qualified Capacity, unless the Distributed Energy Capacity Resource is an Intermittent Power Resource, in which case the Annual Qualified Capacity shall be equal to the resource's summer Qualified Capacity.

III.15.3.5.3. Monthly Qualified Capacity.

The Monthly Qualified Capacity of a Distributed Energy Capacity Resource shall equal the most recent Seasonal DECR Audit for the season applicable to the relevant month; for those Distributed Energy Capacity Resources that elect use of ISO-estimated Seasonal Qualified Capacity Values pursuant to III.15.2.6(d), the Monthly Qualified Capacity shall be the ISO-estimated Seasonal Qualified Capacity Value for the season applicable to the relevant month.

III.15.3.6. Adjustment for Significant Decreases in Capacity.

For a Generating Capacity Resource, Import Capacity Resource backed by an External Resource, Distributed Energy Capacity Resource, or Demand Capacity Resource, if the most recent summer Seasonal Claimed Capability rating, summer season Import Capacity Resource performance data submitted pursuant to Section III.15.2.1.1.1, summer Seasonal DECR Audit Value, summer Seasonal DR Audit Value, or summer Passive DR Audit Value as of the Annual Capacity Auction's Capacity Demonstration Deadline is below the resource's Qualified Capacity by more than the threshold defined in the following formula:

$$Threshold = min[max(10\% \times QC_{Summer}, 2\ MW), 10\ MW]$$

Where,

QC_{Summer} = the resource's summer Qualified Capacity

then the Lead Market Participant must elect one of the two treatments set forth in this Section III.15.3.6 by the close of the Seasonal Qualified Capacity Challenge and Restoration Plan Submission Window. If the Lead Market Participant makes no election, or elects treatment pursuant to Section III.15.3.6(b) and fails to meet the associated requirements, then the treatment described in Section III.15.3.6(a) shall apply.

(a) A Lead Market Participant may elect, for the purposes of the Annual Capacity Auction only, to have the resource's summer Qualified Capacity set to the most recent summer Seasonal Claimed Capability rating, summer Seasonal DECR Audit Value, Seasonal DR Audit Value, or Passive DR Audit Value as of the Capacity Demonstration Deadline, provided that the Lead Market Participant has furnished evidence regarding the cause of the de-rating.

(b) A Lead Market Participant may elect: (i) to submit a restoration plan describing the measures that will be taken and showing that the Generating Capacity Resource, Import Capacity Resource backed by an External Resource, Demand Capacity Resource, or Distributed Energy Capacity Resource will be able to provide an amount of capacity consistent with the summer Qualified Capacity as calculated pursuant to Section III.15.3.2, Section III.15.3.3, Section III.15.3.4, or Section III.15.3.5 by the start of the relevant Capacity Commitment Period; and (ii) to have the Generating Capacity Resource, Demand Capacity Resource, or Distributed Energy Capacity Resource's summer Qualified Capacity remain as calculated pursuant to Section III.15.3.2, Section III.15.3.3, Section III.15.3.4, or Section III.15.3.5 for the Annual Capacity Auction. The ISO shall review submitted restoration plans in accordance with the requirements and timelines set forth in Section III.15.2.7.

III.15.3.7. Resources Having a Higher Summer Qualified Capacity than Winter Qualified Capacity.

Where a Generating Capacity Resource (other than an Intermittent Power Resource), Demand Capacity Resource, or Import Capacity Resource has a summer Qualified Capacity that exceeds its winter Qualified Capacity, both as calculated pursuant to this Section III.15.3, then that resource must either: (i) offer its summer Qualified Capacity as part of an offer composed of separate resources, in accordance with Section III.15.2.8; or (ii) have its Annual Qualified Capacity administratively set by the ISO to the lesser of its summer Qualified Capacity and winter Qualified Capacity.

Where a Distributed Energy Capacity Resource (other than an Intermittent Power Resource) has a summer Qualified Capacity that exceeds its winter Qualified Capacity, both as calculated pursuant to this

Section III.15.3, then that resource must have its Annual Qualified Capacity administratively set by the ISO to the lesser of its summer Qualified Capacity and winter Qualified Capacity.

III.15.4. Annual Capacity Auction.

III.15.4.1 Capacity Offers.

Lead Market Participants submitting Capacity Offers in the Annual Capacity Auction shall submit Capacity Offers for the Capacity Commitment Period associated with the Annual Capacity Auction as specified in this Section III.15.4.1.

(a) Each Capacity Offer shall be associated with a Capacity Resource for which an Annual Qualified Capacity value has been established for the Annual Capacity Auction through the Annual Capacity Auction qualification process set forth in Sections III.15.2 and III.15.3.

(b) Capacity Offers must be submitted during the Annual Capacity Auction Offer Window, the dates of which will be specified as published in the Capacity Auction Calendar. Capacity Offers are not considered final until the close of the Annual Capacity Auction Offer Window and may be amended or corrected as necessary until such time as the window closes.

(c) If a Lead Market Participant fails to submit a Capacity Offer for a resource subject to the requirements of Section III.A.22.1, the ISO shall enter a Capacity Offer for the resource into the Annual Capacity Auction in accordance with Section III.A.22.1(d).

(d) Each Capacity Offer must specify at least one price-quantity pair, which consists of one price, denominated in $/kW-month to an accuracy of at most three digits to the right of the decimal point, and a quantity value, expressed in MW to an accuracy of up to three decimal places. The Capacity Offer may specify up to ten price-quantity pairs, where each such pair represents the total amount of capacity offered from the Capacity Resource at the price specified. If more than one price-quantity pair is submitted, the price-quantity pairs must specify prices and quantity values in such a way that, when the price-quantity pairs are ordered from lowest price to highest price, the quantity value in each price-quantity pair increases with each successive, higher-priced price-quantity pair. The price-quantity pair with the greatest specified price must include the Capacity Resource's total Annual Qualified Capacity. The Capacity Offer must not contain any offer prices less than $0.00/kW-month or greater than the Capacity Auction Offer Price Cap, unless otherwise allowed pursuant to Section III.A.22.2.3 and subsection (e) of this Section III.15.4.1 or required by Section III.A.21 and subsection (f) of this Section III.15.4.1. The Capacity Offer must not specify a total MW quantity value that exceeds the Capacity Resource's Annual Qualified Capacity.

(e) A price-quantity pair in a Capacity Offer must not specify a price above the Capacity Offer Price Threshold, except under the following circumstances:

(i) the Lead Market Participant for the Capacity Resource submitted the price-quantity pair to the Internal Market Monitor as part of a Proposed Capacity Offer, pursuant to Section III.A.22.2.2;

(ii) the Internal Market Monitor determined an Allowable Capacity Offer Price relative to the price-quantity pair pursuant to Section III.A.22.2.3; and

(iii) the specified price in the Capacity Offer does not exceed the price specified in the price-quantity pair reviewed by the Internal Market Monitor.

(f) For capacity included in a Capacity Offer that is subject to a Capacity Offer Floor Price pursuant to Section III.A.21.3, the price specified must not be less than the Capacity Offer Floor Price.

(g) A Capacity Offer may specify a Rationing Minimum Limit up to which the offer may not be rationed and must be accepted or rejected in whole. Without such indication, offers shall be rationable up to the total MW quantity in the offer that is priced at or below the Capacity Offer Price Threshold, subject to the auction clearing constraint described in Section III.15.4.2.2(d). The lowest priced price-quantity pair in a Capacity Offer that specifies a Rationing Minimum Limit must specify a quantity value equal to or greater than the specified Rationing Minimum Limit. Notwithstanding the foregoing, a Capacity Offer for an Import Capacity Resource may only specify a Rationing Minimum Limit pursuant to this subsection (g) if the Import Capacity Resource is associated with an Elective Transmission Upgrade, as described in Section III.15.2.1.1.1.

(h) If the Capacity Offer specifies any price above the Capacity Offer Price Threshold, the Capacity Offer may elect to have the Above-Threshold Offer Segment be treated as rationable, subject to any Rationing Minimum Limit specified pursuant to subsection (g). Without such an election, the Above-Threshold Offer Segment will be treated as non-rationable and accepted or rejected in whole. Notwithstanding the foregoing, a Capacity Offer for an Import Capacity Resource may only elect rationability for the Above-Threshold Offer Segment pursuant to this subsection (h) if the Import

Capacity Resource is associated with an Elective Transmission Upgrade, as described in Section III.15.2.1.1.1.

(i) In order to give effect to a self-supply designation made by a load serving entity pursuant to Section III.15.2.9 for any portion of the Capacity Resource's Annual Qualified Capacity, the Capacity Offer for such resource must (i) identify the load serving entity for which its capacity will serve as self-supplied capacity and the MW quantity of self-supplied capacity and (ii) include a price-quantity pair with an offer price of $0.00/kW-month that includes the amount of such capacity, unless such capacity is subject to a Capacity Offer Floor Price. If the self-supplied capacity is subject to a Capacity Offer Floor Price, then the price specified in the price-quantity pair including the self-supplied capacity must equal the Capacity Offer Floor Price.

(j) A Capacity Offer for a Generating Capacity Resource with a contract to export capacity during the Capacity Commitment Period must specify an Export Offer Segment and the interface over which the Export Offer Segment will be exported.

(k) A Lead Market Participant for a Capacity Resource that is subject to delayed deactivation pursuant to Sections II.52 and II.53 shall not enter a Capacity Offer for any capacity supplied by the Capacity Resource that is subject to delayed deactivation. The ISO shall enter such Capacity Resource's capacity subject to delayed deactivation into the Annual Capacity Auction at a price of $0.00/kW-month.

(l) If a prior multi-year Capacity Supply Obligation and Capacity Clearing Price election for the Capacity Resource had been made pursuant to Section III.13.1.1.2.2.4 or Section III.13.1.4.1.1.2.7 for a Forward Capacity Auction, the Capacity Offer submitted for such Capacity Resource must include a price-quantity pair with an offer price of $0.00/kW-month that includes the total amount of the resource's capacity that cleared subject to such election.

III.15.4.2. Conduct of the Annual Capacity Auction.

The ISO shall determine Capacity Supply Obligations and Capacity Clearing Prices for the Capacity Commitment Period by conducting the Annual Capacity Auction as described in this Section III.15.4.2.

III.15.4.2.1. Replacement of Specified Prices for Mitigation Purposes.

After the Annual Capacity Auction Offer Window, the ISO shall replace specified prices in submitted Capacity Offers as necessary, pursuant to Section III.A.22.2.4(c). Any such adjusted Capacity Offers shall be inputs for the Annual Capacity Auction.

III.15.4.2.2. Clearing of the Annual Capacity Auction.

(a) In determining Capacity Supply Obligations and Capacity Clearing Prices, the ISO shall employ an optimization algorithm that is designed to maximize social surplus in order to clear Capacity Offers, capacity entered into the auction by the ISO as described in Section III.15.4.1(k), and any Proxy Capacity Offers against the capacity demand curves calculated in accordance with Section III.15.1.1. In clearing Capacity Offers, the optimization algorithm shall take into account, as applicable, the inputs and constraints set forth in this Section III.15.4.2.2.

(b) The optimization algorithm shall take into account the following: (i) all price-quantity pairs in Capacity Offers for the Annual Capacity Auction submitted pursuant to Section III.15.4.1, subject to any adjustments made pursuant to Section III.15.4.2.1 and the constraint described in subsection (c) of this Section III.15.4.2.1; (ii) any Rationing Minimum Limits and rationability elections specified in Capacity Offers pursuant to Section III.15.4.1(g) and Section III.15.4.1(h), respectively; (iii) capacity from a Capacity Resource subject to delayed deactivation pursuant to Sections II.52 and II.53 at a default price of $0.00/kW-month; (iv) the set of distinct Capacity Zones determined to be modeled in the Annual Capacity Auction pursuant to Section III.12.4; (v) the System-Wide Capacity Demand Curve calculated in accordance with Section 15.1.1.1; (vi) any Capacity Zone Demand Curves for import-constrained and export-constrained Capacity Zones, calculated in accordance with Sections 15.1.1.2 and 15.1.1.3, respectively; (vii) external interface limits calculated pursuant to Section III.12.10; and (viii) any Proxy Capacity Offers for the Annual Capacity Auction as determined pursuant to Section III.A.24.7, which shall be treated as non-rationable.

(c) The optimization algorithm shall not take into account price-quantity pairs in Capacity Offers that specify a price that exceeds the Capacity Auction Offer Price Cap.

(d) Capacity entered into the Annual Capacity Auction at a price of $0.00/kW-month shall clear the auction.

(e) A Capacity Offer that specifies a Rationing Minimum Limit pursuant to Section III.15.4.1(g) shall not clear at quantities less than the specified Rationing Minimum Limit, and Above-Threshold Offer

Segments that are non-rationable pursuant to Section III.15.4.1(h) shall not clear at quantities less than the MW quantity of the segment.

(f) For an Export Offer Segment specified in a Capacity Offer that indicates a Generating Capacity Resource's contract to export capacity over an external interface connected to an import-constrained Capacity Zone from another Capacity Zone, or over an external interface connected to the Rest-of-Pool Capacity Zone from an export-constrained Capacity Zone, the ISO shall model the Export Offer Segment as though that quantity of capacity were located in the Capacity Zone where the external interface identified in the Capacity Offer is located and adjust Capacity Zone Demand Curves as necessary to reflect such modeling.

(g) In determining the clearing result that accounts for auction inputs and satisfies all applicable constraints, the optimization may select from among multiple possible alternative clearing results that satisfy such requirements, including clearing results where a Capacity Offer with a specified price below the Capacity Clearing Price does not clear.

(h) Where the clearing of the Annual Capacity Auction either system-wide or in a single Capacity Zone results in a tie (that is, where two or more resources offer sufficient capacity at prices that would clear the auction at the same minimum costs), the following rules shall apply in sequence, as necessary, to determine clearing: (i) if multiple Capacity Offers may be rationed, they will be rationed proportionately; and (ii) the Capacity Offer associated with the Lead Market Participant having the lower market share in the capacity auction shall be cleared.

(i) Subject to the other conditions in this Section III.15.4.2.2, the Capacity Clearing Price for the Rest-of-Pool Capacity Zone shall be the price specified by the System-Wide Capacity Demand Curve for the system-wide capacity entered into the Annual Capacity Auction that maximizes social surplus. In no case, however, shall the Capacity Clearing Price for the Rest-of-Pool Capacity Zone be less than the highest price specified in an offer for capacity that clears the auction, excluding any capacity that, due to its specified price, would not have cleared but for the fact that it is located within an import-constrained Capacity Zone that has a cleared quantity of capacity equal to or less than the truncation point for the zone's Capacity Zone Demand Curve.

(j) Subject to the other conditions in this Section III.15.4.2.2, the Capacity Clearing Price for an import-constrained Capacity Zone shall be the greater of:

(i) the sum of (1) the price specified by the Capacity Zone Demand Curve for the import-constrained Capacity Zone for the quantity of capacity within the zone that clears the auction and (2) the Capacity Clearing Price for the Rest-of-Pool Capacity Zone; and

(ii) the highest price specified in a Capacity Offer for capacity that is supplied from a resource in the import-constrained Capacity Zone and that clears the auction.

(k) Subject to the other conditions in this Section III.15.4.2.2, the Capacity Clearing Price for an export-constrained Capacity Zone that is not a nested export-constrained Capacity Zone, shall be the greater of:

(i) the sum of (1) the price specified by the Capacity Zone Demand Curve for the export-constrained Capacity Zone for the quantity of capacity within the zone that clears the auction and (2) the Capacity Clearing Price for the Rest-of-Pool Zone; and

(ii) the highest price specified in a Capacity Offer for capacity that is supplied from a resource in the export-constrained Capacity Zone and that clears the auction.

(l) Subject to the other conditions in this Section III.15.4.2.2, the Capacity Clearing Price for an export-constrained Capacity Zone that is a nested export-constrained Capacity Zone, shall be the greater of:

(i) the sum of (1) the price specified by the Capacity Zone Demand Curve for the export-constrained Capacity Zone for the quantity of capacity within the zone that clears the auction and (2) the Capacity Clearing Price for the Capacity Zone in which the nested Capacity Zone is located; and

(ii) the highest price specified in a Capacity Offer for capacity that is supplied from a resource in the export-constrained Capacity Zone and that clears the auction.

(m) The Capacity Clearing Price for the Rest-of-Pool Capacity Zone and the Capacity Clearing Price for an import-constrained Capacity Zone shall not exceed the Capacity Auction Offer Price Cap. The Capacity Clearing Price for an export-constrained Capacity Zone shall not be less than zero.

(n) Subject to the other conditions in this Section III.15.4.2.2, the Capacity Clearing Price for an interface between the New England Control Area and an external Control Area shall be equal to:

(i) if the quantity of capacity over the external interface that clears the auction is equal to the external interface limit for such interface, the highest price specified in a Capacity Offer for capacity that is supplied from a resource offering capacity over such external interface and that clears the auction; or

(ii) if the quantity of capacity over the external interface that clears the auction is less than the external interface limit for such interface, the Capacity Clearing Price for the Capacity Zone associated with the external interface.

III.15.4.2.3. Results of the Annual Capacity Auction.

(a) Annual Capacity Supply Obligations shall be awarded to Capacity Resources in accordance with the results of the Annual Capacity Auction clearing mechanics described in Section III.15.4.2.2. For Intermittent Power Resources, the Capacity Supply Obligation for months in the winter period (as described in Section III.15.2) shall be adjusted based on the winter Qualified Capacity as determined pursuant to Section III.15.3.2.2. Additional Capacity Supply Obligations may be awarded in accordance with Section III.15.4.2.4.

(b) The Capacity Clearing Prices in each Capacity Zone modeled in the Annual Capacity Auction shall be the clearing prices determined as a result of the Annual Capacity Auction clearing mechanics described in Section III.15.4.2.2.

III.15.4.2.4. Additional Clearing of Auction in the Event of Cleared Proxy Offers.

If any Proxy Capacity Offer entered into the Annual Capacity Auction clears and receives a Capacity Supply Obligation, the ISO shall conduct an additional run of the auction. This additional run shall use the same methodology described in Section III.15.4.2.2, except that the additional run shall (i) exclude all Proxy Capacity Offers and (ii) enter all other capacity that cleared in the primary run of the Annual Capacity Auction at a price of $0.00/kW-month. The additional run of the auction shall not affect the Capacity Clearing Prices of the primary run of the Annual Capacity Auction pursuant to Section III.15.4.2.2. Capacity (other than capacity still subject to a multi-year Capacity Commitment Period election as described in Sections III.13.1.1.2.2.4 and III.13.1.4.1.1.2.7) that receives a Capacity Supply Obligation as a result of the primary run of the Annual Capacity Auction shall be paid the Capacity

Clearing Price in the Capacity Zone associated with the capacity during the associated Capacity Commitment Period. Where the additional run of the auction procures additional capacity, that additionally procured capacity shall be paid the price resulting from the additional run in the Capacity Zone associated with that additional capacity during the associated Capacity Commitment Period, and such price shall be equal to or greater than the price resulting from the primary run of the Annual Capacity Auction in that Capacity Zone.

III.15.4.3. Publication of Annual Capacity Auction Results.

As soon as practicable after the Annual Capacity Auction is complete, the ISO shall publish the results of that Annual Capacity Auction publicly on its website, including the set of Capacity Zones modeled in the auction, the Capacity Clearing Prices in each of those Capacity Zones, and a list of which resources received Capacity Supply Obligations in each Capacity Zone and the amount of those Capacity Supply Obligations. The published information shall identify Proxy Capacity Offers that cleared, if any, in the primary run of the Annual Capacity Auction.

III.15.5. Monthly Reconfiguration Auctions.

For each Capacity Commitment Period, the ISO shall conduct Monthly Reconfiguration Auctions as described in this Section III.15.5. Monthly Reconfiguration Auctions only permit the trading of Capacity Supply Obligations; load obligations are not traded in the Monthly Reconfiguration Auctions. Each reconfiguration auction shall use a static double auction (respecting the interface limits and capacity requirements modeled as specified in Section III.15.5.1) to clear supply offers (i.e., offers to assume a Capacity Supply Obligation) and demand bids (i.e., bids to shed a Capacity Supply Obligation) for each Capacity Zone included in the reconfiguration auction. Supply offers and demand bids will be modeled in the Capacity Zone where the associated resources are electrically interconnected. Resources that are able to meet the requirements in other Capacity Zones shall be allowed to clear to meet such requirements, subject to the constraints modeled in the auction.

III.15.5.1. Capacity Zones Included in Monthly Reconfiguration Auctions.

Each Monthly Reconfiguration Auction associated with a Capacity Commitment Period shall include each of, and only, the Capacity Zones and external interfaces modeled in the Annual Capacity Auction for that Capacity Commitment Period in accordance with Section III.15.4.2.2.

III.15.5.2. Participation in Monthly Reconfiguration Auctions.

Each supply offer and demand bid in a Monthly Reconfiguration Auction must be associated with a specific resource and must satisfy the requirements of this Section III.15.5.2. All resource types may submit supply offers and demand bids in reconfiguration auctions. In accordance with Section III.A.13.2, supply offers and demand bids submitted for Monthly Reconfiguration Auctions shall not be subject to mitigation by the Internal Market Monitor. Offers composed of separate resources may not participate in reconfiguration auctions. Resources with capacity subject to delayed deactivation pursuant to Sections II.52 and II.53 may not participate in reconfiguration auctions, unless otherwise authorized pursuant to the terms of a cost-of-service agreement of the type described in Section II.54.1. Participation in any reconfiguration auction is conditioned on full compliance with the applicable financial assurance requirements as provided in the ISO New England Financial Assurance Policy at the time of the offer and bid deadline. The offer and bid deadline for each Monthly Reconfiguration Auction shall be announced by the ISO no later than 10 Business Days prior to that deadline. Upon issuance of the monthly bilateral results for the associated Obligation Month, the ISO shall notify each resource of the amount of capacity that it may offer or bid in that monthly auction, as calculated pursuant to this Section III.15.5.2.

III.15.5.2.1. Supply Offers in Monthly Reconfiguration Auctions.

(a) All supply offers in Monthly Reconfiguration Auctions shall be submitted by the Lead Market Participant, and shall specify the resource, the amount of capacity offered in MW, and the price, denominated in $/kW-month.

(b) A resource may not submit a supply offer for a Monthly Reconfiguration Auction unless a Monthly Qualified Capacity value has been established for the resource for the month associated with the Monthly Reconfiguration Auction pursuant to the qualification processes described in Sections III.15.2 and III.15.3.

(c) The amount of capacity up to which a resource may submit a supply offer in a Monthly Reconfiguration Auction shall be the difference (but in no case less than zero) between (i) the resource's Monthly Qualified Capacity for the month associated with the auction, as determined pursuant to Section III.15.3 during the most recent qualification process for the resource; and (ii) the amount of capacity from that resource that is already subject to a Capacity Supply Obligation for that month.

III.15.5.2.2. Demand Bids in Monthly Reconfiguration Auctions.

(a) All demand bids in Monthly Reconfiguration Auctions shall be submitted by the Lead Market Participant and shall specify the amount of capacity bid in MW and the price, denominated in $/kW-month.

(b) To submit a demand bid in a Monthly Reconfiguration Auction, a resource must have a Capacity Supply Obligation for the month associated with that Monthly Reconfiguration Auction.

(c) Where capacity associated with a Self-Supplied Capacity Resource that cleared in the Annual Capacity Auction for the Capacity Commitment Period is offered in a Monthly Reconfiguration Auction, a resource acquiring a Capacity Supply Obligation in that Monthly Reconfiguration Auction shall not as a result become a Self-Supplied Capacity Resource.

(d) Each demand bid submitted to the ISO for a Monthly Reconfiguration Auction shall be no greater than the amount of the resource's capacity that is already obligated for the month associated with that Monthly Reconfiguration Auction as of the offer and bid deadline for the auction.

III.15.5.3. Clearing Offers and Bids in Monthly Reconfiguration Auctions.

All supply offers and demand bids are rationable and may be cleared in whole or in part in Monthly Reconfiguration Auctions.

III.15.5.4. Conduct of Monthly Reconfiguration Auctions.

Prior to each month in the Capacity Commitment Period, the ISO shall conduct a Monthly Reconfiguration Auction for whole-month capacity commitments during that month. For each Monthly Reconfiguration Auction, the ISO shall employ an optimization algorithm that is designed to maximize social surplus in order to clear the supply offers against demand bids submitted for the auction. The truncation points for import-constrained Capacity Zones and export-constrained Capacity Zones specified in Section III.15.1.1.2 and Section III.15.1.1.3 and external interface limits established pursuant to Section III.12 shall be modeled as constraints in the auction. The System-Wide Capacity Demand Curve is not modeled in Monthly Reconfiguration Auctions.

III.15.5.5. Adjustment to Capacity Supply Obligations.

For each supply offer that clears in a Monthly Reconfiguration Auction, the resource's Capacity Supply Obligation for the month associated with the auction shall be increased by the amount of capacity that clears. For each demand bid that clears in a Monthly Reconfiguration Auction, the resource's Capacity Supply Obligation for the month associated with the auction shall be decreased by the amount of capacity that clears.

III.15.6. Bilateral Capacity Contracts.

Market Participants shall be permitted to enter into Capacity Supply Obligation Bilaterals and Capacity Load Obligation Bilaterals in accordance with this Section III.15.6, with the ISO serving as Counterparty in each such transaction. Market Participants may not offset a Capacity Load Obligation with a Capacity Supply Obligation. To the extent necessary for the ISO's review and approval of any of the bilateral contracts described in this Section III.15.6, the ISO shall apply the Capacity Zones and external interfaces modeled as inputs and constraints in the Annual Capacity Auction for the applicable Capacity Commitment Period, as described in Section III.15.4.2.2. Resources with capacity subject to delayed deactivation pursuant to Sections II.52 and II.53 may not participate in Capacity Supply Obligation Bilaterals, unless otherwise authorized pursuant to the terms of a cost-of-service agreement of the type described in Section II.54.1.

III.15.6.1. Capacity Supply Obligation Bilaterals.

A Capacity Transferring Resource having a Capacity Supply Obligation and seeking to shed that obligation may enter into a Capacity Supply Obligation Bilateral transaction to transfer its Capacity Supply Obligation, in whole or in part, to a Capacity Acquiring Resource, or portion thereof, for a whole-month period during the Capacity Commitment Period, as described in this Section III.15.6.1.

III.15.6.1.1. Terms of and Participation in Capacity Supply Obligation Bilaterals.

(a) Capacity Supply Obligation Bilaterals are available for monthly periods, and a Capacity Supply Obligation Bilateral must be coterminous with a calendar month.

(b) The qualification of Capacity Acquiring Resources for participation in Capacity Supply Obligation Bilaterals is determined in the same manner as the qualification of resources submitting supply offers for Monthly Reconfiguration Auctions as specified in Section III.15.5.2.1(b). A resource that does not have a Monthly Qualified Capacity value established for the month covered by the Capacity Supply Obligation Bilateral may not submit a transaction as a Capacity Acquiring Resource for that month.

(c) A Capacity Supply Obligation Bilateral may not transfer a Capacity Supply Obligation amount that is greater than the monthly Capacity Supply Obligation of the Capacity Transferring Resource. A Capacity Supply Obligation Bilateral may not transfer a Capacity Supply Obligation amount that is greater than the amount of unobligated Monthly Qualified Capacity of the Capacity Acquiring Resource for the month covered by the Capacity Supply Obligation Bilateral. For the purpose of this subsection (c), unobligated Monthly Qualified Capacity refers to the Monthly Qualified Capacity that was

determined pursuant to Section III.15.3 in the most recent qualification process for the resource prior to the submission of the Capacity Supply Obligation Bilateral to the ISO and that is not subject to a Capacity Supply Obligation.

(d) A resource, or a portion thereof, that has been designated as a Self-Supplied Capacity Resource may transfer the self-supplied portion of its Capacity Supply Obligation by means of Capacity Supply Obligation Bilateral. In such a case, however, the Capacity Acquiring Resource shall not become a Self-Supplied Capacity Resource as a result of the transaction.

(e) Capacity Supply Obligation Bilaterals are allowed between a Capacity Transferring Resource and a Capacity Acquiring Resource that are located within different Capacity Zones and across external interfaces modeled as part of the Annual Capacity Auction for the Capacity Commitment Period of the relevant monthly period, subject to the transmission interface limits between Capacity Zones and external interface limits, as described in Section III.15.6.1.4(b).

(f) Participation in any Capacity Supply Obligation Bilateral is conditioned on full compliance with the applicable financial assurance requirements as provided in the ISO New England Financial Assurance Policy at the time of submission to the ISO.

III.15.6.1.2. Timing of Submission and Prior Notification to the ISO.

The Lead Market Participant for either the Capacity Transferring Resource or the Capacity Acquiring Resource may submit a Capacity Supply Obligation Bilateral to the ISO in accordance with posted schedules. The ISO will issue a schedule of the submittal windows for Capacity Supply Obligation Bilaterals in the Capacity Auction Calendar. A Capacity Supply Obligation Bilateral must be confirmed by the party other than the party submitting the Capacity Supply Obligation Bilateral to the ISO no later than the end of the relevant submittal window.

III.15.6.1.3. Contents of Submission to the ISO.

The submission of a Capacity Supply Obligation Bilateral to the ISO shall include the following: (i) the resource identification number of the Capacity Transferring Resource; (ii) the amount of the Capacity Supply Obligation being transferred in MW amounts up to three decimal places; (iii) the term of the transaction; and (iv) the resource identification number of the Capacity Acquiring Resource. If the parties to a Capacity Supply Obligation Bilateral so choose, they may also submit a price, denominated in $/kW-

month, to be used by the ISO in settling the Capacity Supply Obligation Bilateral. If no price is submitted, the ISO shall use a default price of $0.00/kW-month.

III.15.6.1.4. ISO Review.

(a) The ISO shall review the information provided in support of the Capacity Supply Obligation Bilateral and shall reject the Capacity Supply Obligation Bilateral if any of the submission and participation requirements described in this Section III.15.6.1 are not met. For a Capacity Supply Obligation Bilateral submitted before the relevant submittal window opens, this review shall occur once the submittal window opens. For a Capacity Supply Obligation Bilateral submitted after the submittal window opens, this review shall occur upon submission.

(b) After the close of the submittal window, the ISO shall conduct a review to determine the deliverability of the submitted Capacity Supply Obligation Bilaterals. In its review, the ISO shall model as constraints the truncation points for import-constrained Capacity Zones and export-constrained Capacity Zones specified in Sections III.15.1.1.2 and III.15.1.1.3 and external interface limits established pursuant to Section III.12 for the applicable Capacity Commitment Period. The ISO shall reject Capacity Supply Obligation Bilaterals that are not fully deliverable up to their specific MW values without violating transmission transfer limits between Capacity Zones or external transfer limits. Transactions will only be accepted or rejected in their entirety. The ISO shall approve or reject Capacity Supply Obligation Bilaterals based on the order in which they are confirmed. Where the ISO has determined that a Capacity Supply Obligation Bilateral must be rejected, the Lead Market Participant for the Capacity Transferring Resource and the Capacity Acquiring Resource shall be notified as soon as practicable of the rejection and of the basis for such rejection.

(c) Each Capacity Supply Obligation Bilateral shall be subject to a financial assurance review by the ISO. If the Capacity Transferring Resource and the Capacity Acquiring Resource are not both in compliance with all applicable provisions of the ISO New England Financial Assurance Policy, including those regarding Capacity Supply Obligation Bilaterals, the ISO shall reject the Capacity Supply Obligation Bilateral.

III.15.6.1.5. Approval.

Upon approval of a Capacity Supply Obligation Bilateral, the Capacity Supply Obligation of the Capacity Transferring Resource for the month covered by the Capacity Supply Obligation Bilateral shall be reduced by the amount set forth in the Capacity Supply Obligation Bilateral, and the Capacity Supply

Obligation of the Capacity Acquiring Resource for the month covered by the Capacity Supply Obligation Bilateral shall be increased by the amount set forth in the Capacity Supply Obligation Bilateral.

III.15.6.2. Capacity Load Obligations Bilaterals.

A Capacity Load Obligation Transferring Participant seeking to shed its Capacity Load Obligation may enter into a Capacity Load Obligation Bilateral transaction to transfer all or a portion of its Capacity Load Obligation in a Capacity Zone to a Capacity Load Obligation Acquiring Participant seeking to acquire a Capacity Load Obligation, as described in this Section III.15.6.2.

III.15.6.2.1. Terms of and Participation in Capacity Load Obligation Bilaterals.

A Capacity Load Obligation Bilateral must be in whole calendar month increments, may not exceed one year in duration, and must begin and end within the same Capacity Commitment Period. A Capacity Load Obligation Transferring Participant will be permitted to transfer, and a Capacity Load Obligation Acquiring Participant will be permitted to acquire, a Capacity Load Obligation if after entering into a Capacity Load Obligation Bilateral and submitting related information to the ISO within the specified submittal time period, the ISO approves such Capacity Load Obligation Bilateral.

III.15.6.2.2. Timing of Submission to the ISO.

Either the Capacity Load Obligation Transferring Participant or the Capacity Load Obligation Acquiring Participant may submit a Capacity Load Obligation Bilateral to the ISO. All Capacity Load Obligation Bilaterals must be submitted to the ISO in accordance with resettlement provisions as described in ISO New England Manuals. However, to be included in the initial daily settlements of payments and charges associated with the Annual Capacity Market for the first month of the term of the Capacity Load Obligation Bilateral, a Capacity Load Obligation Bilateral must be submitted to the ISO no later than 12:00 p.m. on the first Business Day of that month (though a Capacity Load Obligation Bilateral submitted at that time may be revised by the parties to the transaction throughout the resettlement process). A Capacity Load Obligation Bilateral must be confirmed by the party other than the party submitting the Capacity Load Obligation Bilateral to the ISO no later than the same deadline that applies to submission of the Capacity Load Obligation Bilateral.

III.15.6.2.3. Contents of Submission to the ISO.

The submission of a Capacity Load Obligation Bilateral to the ISO shall include the following: (i) the amount of the Capacity Load Obligation being transferred in MW amounts up to three decimal places; (ii) the term of the transaction; (iii) identification of the Capacity Load Obligation Transferring Participant

and the Capacity Load Obligation Acquiring Participant; and (iv) the Capacity Zone in which the Capacity Load Obligation is being transferred is located.

III.15.6.2.4. ISO Review.

The ISO shall review the information provided in support of the Capacity Load Obligation Bilateral and shall reject the Capacity Load Obligation Bilateral if any of the provisions of this Section III.15.6.2 are not met.

III.15.6.2.5. Approval.

Upon approval of a Capacity Load Obligation Bilateral, the Capacity Load Obligation of the Capacity Load Obligation Transferring Participant in the Capacity Zone specified in the submission to the ISO shall be reduced by the amount set forth in the Capacity Load Obligation Bilateral for the period covered by the bilateral and the Capacity Load Obligation of the Capacity Load Obligation Acquiring Participant in the specified Capacity Zone shall be increased by the amount set forth in the Capacity Load Obligation Bilateral for the period covered by the bilateral.

III.15.7. Obligations of Capacity Suppliers.

Resources assuming a Capacity Supply Obligation through an Annual Capacity Auction or resources assuming or shedding a Capacity Supply Obligation through a Monthly Reconfiguration Auction or a Capacity Supply Obligation Bilateral shall comply with this Section III.15.7 for each Capacity Commitment Period.

III.15.7.1. Resources with Capacity Supply Obligations.

A resource with a Capacity Supply Obligation assumed through an Annual Capacity Auction, Monthly Reconfiguration Auction, or a Capacity Supply Obligation Bilateral shall comply with the requirements of this Section III.15.7.1 during the Capacity Commitment Period, or portion thereof, in which the Capacity Supply Obligation applies.

III.15.7.1.1. Generating Capacity Resources with Capacity Supply Obligations.

III.15.7.1.1.1. Energy Market Offer Requirements.

(a) A Generating Capacity Resource having a Capacity Supply Obligation shall be offered into both the Day-Ahead Energy Market and Real-Time Energy Market at a MW amount equal to or greater than its Capacity Supply Obligation whenever the resource is physically available. If the resource is physically

available at a level less than its Capacity Supply Obligation, however, the resource shall be offered into both the Day-Ahead Energy Market and Real-Time Energy Market at that level. Day-Ahead Energy Market Supply Offers from such Generating Capacity Resources shall also meet one of the following requirements:

(i) the sum of the Generating Capacity Resource's Notification Time plus Start-Up Time plus Minimum Run Time plus Minimum Down Time is less than or equal to 72 hours; or

(ii) if the Generating Capacity Resource cannot meet the offer requirements in Section III.15.7.1.1.1(a)(i) due to physical design limits, then the resource shall be offered into the Day-Ahead Energy Market at a MW amount equal to or greater than its Economic Minimum Limit at a price of zero or shall be self-scheduled in the Day-Ahead Energy Market at a MW amount equal to or greater than the resource's Economic Minimum Limit.

(b) Notwithstanding the foregoing, if the Generating Capacity Resource is a Settlement Only Resource, it may not submit Supply Offers into the Day-Ahead Energy Market or Real-Time Energy Market.

III.15.7.1.1.2. Requirement that Offers Reflect Accurate Generating Capacity Resource Operating Characteristics.

For each day, Day-Ahead Energy Market and Real-Time Energy Market offers for the listed portion of a resource must reflect the then-known unit-specific operating characteristics (taking into account, among other things, the physical design characteristics of the unit) consistent with Good Utility Practice. Resources must re-declare to the ISO any changes to the offer parameters that occur in real time to reflect the known capability of the resource. A resource failing to comply with this requirement shall be subject to potential referral under Section III.A.19.

III.15.7.1.1.3. [Reserved.]

III.15.7.1.1.4. [Reserved.]

III.15.7.1.1.5. Additional Requirements for Generating Capacity Resources.

Generating Capacity Resources having a Capacity Supply Obligation are subject to the following additional requirements:

(a) auditing and rating requirements as detailed in the ISO New England Manuals and ISO New England Operating Procedures;

(b) Operating Data collection requirements as detailed in the ISO New England Manuals and Market Rule 1 and the requirement to provide to the ISO, upon request and as soon as practicable, confirmation of gas volume schedules sufficient to deliver the energy scheduled for each Generating Capacity Resource using natural gas; and

(c) outage requirements in accordance with the ISO New England Manuals and ISO New England Operating Procedures (except that Settlement Only Resources are not subject to outage requirements), provided, however, that the portion of a resource having no Capacity Supply Obligation, or that a Lead Market Participant indicates will not have a Capacity Supply Obligation, is not subject to the forced re-scheduling provisions for outages in accordance with the ISO New England Manuals and ISO New England Operating Procedures.

III.15.7.1.2. Import Capacity Resources with Capacity Supply Obligations.

III.15.7.1.2.1. Energy Market Offer Requirements.

A Market Participant with an Import Capacity Resource must offer one or more External Transactions to import energy in the Day-Ahead Energy Market and Real-Time Energy Market for every hour of each Operating Day at the same external interface that, in total, equal the resource's Capacity Supply Obligation, except that:

(a) the offer requirement does not apply to any hour in which any External Resource associated with an Import Capacity Resource is on an outage;
(b) the Day-Ahead Energy Market offer requirement does not apply to any hour in which the import transfer capability of the external interface is 0 MW, and;
(c) the Real-Time Energy Market offer requirement does not apply to Import Capacity Resources with Capacity Supply Obligations at an external interface for which Coordinated Transaction Scheduling is implemented.

Each External Transaction submitted in the Day-Ahead Energy Market must reference the associated Import Capacity Resource.

Each External Transaction submitted in the Real-Time Energy Market in accordance with Section III.1.10.7 must reference the associated Import Capacity Resource.

III.15.7.1.2.2. Additional Requirements for Import Capacity Resources.

A Market Participant with an Import Capacity Resource that is associated with an External Resource must:

(a) comply with all offer, outage scheduling and operating requirements applicable to capacity resources in the External Resource's native Control Area, and;

(b) notify the ISO of all outages impacting the Capacity Supply Obligation of the Import Capacity Resource in accordance with the outage notification requirements in ISO New England Operating Procedure No. 5.

III.15.7.1.3. Intermittent Power Resources with Capacity Supply Obligations.

III.15.7.1.3.1. Energy Market Offer Requirements.

(a) Market Participants with Intermittent Power Resources that are Dispatchable Resources and have a Capacity Supply Obligation are required to submit offers in the Day-Ahead Energy Market consistent with the Market Participant's expectation of the output of the resource in Real-Time. Market Participants with non-dispatchable Intermittent Power Resources with a Capacity Supply Obligation may submit, but are not required to submit, offers into the Day-Ahead Energy Market. Market Participants are required to submit offers for Intermittent Power Resources with a Capacity Supply Obligation for use in the Real-Time Energy Market consistent with the characteristics of the resource. Day-Ahead projections of output shall be submitted as detailed in the ISO New England Manuals. For purposes of calculating Real-Time NCPC Charges, Intermittent Power Resources shall have a generation deviation of zero.

(b) Notwithstanding the foregoing, an Intermittent Power Resource that is a Settlement Only Resource may not submit Supply Offers into the Day-Ahead Energy Market or Real-Time Energy Market.

III.15.7.1.3.2. [Reserved.]

III.15.7.1.3.3. Additional Requirements for Intermittent Power Resources.

Intermittent Power Resources with Capacity Supply Obligations are subject to the following additional requirements:

(a) auditing and rating requirements as detailed in the ISO New England Manuals;

(b) Operating Data collection requirements as detailed in the ISO New England Manuals; and

(c) complying with outage requirements as outlined in the ISO New England Operating Procedures and ISO New England Manuals (except that Intermittent Power Resources that are Settlement Only Resources need not comply with outage requirements).

III.15.7.1.4. [Reserved.]

III.15.7.1.5. Demand Capacity Resources with Capacity Supply Obligations.

III.15.7.1.5.1. Energy Market Offer Requirements.

(a) A Market Participant with an Active Demand Capacity Resource having a Capacity Supply Obligation shall submit Demand Reduction Offers for its Demand Response Resources into the Day-Ahead Energy Market and Real-Time Energy Market in at least the MW amount described in this Section III.15.7.1.5.1; for purposes of the following comparisons, the portion of Demand Reduction Offers not associated with Net Supply shall be increased by average avoided peak transmission and distribution losses. The sum of the Demand Reduction Offers must be equal to or greater than the Active Demand Capacity Resource's Capacity Supply Obligation whenever the Demand Response Resources are physically available. If the Demand Response Resources are physically available at a level less than the Active Demand Capacity Resource's Capacity Supply Obligation, the sum of the Demand Reduction Offers will equal that level and shall be offered into both the Day-Ahead Energy Market and Real-Time Energy Market. Each Demand Reduction Offer from a Demand Response Resource made into the Day-Ahead Energy Market shall also meet the following requirement:

(i) the sum of the Demand Response Resource Notification Time plus Demand Response Resource Start-Up Time plus Minimum Reduction Time plus Minimum Time Between Reductions is less than or equal to 72 hours.

(b) Seasonal Peak Demand Capacity Resources and On-Peak Demand Capacity Resources may not submit Demand Reduction Offers into the Day-Ahead Energy Market or Real-Time Energy Market.

III.15.7.1.5.2. Requirement that Offers Reflect Accurate Demand Response Resource Operating Characteristics.

For each day, Demand Reduction Offers submitted into the Day-Ahead Energy Market and Real-Time Energy Market for a Demand Response Resource associated with an Active Demand Capacity Resource must reflect the then-known operating characteristics of the resource. Consistent with Section III.1.10.9(d), Demand Response Resources must re-declare to the ISO any changes to offer parameters that occur in real time to reflect the operating characteristics of the resource. A resource failing to comply with this requirement shall be subject to potential referral under Section III.A.19.

III.15.7.1.5.3. Additional Requirements for Demand Capacity Resources.

(a) A Market Participant may not associate an Asset with a non-commercial Demand Capacity Resource during a Capacity Commitment Period if the Asset can be associated with a commercial Demand Capacity Resource whose capability is less than its Capacity Supply Obligation during that Capacity Commitment Period.

(b) An Energy Efficiency measure may be added to an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource (other than one consisting of Load Management or Distributed Generation) until two years after the start of the Capacity Commitment Period for which the resource first received a Capacity Supply Obligation; provided, however, that a resource that qualified for a Forward Capacity Auction associated with a Capacity Commitment Period beginning on or before June 1, 2024 may install Energy Efficiency measures until May 31, 2027. Once an Energy Efficiency measure has been associated with an On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource, the measure may not be transferred to a different resource.

(c) For purposes of confirming Capacity Market Commercial Operation as described in Section III.15.2.6, the ISO shall use a summer Seasonal DR Audit value or summer Passive DR Audit value to verify the capacity rating of a Demand Capacity Resource with summer Qualified Capacity. A winter Seasonal DR Audit value or winter Passive DR Audit value may only be used to verify the winter commercial capacity of a Demand Capacity Resource. The summer and winter commercial capacity of a Demand Capacity Resource consisting of Energy Efficiency measures may be verified in any month of the year.

(d) For Active Demand Capacity Resources, a summer Seasonal DR Audit value shall be established for use from April 1 through November 30 and a winter Seasonal DR Audit value shall be established for use from December 1 through March 31. The summer or winter Seasonal DR Audit value of an Active Demand Capacity Resource is equal to the sum of the like-season Seasonal DR Audit values of its constituent Demand Response Resources as determined pursuant to Section III.1.5.1.3.1. The Seasonal DR Audit value of an Active Demand Capacity Resource shall automatically update whenever a new Seasonal DR Audit value is approved for a constituent Demand Response Resource or with changes to the makeup of the constituent Demand Response Resources.

(e) On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources shall in addition: (i) comply with the ISO's measurement and verification requirements pursuant to Section III.15.2.1.1.2.1. and the ISO New England Manuals; and (ii) comply with the auditing and rating requirements as detailed in Sections III.15.7.1.5.4 and III.15.7.1.5.5 and the ISO New England Manuals.

(f) Active Demand Capacity Resources shall in addition: (i) comply with the measurement and verification requirements and the Operating Data collection requirements as detailed in the ISO New England Manuals and Market Rule 1, and with outage requirements in accordance with the ISO New England Manuals and ISO New England Operating Procedures, provided, however, that the portion of a resource having no Capacity Supply Obligation, or that a Lead Market Participant indicates will not have a Capacity Supply Obligation, is not subject to the forced re-scheduling provisions for outages in accordance with the ISO New England Manuals and ISO New England Operating Procedures; and (ii) comply with the auditing and rating requirements as detailed in Section III.15.7.1.5.5 and the ISO New England Manuals.

III.15.7.1.5.4. On-Peak Demand Capacity Resource and Seasonal Peak Demand Capacity Resource Auditing Requirements.

(a) A summer Passive DR Audit value and a winter Passive DR Audit value must be established for each On-Peak Demand Capacity Resource and Seasonal Peak Demand Capacity Resource in every Capacity Commitment Period during which the On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource has an annual or monthly Capacity Supply Obligation.

(b) Summer Passive DR Audit values shall be determined based on data for one or more months of the summer Passive DR Auditing Period (June through August). Winter Passive DR Audit values shall be

determined based on data for one or more months of the winter Passive DR Auditing Period (December through January).

(c) Passive DR Audit values shall be made available to the Market Participant within 20 Business Days following the end of the period for which the audit value is determined by the ISO.

(d) The audit value of an On-Peak Demand Capacity Resource shall be determined by evaluating the Average Hourly Output or Average Hourly Load Reduction of each Asset associated with the On-Peak Demand Capacity Resource during the Demand Resource On-Peak Hours.

(e) The audit value of a Seasonal Peak Demand Capacity Resource shall be determined by evaluating the Average Hourly Output or Average Hourly Load Reduction of each Asset associated with the Seasonal Peak Demand Capacity Resource during the Demand Resource Seasonal Peak Hours. If there are no Demand Resource Seasonal Peak Hours in a month during the Passive DR Auditing Period, performance during Demand Resource On-Peak Hours in that month may be used.

(f) Passive DR Audit values shall become effective one calendar day after being made available to the Market Participant and remain valid until the earlier of: (i) the next like-season Passive DR Audit value becomes effective or (ii) the end of the following Capability Demonstration Year.

(g) For On-Peak Demand Capacity Resources consisting of Energy Efficiency measures and Seasonal Peak Demand Capacity Resources consisting of Energy Efficiency measures, the ISO shall calculate a summer Passive DR Audit value and a winter Passive DR Audit value in each month of the year. For all other On-Peak Demand Capacity Resources and Seasonal Peak Demand Capacity Resources, a Market Participant may request that a summer or winter Passive DR Audit value be determined based on data for, respectively, a summer or winter month outside of the Passive DR Auditing Periods. Such an audit shall not satisfy the Passive DR Audit requirement.

III.15.7.1.5.5. Additional Demand Capacity Resource Audits.

The ISO may perform one or both of the following additional audits for a Demand Capacity Resource to establish or verify the capability of the Demand Capacity Resource and its underlying assets and measures.

(a) Level 1 Audit: the ISO shall establish the audit results by conducting a review of records of the Assets and measures to verify that the reported Assets and measures have been installed and are operational. The audit shall include, but is not limited to, reviewing project or program databases, invoices, installation reports, work orders, and field inspection reports. In addition, the audit may involve reviewing any independent inspections or evaluations conducted as part of program implementation and program evaluation.

(b) Level 2 Audit: the ISO shall establish the audit results by initiating or conducting an on-site field audit to verify the installation and performance of the Assets and measures. Such an audit may include a random or select sample of facilities and measures.

A level 1 audit is not required to precede a level 2 audit. If the results of the audit indicate that the demand reduction capability of the Demand Capacity Resource is less than or greater than its most recent like-season Passive DR Audit value or Seasonal DR Audit value, then the Demand Capacity Resource's audit value shall be adjusted accordingly.

III.15.7.1.6. DNE Dispatchable Generator.

III.15.7.1.6.1. Energy Market Offer Requirements.

DNE Dispatchable Generators with a Capacity Supply Obligation must submit offers into the Day-Ahead Energy Market for the full amount of the resource's expected hourly physical capability as determined by the Market Participant. Market Participants with DNE Dispatchable Generators having a Capacity Supply Obligation must submit offers for the Real-Time Energy Market consistent with the characteristics of the resource. For purposes of calculating Real-Time NCPC Charges, DNE Dispatchable Generators shall have a generation deviation of zero.

III.15.7.1.7. Distributed Energy Capacity Resources with Capacity Supply Obligations.

III.15.7.1.7.1. Energy Market Offer Requirements.

(a) A Market Participant with a Distributed Energy Capacity Resource having a Capacity Supply Obligation shall submit offers for its Distributed Energy Resource Aggregations into the Day-Ahead Energy Market and Real-Time Energy Market in at least the MW amount described in this Section III.15.7.1.7.1; for purposes of the following comparisons, the portion of any Demand Reductions Offers or Baseline Deviation Offers not associated with Net Supply shall be increased by average avoided peak

transmission and distribution losses. The sum of the offers must be equal to or greater than the Distributed Energy Capacity Resource's Capacity Supply Obligation whenever the Distributed Energy Resource Aggregations are physically available. If the Distributed Energy Resource Aggregations are physically available at a level less than the Distributed Energy Capacity Resource's Capacity Supply Obligation, the sum of the offers must equal that level and shall be offered into both the Day-Ahead Energy Market and Real-Time Energy Market. Each offer from a Distributed Energy Resource Aggregation made into the Day- Ahead Energy Market shall also meet the following requirement:

(i) the sum of the resource's notification time plus start-up time plus Minimum Run Time (or Minimum Deviation Time or Minimum Reduction Time) plus Minimum Down Time (or Minimum Time Between Deviations or Minimum Time Between Reductions) is less than or equal to 72 hours.

(b) Notwithstanding the foregoing, if the Distributed Energy Capacity Resource comprises Settlement Only Distributed Energy Resource Aggregations, it is not obligated to submit Supply Offers into the Day-Ahead Energy Market and may not submit Supply Offers into the Real-Time Energy Market.

III.15.7.1.7.2. Requirement that Offers Reflect Accurate Distributed Energy Capacity Resource Operating Characteristics.

For each day, Day-Ahead Energy Market and Real-Time Energy Market offers for the listed portion of a resource must reflect the then-known unit-specific operating characteristics (taking into account, among other things, the physical design characteristics of the unit) consistent with Good Utility Practice. Resources must re-declare to the ISO any changes to the offer parameters that occur in real time to reflect the then-known capability of the resource.

III.15.7.1.7.3. Additional Requirements for Distributed Energy Capacity Resources.

Distributed Energy Capacity Resources having a Capacity Supply Obligation are subject to the following additional requirements:

(a) A Market Participant may not associate an Asset with a non-commercial Distributed Energy Capacity Resource during a Capacity Commitment Period if the Asset can be associated with a commercial Distributed Energy Capacity Resource whose capability is less than its Capacity Supply Obligation during that Capacity Commitment Period.

(b) Distributed Energy Capacity Resources shall comply with the Operating Data collection requirements as detailed in the ISO New England Manuals and Market Rule 1, and with outage requirements in accordance with the ISO New England Manuals and ISO New England Operating Procedures, provided, however, that the portion of a resource having no Capacity Supply Obligation, or that a Lead Market Participant indicates will not have a Capacity Supply Obligation, is not subject to the forced re-scheduling provisions for outages in accordance with the ISO New England Manuals and ISO New England Operating Procedures.

(c) Distributed Energy Capacity Resources shall comply with the auditing and rating requirements as detailed in this Market Rule 1 and the ISO New England Manuals.

(d) For Distributed Energy Capacity Resources, the Seasonal DECR Audit Value shall be established pursuant to Section III.1.7.13.

III.15.7.2. Resources without a Capacity Supply Obligation.

A resource that does not have any Capacity Supply Obligation shall comply with the requirements in this Section III.15.7.2 and shall not be subject to the requirements set forth in Section III.15.7.1 during the Capacity Commitment Period, or portion thereof, for which the resource has no Capacity Supply Obligation.

III.15.7.2.1. Generating Capacity Resources without a Capacity Supply Obligation.

III.15.7.2.1.1. Energy Market Offer Requirements.

A Generating Capacity Resource having no Capacity Supply Obligation is not required to offer into the Day-Ahead Energy Market or Real-Time Energy Market. A Generating Capacity Resource that is a Settlement Only Resource may not offer into the Day-Ahead Energy Market or Real-Time Energy Market.

III.15.7.2.1.1.1. Day-Ahead Energy Market Participation.

A Generating Capacity Resource having no Capacity Supply Obligation may submit an offer into the Day-Ahead Energy Market. If any portion of the offered energy clears in the Day-Ahead Energy Market, the entire Supply Offer, up to the Economic Maximum Limit offered into the Day-Ahead Energy Market, will be subject to all of the rules and requirements applicable to that market for the operating day,

including the obligation to follow ISO Dispatch Instructions. Such a resource that clears shall be eligible for dispatch in the Real-Time Energy Market.

III.15.7.2.1.1.2. Real-Time Energy Market Participation.

A Generating Capacity Resource having no Capacity Supply Obligation may submit an offer into the Real-Time Energy Market. If any portion of the offered energy clears in the Real-Time Energy Market, the entire Supply Offer, up to the Economic Maximum Limit offered into the Real-Time Energy Market, will be subject to all of the rules and requirements applicable to that market for the Operating Day, including the obligation to follow ISO Dispatch Instructions. Such a resource shall be eligible for dispatch in the Real-Time Energy Market.

III.15.7.2.1.2. Additional Requirements for Generating Capacity Resources Having No Capacity Supply Obligation.

Generating Capacity Resources having no Capacity Supply Obligation are subject to the following additional requirements:

(a) complying with the auditing and rating requirements as detailed in the ISO New England Manuals;

(b) complying with the Operating Data collection requirements detailed in the ISO New England Manuals; and

(c) complying with outage requirements as outlined in the ISO New England Operating Procedures and ISO New England Manuals. Generating Capacity Resources having no Capacity Supply Obligation, or that a Lead Market Participant indicates will not have a Capacity Supply Obligation, are not subject to the forced re-scheduling provisions for outages in accordance with the ISO New England Manuals and ISO New England Operating Procedures.

III.15.7.2.2. Distributed Energy Capacity Resources without a Capacity Supply Obligation.

III.15.7.2.2.1. Energy Market Offer Requirements.

A Market Participant with a Distributed Energy Resource Aggregation that is not associated with a Distributed Energy Capacity Resource with a Capacity Supply Obligation is not required to submit offers for the resource into the Day-Ahead Energy Market or Real-Time Energy Market. A Market Participant

with a Settlement Only Distributed Energy Resource Aggregation is not permitted to submit an offer for that resource into the Real-Time Energy Market.

III.15.7.2.2.2. Day-Ahead Energy Market Participation.

A Market Participant with a Distributed Energy Resource Aggregation that is not associated with a Distributed Energy Capacity Resource with a Capacity Supply Obligation may submit an offer into the Day- Ahead Energy Market. If any portion of the offer clears in the Day-Ahead Energy Market, the entire offer, up to the maximum capability offered into the Day-Ahead Energy Market, will be subject to all of the rules and requirements applicable to that market for the Operating Day, including the obligation to follow Dispatch Instructions. Such a resource that clears shall be eligible for dispatch in the Real-Time Energy Market so long as it is not a Settlement Only Distributed Energy Resource Aggregation.

III.15.7.2.2.3. Real-Time Energy Market Participation.

A Market Participant with a Distributed Energy Resource Aggregation that is not associated with a Distributed Energy Capacity Resource with a Capacity Supply Obligation, that did not submit an offer into the Day-Ahead Energy Market or was offered into the Day-Ahead Energy Market and did not clear, may submit an offer in the Real-Time Energy Market so long as the resource is not a Settlement Only Distributed Energy Resource Aggregation, and shall be subject to all of the requirements associated therewith. Such a resource shall be eligible for dispatch in the Real-Time Energy Market.

III.15.7.2.2.4. Additional Requirements for Distributed Energy Capacity Resources Having No Capacity Supply Obligation.

Distributed Energy Capacity Resources without a Capacity Supply Obligation shall comply with the requirements in Section III.15.7.1.7.3.

III.15.7.2.3. Intermittent Power Resources without a Capacity Supply Obligation.

III.15.7.2.3.1. Energy Market Offer Requirements.

An Intermittent Power Resource having no Capacity Supply Obligation is not required to offer into the Day-Ahead Energy Market or Real-Time Energy Market. An Intermittent Power Resource that is a Settlement Only Resource may not offer into the Day-Ahead Energy Market or Real-Time Energy Market.

III.15.7.2.3.2. Additional Requirements for Intermittent Power Resources.

Intermittent Power Resources having no Capacity Supply Obligation are subject to the following additional requirements:

(a) auditing and rating requirements as detailed in the ISO New England Manuals; and

(b) Operating Data collection requirements as detailed in the ISO New England Manuals.

III.15.7.2.4. [Reserved.]

III.15.7.2.5. Demand Capacity Resources without a Capacity Supply Obligation.

III.15.7.2.5.1. Energy Market Offer Requirements.

A Market Participant with a Demand Response Resource associated with an Active Demand Capacity Resource without a Capacity Supply Obligation is not required to offer Demand Reduction Offers for the Demand Response Resource into the Day-Ahead Energy Market or Real-Time Energy Market.

Seasonal Peak Demand Capacity Resources and On-Peak Demand Capacity Resources may not submit Demand Reduction Offers into the Day-Ahead Energy Market or Real-Time Energy Market.

III.15.7.2.5.1.1. Day-Ahead Energy Market Participation.

A Market Participant with a Demand Response Resource associated with an Active Demand Capacity Resource without a Capacity Supply Obligation may submit a Demand Reduction Offer into the Day-Ahead Energy Market. If any portion of the Demand Reduction Offer clears in the Day-Ahead Energy Market, the entire Demand Reduction Offer, up to the Maximum Reduction offered into the Day-Ahead Energy Market, will be subject to all of the rules and requirements applicable to that market for the Operating Day, including the obligation to follow Dispatch Instructions. Such a resource that clears shall be eligible for dispatch in the Real-Time Energy Market.

III.15.7.2.5.1.2. Real-Time Energy Market Participation.

A Market Participant with a Demand Response Resource associated with an Active Demand Capacity Resource without a Capacity Supply Obligation that did not submit an offer into the Day-Ahead Energy Market or was offered into the Day-Ahead Energy Market and did not clear, may submit a Demand Reduction Offer in the Real-Time Energy Market and shall be subject to all of the requirements associated therewith. Such a resource shall be eligible for dispatch in the Real-Time Energy Market.

III.15.7.2.5.2. Additional Requirements for Demand Capacity Resources Having No Capacity Supply Obligation.

Demand Capacity Resources without a Capacity Supply Obligation are subject to the following additional requirements:

(a) complying with Section III.15.7.1.5.3(a) and (b) and with the auditing and rating requirements described in Section III.15.7.1.5.5 and the ISO New England Manuals;

(b) for Active Demand Capacity Resources, complying with the Operating Data collection requirements detailed in the ISO New England Manuals; and

(c) for Active Demand Capacity Resources, complying with outage requirements as detailed in the ISO New England Operating Procedures and ISO New England Manuals. Active Demand Capacity Resources having no Capacity Supply Obligation, or that a Lead Market Participant indicates will not have a Capacity Supply Obligation, are not subject to the forced re-scheduling provisions for outages in accordance with the ISO New England Manuals and ISO New England Operating Procedures.

III.15.7.3. Exporting Resources.

A resource that is exporting capacity not subject to a Capacity Supply Obligation to an external Control Area shall comply with this Section III.15.7.3 and the ISO New England Manuals. Intermittent Power Resources and Demand Capacity Resources are not permitted to back a capacity export to an external Control Area. The portion of a resource without a Capacity Supply Obligation that will be used in Real-Time to support an External Transaction sale must comply with the energy market offer requirements of Section III.1.10.7 and Section III.1.10.7.A, as applicable.

III.15.7.4. ISO Requests for Energy.

The ISO may request that an Active Demand Capacity Resource, a Generating Capacity Resource, or a Distributed Energy Capacity Resource having capacity that is not subject to a Capacity Supply Obligation provide energy for reliability purposes in the Real-Time Energy Market, but such resource shall not be obligated under this Section III.15 by such a request to provide energy from that capacity. If such resource does provide energy from that capacity, the resource shall be paid based on its most recent offer and is eligible for NCPC.

III.15.7.4.1. Real-Time High Operating Limit.

For purposes of facilitating ISO requests for energy under Section III.15.7.4, a Market Participant must report an up-to-date Real-Time High Operating Limit value at all times for a Generating Capacity Resource.

III.15.8. Capacity Payments and Charges.

Revenue in the Annual Capacity Market for resources providing capacity shall be composed of Capacity Base Payments as described in Section III.15.8.1 and Capacity Performance Payments as described in Section III.15.8.2, adjusted as described in Section III.15.8.3 and Section III.15.8.4. Market Participants with a Capacity Load Obligation shall be subject to charges as described in Section III.15.8.5.

In the event of a change in the Lead Market Participant for a resource that has a Capacity Supply Obligation, the Capacity Supply Obligation shall remain associated with the resource and the new Lead Market Participant for the resource shall be bound by all provisions of this Section III.15 arising from such Capacity Supply Obligation. The Lead Market Participant for the resource at the start of an Obligation Month shall be responsible for all payments and charges associated with that resource in that Obligation Month.

III.15.8.1. Capacity Base Payments.

Resources acquiring or shedding a Capacity Supply Obligation for the Obligation Month shall receive a Capacity Base Payment for the Obligation Month reflecting the payments and charges described in Section III.15.8.1.1.

III.15.8.1.1. Payments and Charges Reflecting Capacity Supply Obligations.

Each resource that has: (i) cleared in an Annual Capacity Auction, except for the portion of resources designated as Self-Supplied Capacity Resources; (ii) cleared in a reconfiguration auction; or (iii) entered into a Capacity Supply Obligation Bilateral shall be entitled to a monthly payment or charge during the Capacity Commitment Period. Each monthly payment and charge listed in Section III.15.8.1.1 (a) through (d) below will be divided by the number of days in the month to derive a daily settlement value.

(a) **Annual Capacity Auction**. For a resource whose offer has cleared in an Annual Capacity Auction, the monthly capacity payment shall equal the product of its cleared capacity and the Capacity Clearing Price in the Capacity Zone in which the resource is located as adjusted by applicable indexing for resources with additional Capacity Commitment Period elections pursuant to Section III.13.1.1.2.2.4 in the manner described below. For a resource that elected to have the Capacity Clearing Price and the Capacity Supply Obligation apply for more than one Capacity Commitment Period, payments associated with the Capacity Supply Obligation and Capacity Clearing Price (indexed using the Handy-Whitman Index of Public Utility Construction Costs in effect as of December 31 of the year preceding the Capacity Commitment Period) shall continue to apply after the Capacity Commitment Period associated with the

Forward Capacity Auction in which the offer cleared, for up to six additional and consecutive Capacity Commitment Periods, in whole Capacity Commitment Period increments only, and subject to the limitations set forth in Section III.15.2.1.3.

(b) **Reconfiguration Auctions**. For a resource whose offer or bid has cleared in a Monthly Reconfiguration Auction, the monthly capacity payment or charge shall be equal to the product of its cleared capacity and the appropriate reconfiguration auction clearing price in the Capacity Zone in which the resource cleared.

(c) **Capacity Supply Obligation Bilaterals**. For resources that have acquired or shed a Capacity Supply Obligation through a Capacity Supply Obligation Bilateral, the monthly capacity payment or charge shall be equal to the product of the Capacity Supply Obligation being assumed or shed and the price associated with the Capacity Supply Obligation Bilateral.

III.15.8.1.2 Export Capacity

If there are any unobligated Export Offer Segments from resources located in an export-constrained Capacity Zone or in the Rest-of-Pool Capacity Zone that have cleared in the Annual Capacity Auction and if the resource is exporting capacity at an export interface that is connected to an import-constrained Capacity Zone or the Rest-of-Pool Capacity Zone that is different than the Capacity Zone in which the resource is located, then charges and credits are applied as follows.

Charge Amount to Resource Exporting = [Capacity Clearing Price $_{\text{location of the interface}}$ - Capacity Clearing Price $_{\text{location of the resource}}$] x [Cleared MWs of Export Offer Segment]

Credit Amount to Capacity Load Obligations in the Capacity Zone where the export interface is located = [Capacity Clearing Price $_{\text{location of the interface}}$ - Capacity Clearing Price $_{\text{location of the resource}}$] x [Cleared MWs of Export Offer Segment]

Credits and charges to load in the applicable Capacity Zones, as set forth above, shall be allocated in proportion to each LSE's Capacity Load Obligation as calculated in Section III.15.8.5.2.

III.15.8.2. Capacity Performance Payments.

III.15.8.2.1. Definition of Capacity Scarcity Condition.

A Capacity Scarcity Condition shall exist in a Capacity Zone for any five-minute interval in which the Real-Time Reserve Clearing Price for that entire Capacity Zone is set based on the Reserve Constraint Penalty Factor pricing for: (i) the Minimum Total Reserve Requirement; (ii) the Ten-Minute Reserve Requirement; or (iii) the Zonal Reserve Requirement, each as described in Section III.2.7A(c); provided, however, that a Capacity Scarcity Condition shall not exist if the Reserve Constraint Penalty Factor pricing results only because of resource ramping limitations that are not binding on the energy dispatch.

III.15.8.2.2. Calculation of Actual Capacity Provided During a Capacity Scarcity Condition.

For each five-minute interval in which a Capacity Scarcity Condition exists, the ISO shall calculate the Actual Capacity Provided by each resource, whether or not it has a Capacity Supply Obligation, in any Capacity Zone that is subject to the Capacity Scarcity Condition. For resources not having a Capacity Supply Obligation (including External Transactions), the Actual Capacity Provided shall be calculated using the provision below applicable to the resource type. Notwithstanding the specific provisions of this Section III.15.8.2.2, no resource shall have an Actual Capacity Provided that is less than zero.

(a) A Generating Capacity Resource's Actual Capacity Provided during a Capacity Scarcity Condition shall be the sum of the resource's output during the interval plus the resource's Reserve Quantity For Settlement during the interval; provided, however, that if the resource's output was limited during the Capacity Scarcity Condition as a result of a transmission system limitation, then the resource's Actual Capacity Provided may not be greater than the sum of the resource's Desired Dispatch Point during the interval, plus the resource's Reserve Quantity For Settlement during the interval. Where the resource is associated with one or more External Transaction sales submitted in accordance with Section III.1.10.7(f), the resource will have its hourly Actual Capacity Provided reduced by the hourly integrated delivered MW for the External Transaction sale or sales.

(b) An Import Capacity Resource's Actual Capacity Provided during a Capacity Scarcity Condition shall be the net energy delivered during the interval in which the Capacity Scarcity Condition occurred. Where a single Market Participant owns more than one Import Capacity Resource, then the difference between the total net energy delivered from those resources and the total of the Capacity Supply Obligations of those resources shall be allocated to those resources pro rata.

(c) An On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource's Actual Capacity Provided during a Capacity Scarcity Condition shall be the sum of the Actual Capacity Provided

for each of its components, as determined below, where the MWhs of reduction, other than MWhs associated with Net Supply, are increased by average avoided peak transmission and distribution losses.

(i) For Energy Efficiency measures, the Actual Capacity Provided shall be zero.

(ii) For Distributed Generation measures submitting meter data for the full 24 hour calendar day during which the Capacity Scarcity Condition occurs, the Actual Capacity Provided shall be equal to the submitted meter data, adjusted as necessary for the five-minute interval in which the Capacity Scarcity Condition occurs.

(iii) For Load Management measures submitting meter data for the full 24 hour calendar day during which the Capacity Scarcity Condition occurs, the Actual Capacity Provided shall be equal to the submitted demand reduction data, adjusted as necessary for the five-minute interval in which the Capacity Scarcity Condition occurs.

(iv) Notwithstanding any other provision of this Section III.15.8.2.2(c), for any On-Peak Demand Capacity Resource or Seasonal Peak Demand Capacity Resource that fails to provide the data necessary for the ISO to determine the Actual Capacity Provided as described in this Section III.15.8.2.2(c), the Actual Capacity Provided shall be zero.

(d) An Active Demand Capacity Resource's Actual Capacity Provided during a Capacity Scarcity Condition shall be the sum of the Actual Capacity Provided by its constituent Demand Response Resources during the Capacity Scarcity Condition.

(i) A Demand Response Resource's Actual Capacity Provided during a Capacity Scarcity Condition shall be: (1) the sum of the Real-Time demand reduction of its constituent Demand Response Assets (provided, however, that if the Demand Response Resource was limited during the Capacity Scarcity Condition as a result of a transmission system limitation, then the sum of the Real-Time demand reduction of its constituent Demand Response Assets may not be greater than its Desired Dispatch Point during the interval), plus (2) the Demand Response Resource's Reserve Quantity For Settlement, where the MW quantity, other than the MW quantity associated with Net Supply, is increased by average avoided peak transmission and distribution losses; provided, however, that a Demand Response Resource's Actual Capacity Provided shall not be less than zero.

(ii) The Real-Time demand reduction of a Demand Response Asset shall be calculated as described in Section III.8.4, except that: (1) in the case of a Demand Response Asset that is on a forced or scheduled curtailment as described in Section III.8.3, a Real-Time demand reduction shall also be calculated for intervals in which the associated Demand Response Resource does not receive a non-zero Dispatch Instruction; (2) in the case of a Demand Response Asset that is on a forced or scheduled curtailment as described in Section III.8.3, the minuend in the calculation described in Section III.8.4 shall be the unadjusted Demand Response Baseline of the Demand Response Asset; and (3) the resulting MWhs of reduction, other than the MWhs associated with Net Supply, shall be increased by average avoided peak transmission and distribution losses.

(e) A Distributed Energy Capacity Resource's Actual Capacity Provided during a Capacity Scarcity Condition shall be the sum of the Metered Quantity for Settlement and Reserve Quantity for Settlement of all the components of its constituent Distributed Energy Resource Aggregations; provided, however, that if the resource's output was limited during the Capacity Scarcity Condition as a result of a transmission system limitation, then the resource's Actual Capacity Provided may not be greater than the sum of the resource's Desired Dispatch Point during the interval, plus the resource's Reserve Quantity For Settlement during the interval. Based on the Real-Time operational coordination, the resource must follow any distribution system limitation and update its physical parameters accordingly. The Actual Capacity Provided cannot be less than zero.

(i) The Real-Time demand reduction of a Demand Response Asset or Distributed Energy Resource associated with a Demand Response Distributed Energy Resource Aggregation shall be calculated as described in Section III.8.4, except that: (1) in the case of a Demand Response Asset or Distributed Energy Resource associated with a Demand Response Distributed Energy Resource Aggregation that is on a forced or scheduled curtailment as described in Section III.8.3, a Real-Time demand reduction shall also be calculated for intervals in which the associated Demand Response Resource or Demand Response Distributed Energy Resource Aggregation does not receive a non-zero Dispatch Instruction; (2) in the case of a Demand Response Asset or Distributed Energy Resource associated with a Demand Response Distributed Energy Resource Aggregation that is on a forced or scheduled curtailment as described in Section III.8.3, the minuend in the calculation described in Section III.8.4 shall be the unadjusted Demand Response

Baseline of the Demand Response Asset or Distributed Energy Resource associated with the Demand Response Distributed Energy Resource Aggregation; and (3) the resulting MWhs of reduction, other than the MWhs associated with Net Supply, shall be increased by average avoided peak transmission and distribution losses.

III.15.8.2.3. Capacity Balancing Ratio.

For each five-minute interval in which a Capacity Scarcity Condition exists, the ISO shall calculate a Capacity Balancing Ratio using the following formula:

(Load + Reserve Requirement) / Total Capacity Supply Obligation

provided, however, that the Capacity Balancing Ratio shall not exceed a value of 1.0.

(a) If the Capacity Scarcity Condition is a result of a violation of the Minimum Total Reserve Requirement such that the associated system-wide Reserve Constraint Penalty Factor pricing applies, then the terms used in the formula above shall be calculated as follows:

Load = the total amount of Actual Capacity Provided (excluding applicable Real-Time Reserve Designations) from all resources in the New England Control Area during the interval (with the Actual Capacity Provided of Energy Efficiency measures being zero, as specified in Section III.15.8.2.2(c)(i)) minus the sum of all absolute net System-Backed Export values calculated in accordance with the formulas set forth in Section III.15.8.2.A.2 in the New England Control Area during the interval.

Reserve Requirement = the Minimum Total Reserve Requirement during the interval.

Total Capacity Supply Obligation = the total amount of Capacity Supply Obligations in the New England Control Area during the interval, excluding the Capacity Supply Obligations associated with Energy Efficiency measures.

(b) If the Capacity Scarcity Condition is a result of a violation of the Ten-Minute Reserve Requirement such that the associated system-wide Reserve Constraint Penalty Factor pricing applies, then the terms used in the formula above shall be calculated as follows:

Load = the total amount of Actual Capacity Provided (excluding applicable Real-Time Reserve Designations) from all resources in the New England Control Area during the interval (with the Actual Capacity Provided of Energy Efficiency measures being zero, as specified in Section III.15.8.2.2(c)(i)) minus the sum of all absolute net System-Backed Export values calculated in accordance with the formulas set forth in Section III.15.8.2.A.2 in the New England Control Area during the interval.

Reserve Requirement = the Ten-Minute Reserve Requirement during the interval.

Total Capacity Supply Obligation = the total amount of Capacity Supply Obligations in the New England Control Area during the interval, excluding the Capacity Supply Obligations associated with Energy Efficiency measures.

(c) If the Capacity Scarcity Condition is a result of a violation of the Zonal Reserve Requirement such that the associated Reserve Constraint Penalty Factor pricing applies, then the terms used in the formula above shall be calculated as follows:

Load = the total amount of Actual Capacity Provided (excluding applicable Real-Time Reserve Designations) from all resources in the Capacity Zone during the interval plus the net amount of energy imported into the Capacity Zone from outside the New England Control Area during the interval (but not less than zero) (with the Actual Capacity Provided of Energy Efficiency measures being zero, as specified in Section III.15.8.2.2(c)(i)) minus the sum of all absolute net System-Backed Export values calculated in accordance with the formulas set forth in Section III.15.8.2.A.2 in the Capacity Zone during the interval.

Reserve Requirement = the Zonal Reserve Requirement minus any reserve support coming into the Capacity Zone over the internal transmission interface.

Total Capacity Supply Obligation = the total amount of Capacity Supply Obligations in the Capacity Zone during the interval, excluding the Capacity Supply Obligations associated with Energy Efficiency measures.

(d) The following provisions shall be used to determine the applicable Capacity Balancing Ratio where more than one of the conditions described in subsections (a), (b), and (c) apply in a Capacity Zone.

(i) In any Capacity Zone subject to Reserve Constraint Penalty Factor pricing associated with both the Minimum Total Reserve Requirement and the Ten-Minute Reserve Requirement, but not the Zonal Reserve Requirement, the Capacity Balancing Ratio shall be calculated as described in Section III.15.8.2.3(a) for resources in that Capacity Zone.

(ii) In any Capacity Zone subject to Reserve Constraint Penalty Factor pricing associated with both the Ten-Minute Reserve Requirement and the Zonal Reserve Requirement, but not the Minimum Total Reserve Requirement, the Capacity Balancing Ratio for resources in that Capacity Zone shall be the higher of the Capacity Balancing Ratio calculated as described in Section III.15.8.2.3(b) and the Capacity Balancing Ratio calculated as described in Section III.15.8.2.3(c).

(iii) In any Capacity Zone subject to Reserve Constraint Penalty Factor pricing associated with the Minimum Total Reserve Requirement and the Zonal Reserve Requirement (regardless of whether the Capacity Zone is also subject to Reserve Constraint Penalty Factor pricing associated with the Ten-Minute Reserve Requirement), the Capacity Balancing Ratio for resources in that Capacity Zone shall be the higher of the Capacity Balancing Ratio calculated as described in Section III.15.8.2.3(a) and the Capacity Balancing Ratio calculated as described in Section III.15.8.2.3(c).

III.15.8.2.4. Capacity Performance Score.

Each resource, whether or not it has a Capacity Supply Obligation, will be assigned a Capacity Performance Score for each five-minute interval in which a Capacity Scarcity Condition exists in the Capacity Zone in which the resource is located. A resource's Capacity Performance Score for the interval shall equal the resource's Actual Capacity Provided during the interval (with the Actual Capacity Provided of Energy Efficiency measures being zero, as specified in Section III.15.8.2.2(c)(i)) minus the product of the resource's Capacity Supply Obligation (which for this purpose shall not be less than zero) and the applicable Capacity Balancing Ratio; provided, however, that for an On-Peak Demand Capacity Resource or a Seasonal Peak Demand Capacity Resource, the Capacity Supply Obligation associated with any Energy Efficiency measures shall be excluded from the calculation of the resource's Capacity Performance Score. The resulting Capacity Performance Score may be positive, zero, or negative.

III.15.8.2.5. Capacity Performance Payment Rate.

The Capacity Performance Payment Rate shall be $3500/MWh. The ISO shall review the Capacity Performance Payment Rate in the stakeholder process as needed and shall file with the Commission a new Capacity Performance Payment Rate if and as appropriate.

III.15.8.2.6. Calculation of Capacity Performance Payments.

For each resource, whether or not it has a Capacity Supply Obligation, the ISO shall calculate a Capacity Performance Payment for each five-minute interval in which a Capacity Scarcity Condition exists in the Capacity Zone in which the resource is located. A resource's Capacity Performance Payment for an interval shall equal the resource's Capacity Performance Score for the interval multiplied by the Capacity Performance Payment Rate. The resulting Capacity Performance Payment for an interval may be positive or negative.

III.15.8.2.A System-Backed Export Charges.

III.15.8.2.A.1 System-Backed Exports.

A System-Backed Export is an External Transaction submitted in accordance with Section III.1.10.7 or Section III.1.10.7.A to export internal energy out of the New England Control Area by a Market Participant in the Real-Time Energy Market: (1) that is not associated with a generator; or (2) for External Transactions associated with a generator, for which the megawatt amount of the External Transaction sale(s) associated with the generator is greater than the sum of the resource's energy output plus the resource's Reserve Quantity For Settlement.

III.15.8.2.A.2 Calculation of System-Backed Export Charges.

For each five-minute interval in which a Capacity Scarcity Condition exists, the ISO shall calculate a System-Backed Export Charge: (1) for External Transactions associated with a generator, for each resource that submitted an External Transaction sale in the Real-Time Energy Market corresponding with the five-minute interval; and (2) for External Transactions not associated with a generator, for each Market Participant that submitted an External Transaction sale in the Real-Time Energy Market corresponding with the five-minute interval. For each five-minute interval, the System-Backed Export Charge shall be equal to the net System-Backed Export value, calculated in accordance with the formulas set forth below, multiplied by the Capacity Performance Payment Rate, as defined in Section III.15.8.2.5.

For External Transactions associated with a generator,

net System-Backed Export value = the lesser of (the energy output of the generator in the interval + the Reserve Quantity for Settlement of the generator in the interval – the hourly integrated delivered MW for the External Transaction sale(s) associated with the generator) or 0

System-Backed Export Charge = net System-Backed Export value × Capacity Performance Payment Rate

For External Transactions not associated with a generator,

net System-Backed Export value = the lesser of (the hourly integrated delivered MW for the External Transaction purchase(s) of the Market Participant – the hourly integrated delivered MW for the External Transaction sale(s) of the Market Participant) or 0

System-Backed Export Charge = net System-Backed Export value × Capacity Performance Payment Rate

Unless otherwise expressly stated, a System-Backed Export Charge shall not be treated as a Capacity Performance Payment under the Tariff.

III.15.8.3. Monthly Capacity Payment and Capacity Stop-Loss Mechanism.

Each resource's Monthly Capacity Payment for an Obligation Month, which may be positive or negative, shall be the sum of the resource's Capacity Base Payment for the Obligation Month plus the sum of the resource's Capacity Performance Payments for all five-minute intervals in the Obligation Month, except as provided in Section III.15.8.3.1 and Section III.15.8.3.2 below.

III.15.8.3.1. Monthly Stop-Loss.

If the sum of the resource's Capacity Performance Payments (excluding any Capacity Performance Payments associated with Actual Capacity Provided above the resource's Capacity Supply Obligation in any interval) for all five-minute intervals in the Obligation Month is negative, the amount subtracted from the resource's Capacity Base Payment for the Obligation Month shall be limited to an amount equal to the product of the applicable Capacity Auction Offer Price Cap multiplied by the resource's Capacity Supply Obligation for the Obligation Month.

III.15.8.3.2. Annual Stop-Loss.

(a) For each Obligation Month, the ISO shall calculate a stop-loss amount equal to:

MaxCSO x [3 months x (ACAcp – ACAsp) – (12 months x ACAcp)]

Where:

MaxCSO = the resource's highest monthly Capacity Supply Obligation in the Capacity Commitment Period to date.

ACAcp = the Capacity Clearing Price for the relevant Annual Capacity Auction.

ACAsp = the Annual Capacity Auction Offer Price Cap for the relevant Annual Capacity Auction.

(b) For each Obligation Month, the ISO shall calculate each resource's cumulative Capacity Performance Payments as the sum of the resource's Capacity Performance Payments for all months in the Capacity Commitment Period to date, with those monthly amounts limited as described in Section III.15.8.3.1.

(c) If the sum of the resource's Capacity Performance Payments (excluding any Capacity Performance Payments associated with Actual Capacity Provided above the resource's Capacity Supply Obligation in any interval) for all five-minute intervals in the Obligation Month is negative, the amount subtracted from the resource's Capacity Base Payment for the Obligation Month shall be limited to an amount equal to the difference between the stop-loss amount calculated as described in Section III.15.8.3.2(a) and the resource's cumulative Capacity Performance Payments as described in Section III.15.8.3.2(b).

III.15.8.4. Allocation of Deficient or Excess Capacity Performance Payments and System-Backed Export Charges.

For Capacity Scarcity Conditions as described in Section III.15.8.2.1, the ISO shall allocate deficient or excess Capacity Performance Payments and System-Backed Export Charges as described in subsections (a), (b), and (c) below.

(a) If the sum of all Capacity Performance Payments and System-Backed Export Charges to all resources subject to a Capacity Scarcity Condition in an Obligation Month is positive, excluding any deficiency due to one or more resources reaching the stop-loss limit described in Section III.15.8.3, the deficiency shall be charged to resources in proportion to the sum of each such resource's positive Capacity Performance Score for the Obligation Month.

(b) If the sum of all Capacity Performance Payments and System-Backed Export Charges to all resources subject to a Capacity Scarcity Condition in an Obligation Month is negative, excluding any deficiency due to one or more resources reaching the stop-loss limit described in Section III.15.8.3, the excess shall be credited to all such resources (excluding any resource, or portion thereof, consisting of Energy Efficiency measures) in proportion to each resource's Capacity Supply Obligation for the Obligation Month. For a resource subject to the stop-loss mechanism described in Section III.15.8.3 for the Obligation Month, any such credit shall be reduced (though not to less than zero) by the amount not charged to the resource as a result of the application of the stop-loss mechanism described in Section III.15.8.3, and the remaining excess shall be further allocated to other resources in the same manner as described in this Section III.15.8.4(b).

(c) If a deficiency of Capacity Performance Payments exists due to one or more resources reaching the stop-loss limit described in Section III.15.8.3, the deficiency shall be charged to all resources subject to a Capacity Scarcity Condition in an Obligation Month that have not reached their stop-loss limit (excluding any resource, or portion thereof, consisting of Energy Efficiency measures) in proportion to each resource's Capacity Supply Obligation for the Obligation Month. If the charge described in Section III.15.8.4(a) or the charge described in this Section III.15.8.4(c) causes a resource to reach the stop-loss limit described in Section III.15.8.3, then the stop-loss limit described in Section III.15.8.3 will be applied to that resource, and the remaining deficiency will be further allocated to other resources in the same manner as described in this Section III.15.8.4(c).

III.15.8.5. Charges to Market Participants with Capacity Load Obligations.

III.15.8.5.1. Calculation of Capacity Charges.

For purposes of this Section III.15.8.5.1, Capacity Zone costs calculated for a Capacity Zone that contains a nested Capacity Zone shall exclude the Capacity Zone costs of the nested Capacity Zone. A Market Participant with a Capacity Load Obligation on any day of the Obligation Month shall be subject to the following charges and adjustments. Each charge and adjustment described in rate component (b) of Sections III.15.8.5.1.1 through III.15.8.5.1.8 shall be divided by the number of days in the month to derive a daily settlement value.

III.15.8.5.1.1. Annual Capacity Auction Charge.

The ACA charge, for each Capacity Zone, is: (a) Capacity Load Obligation in the Capacity Zone; multiplied by (b) Capacity Zone ACA Costs divided by Zonal Capacity Obligation.

Where:

Capacity Zone ACA Costs, for each Capacity Zone, are the Total ACA Costs multiplied by the Zonal Peak Load Allocator and divided by the Total Peak Load Allocator.

Total ACA Costs are the sum of, for all Capacity Zones, Capacity Supply Obligations in each zone (the total obligation awarded to resources in the Annual Capacity Auction process for the Obligation Month in the zone, excluding any obligations awarded to Intermittent Power Resources that are the basis for the Intermittent Power Resource Capacity Adjustment specified in Section III.15.8.5.1.5) multiplied by the applicable clearing price from the auction in which the obligation was awarded to the resource.

Zonal Peak Load Allocator is the Zonal Capacity Obligation multiplied by the zonal Capacity Clearing Price.

Total Peak Load Allocator is the sum of the Zonal Peak Load Allocators.

III.15.8.5.1.2. Monthly Reconfiguration Auction Charge.

The monthly reconfiguration auction charge is: (a) total Capacity Load Obligation for all Capacity Zones; multiplied by (b) Total Monthly Reconfiguration Auction Costs divided by Total Zonal Capacity Obligation.

Where:

Total Monthly Reconfiguration Auction Costs are the sum of, for all Capacity Zones, the product of Capacity Supply Obligations acquired through the Monthly Reconfiguration Auction in each zone and the applicable Monthly Reconfiguration Auction clearing price, minus the sum of, for all Capacity Zones, any Capacity Supply Obligations shed through the Monthly Reconfiguration Auction in each zone and the applicable Monthly Reconfiguration Auction clearing price.

Total Zonal Capacity Obligation is the total of the Zonal Capacity Obligation in all Capacity Zones.

III.15.8.5.1.3. HQICC Capacity Charge.

The HQICC capacity charge is: (a) total Capacity Load Obligation for all Capacity Zones; multiplied by (b) Total HQICC Credits divided by Total Capacity Load Obligation.

Where:

Total HQICC credits are the product of HQICCs multiplied by the sum of the values calculated in Sections III.15.8.5.1.1(b), III.15.8.5.1.2(b), III.15.8.5.1.5(b), III.15.8.5.1.6(b), III.15.8.5.1.7(b), and III.15.8.5.1.8(b) in the Capacity Zone in which the HQ Phase I/II external node is located.

Total Capacity Load Obligation is the total Capacity Load Obligation in all Capacity Zones.

III.15.8.5.1.4. Self-Supply Adjustment.

The self-supply adjustment is: (a) Capacity Load Obligation in the Capacity Zone; multiplied by (b) the Self-Supply Variance divided by Total Capacity Load Obligation.

Where:

Self-Supply Variance is the difference between foregone capacity payments and avoided capacity charges associated with designated self-supply quantities.

Foregone capacity payments to Self-Supplied Capacity Resources are the sum, for all Capacity Zones, of the product of the zonal Capacity Supply Obligation designated as self-supply, multiplied by the applicable clearing price from the auction in which the obligation was awarded.

Avoided capacity charges are the sum, for all Capacity Zones, of the product of any designated self-supply quantities multiplied by the sum of the values calculated in Sections III.15.8.5.1.1.(b), III.15.8.5.1.2(b), III.15.8.5.1.5(b), III.15.8.5.1.6(b), III.15.8.5.1.7(b) and III.15.8.5.1.8(b) in the Capacity Zone associated with the designated self-supply quantity.

Total Capacity Load Obligation is the total Capacity Load Obligation in all Capacity Zones.

III.15.8.5.1.5. Intermittent Power Resource Capacity Adjustment.

The Intermittent Power Resource capacity adjustment in a winter season for the Obligation Months from October through May is: (a) total Capacity Load Obligation for all Capacity Zones; multiplied by (b) the Intermittent Power Resource Seasonal Variance divided by Total Zonal Capacity Obligation.

Where:

Intermittent Power Resource Seasonal Variance is the difference between the ACA payments for Intermittent Power Resources in the Obligation Month and the base ACA payments for Intermittent Power Resources.

ACA payments to Intermittent Power Resources are the sum, for all Capacity Zones, of the product of the Capacity Supply Obligations awarded to Intermittent Power Resources in the Annual Capacity Auction process for the Obligation Month pursuant to Section III.15.4.2.3, multiplied by the applicable clearing price from the auction in which the obligation was awarded.

Base ACA payments for Intermittent Power Resources are the sum, for all Capacity Zones, of the product of the Annual Qualified Capacity procured from Intermittent Power Resources in the Annual Capacity Auction process, multiplied by the applicable clearing price from the auction in which the obligation was awarded.

Total Zonal Capacity Obligation is the total Zonal Capacity Obligation in all Capacity Zones.

III.15.8.5.1.6. CTR Transmission Upgrade Charge.

The CTR transmission upgrade charge is: (a) the Capacity Load Obligation in the Capacity Zones to which the applicable interface limits the transfer of capacity, multiplied by (b) Zonal CTR Transmission Upgrade Cost divided by Zonal Capacity Obligation.

Where:

Zonal CTR Transmission Upgrade Cost for each Capacity Zone to which the interface limits the transfer of capacity is the amount calculated pursuant to Section III.15.8.5.4.1(f), multiplied by the Zonal Capacity Obligation and divided by the sum of the Zonal Capacity Obligation for all Capacity Zones to which the interface limits the transfer of capacity.

III.15.8.5.1.7. CTR Pool-Planned Unit Charge.

The CTR Pool-Planned Unit charge is: (a) the total Capacity Load Obligation in all Capacity Zones less the amount of any CTRs specifically allocated pursuant to Section III.15.8.5.4.2, multiplied by (b) CTR Pool-Planned Unit Cost divided by Total Zonal Capacity Obligation less the amount of any CTRs specifically allocated pursuant to Section III.15.8.5.4.2.

Where:

The CTR Pool-Planned Unit Cost for each Capacity Zone is the sum of the amounts calculated pursuant to Section III.15.8.5.4.2(b).

Total Zonal Capacity Obligation is the total of the Zonal Capacity Obligation in all Capacity Zones.

III.15.8.5.1.8. Multi-Year Rate Election Adjustment.

For multi-year rate elections made in the primary Forward Capacity Auction for Capacity Commitment Periods beginning on or after June 1, 2022, the multi-year rate election adjustment, for each Capacity Zone, is: (a) Capacity Load Obligation in the Capacity Zone; multiplied by (b) Zonal Multi-Year Rate Election Costs divided by Zonal Capacity Obligation.

Where:

Zonal Multi-Year Rate Election Costs is the sum, for each resource with a multi-year rate election in the Obligation Month, of the amount of Capacity Supply Obligation designated to receive the multi-year rate (excluding any obligations procured in the Forward Capacity Auction that were terminated pursuant to Section III.13.3.4A or Section III.15.A.2.1, or withdrawn pursuant to Section III.15.A.2.3), multiplied by the difference in the applicable zonal Capacity Clearing Price for the Forward Capacity Auction in which the resource originally was awarded a Capacity Supply Obligation (indexed using the Handy-Whitman Index of Public Utility Construction Costs in effect as of December 31 of the year preceding the Capacity Commitment Period) and the applicable zonal Capacity Clearing Price for the current Capacity Commitment Period, multiplied by the Zonal Peak Load Allocator for the Forward Capacity Auction in which the resource originally was awarded a Capacity Supply Obligation and divided by the Total Peak Load Allocator for the Forward Capacity Auction in which the resource originally was awarded a Capacity Supply Obligation.

Zonal Peak Load Allocator is the Zonal Capacity Obligation multiplied by the zonal Capacity Clearing Price.

Total Peak Load Allocator is the sum of the Zonal Peak Load Allocators.

For multi-year rate elections made in the primary Forward Capacity Auction for Capacity Commitment Periods beginning prior to June 1, 2022, the multi-year rate election adjustment, for each Capacity Zone, is: (a) Capacity Load Obligation in the Capacity Zone; multiplied by (b) Zonal Multi-Year Rate Election Costs divided by Zonal Capacity Obligation.

Where:

> Zonal Multi-Year Rate Election Costs is the sum in each Capacity Zone, for each resource with a multi-year rate election in the Obligation Month, of the amount of Capacity Supply Obligation designated to receive the multi-year rate (excluding any obligations procured in the Forward Capacity Auction that were terminated pursuant to Section III.13.3.4A), multiplied by the difference in the applicable zonal Capacity Clearing Price for the Forward Capacity Auction in which the resource originally was awarded a Capacity Supply Obligation (indexed using the Handy-Whitman Index of Public Utility Construction Costs in effect as of December 31 of the year preceding the Capacity Commitment Period) and the applicable zonal Capacity Clearing Price for the current Capacity Commitment Period.

III.15.8.5.2. Calculation of Capacity Load Obligation and Zonal Capacity Obligation.

The ISO shall assign each Market Participant a share of the Zonal Capacity Obligation prior to the commencement of each Obligation Month for each Capacity Zone established in the Annual Capacity Auction pursuant to Section III.12.4. The Zonal Capacity Obligation of a Capacity Zone that contains a nested Capacity Zone shall exclude the Zonal Capacity Obligation of the nested Capacity Zone.

The Zonal Capacity Obligation for each month and Capacity Zone shall equal the product of: (i) the total of the system-wide Capacity Supply Obligations plus HQICCs; and (ii) the ratio of the sum of all load serving entities' annual coincident contributions to the system-wide annual peak load in that Capacity Zone from the calendar year one year prior to the start of the Capacity Commitment Period to the system-wide sum of all load serving entities' annual coincident contributions to the system-wide annual peak load from the calendar year one year prior to the start of the Capacity Commitment Period.

The following loads are assigned a peak contribution of zero for the purposes of assigning obligations and tracking load shifts: load associated with the receipt of electricity from the grid by Storage DARDs for later injection of electricity back to the grid; when all load of a Distributed Energy Resource Aggregation participating as a Storage DARD is load associated with the receipt of electricity from the grid for later injection of electricity back to the grid; Station service load that is modeled as a discrete Load Asset and

the Resource is complying with the maintenance scheduling procedures of the ISO; load that is modeled as a discrete Load Asset and is exclusively related to an Alternative Technology Regulation Resource following AGC Dispatch Instructions; and transmission losses associated with delivery of energy over the Control Area tie lines.

A Market Participant's share of Zonal Capacity Obligation for each day of the month and each Capacity Zone shall equal the product of: (i) the Capacity Zone's Zonal Capacity Obligation as calculated above and (ii) the ratio of the sum of the load serving entity's daily Coincident Peak Contributions, to the sum of all load serving entities' daily Coincident Peak Contributions in that Capacity Zone.

A Market Participant's Capacity Load Obligation shall be its share of Zonal Capacity Obligation for each day of the month and each Capacity Zone, adjusted as appropriate to account for any relevant Capacity Load Obligation Bilaterals, HQICCs, and Self-Supplied Capacity Resource designations. A Capacity Load Obligation can be a positive or negative value.

A Market Participant's share of Zonal Capacity Obligation will not be reconstituted to include the demand reduction of a Demand Capacity Resource, Demand Response Resource, or a Demand Response Distributed Energy Resource Aggregation.

III.15.8.5.2.1. Charges Associated with Dispatchable Asset Related Demands.

Dispatchable Asset Related Demand resources will not receive Annual Capacity Market payments, but instead each Dispatchable Asset Related Demand resource will receive an adjustment to its share of the associated Coincident Peak Contribution based on the ability of the Dispatchable Asset Related Demand resource to reduce consumption. The adjustment to a load serving entity's Coincident Peak Contribution resulting from Dispatchable Asset Related Demand resource reduction in consumption shall be based on the Nominated Consumption Limit submitted for the Dispatchable Asset Related Demand resource. The Nominated Consumption Limit value of each Dispatchable Asset Related Demand resource is subject to adjustment as further described in the ISO New England Manuals, including adjustments based on the results of Nominated Consumption Limit audits performed in accordance with the ISO New England Manuals. The adjustment to a load serving entity's Coincident Peak Contribution resulting from a Dispatchable Asset Related Demand associated with a Large Load shall be based on the Large Load's Interim Contract Demand Service and Non-Firm Contract Demand Service.

III.15.8.5.3. Excess Revenues.

Any payment associated with a Capacity Supply Obligation Bilateral that was to accrue to a Capacity Acquiring Resource for a Capacity Supply Obligation that is terminated pursuant to Section III.13.3.4A or Section III.15.A.2.1, or withdrawn pursuant to Section III.15.A.2.3, shall instead be allocated to Market Participants based on their pro rata share of all Capacity Load Obligations in the Capacity Zone in which the terminated resource is located.

III.15.8.5.4. Capacity Transfer Rights.

III.15.8.5.4.1. Specifically Allocated CTRs Associated with Transmission Upgrades.

(a) A Market Participant that pays for transmission upgrades not funded through the Pool PTF Rate and which increase transfer capability across existing or potential Capacity Zone interfaces may request a specifically allocated CTR in an amount equal to the number of CTRs supported by that increase in transfer capability.

(b) The allocation of additional CTRs created through generator interconnections completed after February 1, 2009 shall be made in accordance with the provisions of the ISO generator interconnection or planning standards. In the event the ISO interconnection or planning standards do not address this issue, the CTRs created shall be allocated in the same manner as described in Section III.15.8.5.1.6.

(c) Specifically allocated CTRs shall expire when the Market Participant ceases to pay to support the transmission upgrades.

(d) CTRs resulting from transmission upgrades funded through the Pool PTF Rate shall not be specifically allocated but shall be allocated in the same manner as described in Section III.15.8.5.1.6.

(e) **Maine Export Interface**. Casco Bay shall receive specifically allocated CTRs of 325 MW across the Maine export interface for as long as Casco Bay continues to pay to support the transmission upgrades.

(f) The value of CTRs specifically allocated pursuant to this Section shall be calculated as the product of: (i) the Capacity Clearing Price in the Capacity Zone to which the applicable interface limits the transfer of capacity minus the Capacity Clearing Price in the Capacity Zone from which the applicable interface limits the transfer of capacity; and (ii) the MW quantity of the specifically allocated CTRs across the applicable interface. This value will be divided by the number of days in the month to derive a daily settlement value.

III.15.8.5.4.2. Specifically Allocated CTRs for Pool-Planned Units.

(a) In import-constrained Capacity Zones, in recognition of longstanding life of unit contracts, the municipal utility entitlement holder of a resource constructed as Pool-Planned Units shall receive for each Capacity Commitment Period an allocation of CTRs for each such unit that is the product of: (i) the MW quantity of capacity that the unit cleared in the Annual Capacity Auction associated with the Capacity Commitment Period; and (ii) the municipal utility's ownership entitlements in such unit. The CTRs allocated pursuant to this Section may be designated as self-supply quantities as described in Section III.15.2.9. Municipal utility ownership entitlements are set as shown in the table below and are not transferrable.

	Millstone 3	Seabrook	Stonybrook GT 1A	Stonybrook GT 1B	Stonybrook GT 1C	Stonybrook 2A	Stonybrook 2B	Wyman 4
Danvers	0.2627%	1.1124%	8.4569%	8.4569%	8.4569%	11.5551%	11.5551%	0.0000%
Georgetown	0.0208%	0.0956%	0.7356%	0.7356%	0.7356%	1.0144%	1.0144%	0.0000%
Ipswich	0.0608%	0.1066%	0.2934%	0.2934%	0.2934%	0.0000%	0.0000%	0.0000%
Marblehead	0.1544%	0.1351%	2.6840%	2.6840%	2.6840%	1.5980%	1.5980%	0.2793%
Middleton	0.0440%	0.3282%	0.8776%	0.8776%	0.8776%	1.8916%	1.8916%	0.1012%
Peabody	0.2969%	1.1300%	13.0520%	13.0520%	13.0520%	0.0000%	0.0000%	0.0000%
Reading	0.4041%	0.6351%	14.4530%	14.4530%	14.4530%	19.5163%	19.5163%	0.0000%
Wakefield	0.2055%	0.3870%	3.9929%	3.9929%	3.9929%	6.3791%	6.3791%	0.4398%
Ashburnham	0.0307%	0.0652%	0.6922%	0.6922%	0.6922%	0.9285%	0.9285%	0.0000%
Boylston	0.0264%	0.0849%	0.5933%	0.5933%	0.5933%	0.9120%	0.9120%	0.0522%
Braintree	0.0000%	0.6134%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Groton	0.0254%	0.1288%	0.8034%	0.8034%	0.8034%	1.0832%	1.0832%	0.0000%
Hingham	0.1007%	0.4740%	3.9815%	3.9815%	3.9815%	5.3307%	5.3307%	0.0000%
Holden	0.0726%	0.3971%	2.2670%	2.2670%	2.2670%	3.1984%	3.1984%	0.0000%
Holyoke	0.3194%	0.3096%	0.0000%	0.0000%	0.0000%	2.8342%	2.8342%	0.6882%

Hudson	0.1056%	1.6745%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.3395%
Hull	0.0380%	0.1650%	1.4848%	1.4848%	1.4848%	2.1793%	2.1793%	0.1262%
Littleton	0.0536%	0.1093%	1.5115%	1.5115%	1.5115%	3.0607%	3.0607%	0.1666%
Mansfield	0.1581%	0.7902%	5.0951%	5.0951%	5.0951%	7.2217%	7.2217%	0.0000%
Middleborough	0.1128%	0.5034%	2.0657%	2.0657%	2.0657%	4.9518%	4.9518%	0.1667%
North Attleborough	0.1744%	0.3781%	3.2277%	3.2277%	3.2277%	5.9838%	5.9838%	0.1666%
Pascoag	0.0000%	0.1068%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Paxton	0.0326%	0.0808%	0.6860%	0.6860%	0.6860%	0.9979%	0.9979%	0.0000%
Shrewsbury	0.2323%	0.5756%	3.9105%	3.9105%	3.9105%	0.0000%	0.0000%	0.4168%
South Hadley	0.5755%	0.3412%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Sterling	0.0294%	0.2044%	0.7336%	0.7336%	0.7336%	1.1014%	1.1014%	0.0000%
Taunton	0.0000%	0.1003%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Templeton	0.0700%	0.1926%	1.3941%	1.3941%	1.3941%	2.3894%	2.3894%	0.0000%
Vermont Public Power Supply Authority	0.0000%	0.0000%	2.2008%	2.2008%	2.2008%	0.0000%	0.0000%	0.0330%
West Boylston	0.0792%	0.1814%	1.2829%	1.2829%	1.2829%	2.3041%	2.3041%	0.0000%

Westfield	1.1131%	0.3645%	9.0452%	9.0452%	9.0452%	13.5684%	13.5684%	0.7257%

Allocation of CTRs as described in this Section shall expire on December 31, 2040. If a unit listed in the table above retires prior to December 31, 2040, however, allocation of CTRs for such unit shall expire upon retirement. In the event that the NEMA zone either becomes or is forecast to become a separate zone for Annual Capacity Auction purposes, National Grid agrees to discuss with Massachusetts Municipal Wholesale Electric Company ("MMWEC") and Wellesley Municipal Light Plant, Reading Municipal Light Plant and Concord Municipal Light Plant (collectively, "WRC") any proposal by National Grid to develop cost effective transmission improvements that would mitigate or alleviate the import constraints and to work cooperatively and in good faith with MMWEC and WRC regarding any such proposal. MMWEC and WRC agree to support any proposals advanced by National Grid in the regional system planning process to construct any such transmission improvements, provided that MMWEC and WRC determine that the proposed improvements are cost effective (without regard to CTRs) and will mitigate or alleviate the import constraints.

(b) For any CTRs specifically allocated pursuant to this Section that are not designated self-supply quantities for the Capacity Commitment Period, the municipal utility entitlement holder shall receive a credit reflecting the value of such remaining CTRs. The value of each remaining CTR shall be calculated as the product of: (i) the Capacity Clearing Price for the Capacity Zone where the load of the municipal utility entitlement holder is located minus the Capacity Clearing Price for the Capacity Zone in which the Pool-Planned Unit is located; and (ii) the remaining MW quantity. This value will be divided by the number of days in the month to derive a daily settlement value.

III.15.8.5.5. Annual Capacity Market Net Charge Amount.

The Annual Capacity Market net charge amount for each Market Participant as of the end of the Obligation Month shall be equal to the sum of: (a) its Capacity Load Obligation charges; (b) its revenues from any applicable specifically allocated CTRs; and (c) any applicable export charges.

III.15.9. Information Publication and Reporting.

III.15.9.1. Publication of Certain Data Prior to the Annual Capacity Auction.

For each Annual Capacity Auction, no later than one Business Day before the opening of the Annual Capacity Auction Offer Window, the ISO shall publish publicly on its website:

a. which Capacity Zones shall be modeled in the Annual Capacity Auction;
b. the transmission interface limits as determined pursuant to Section III.12.5;
c. which existing and proposed transmission lines the ISO determines will be in service by the start of the Capacity Commitment Period associated with the Annual Capacity Auction;
d. determinations on which new resources have been rejected due to deliverability impacts pursuant to Section III.15.2.3;
e. the expected amount of installed capacity in each modeled Capacity Zone during the Capacity Commitment Period associated with the Annual Capacity Auction, and the Local Sourcing Requirement for each modeled import-constrained Capacity Zone and the Maximum Capacity Limit for each modeled export-constrained Capacity Zone;
f. for each resource that submitted a Load-Side Relationship Certification, the following information: the resource technology type; which qualifying circumstance in Section III.A.21.1.4 was asserted in the Load-Side Relationship Certification; the relevant state policy asserted in the Load-Side Relationship Certification, if any; whether the ISO accepted or rejected the Load-Side Relationship Certification; and, consequently, whether the resource was subject to a review for the exercise of buyer-side market power; and
g. which resources are qualified to participate in the Annual Capacity Auction, including resource type, Capacity Zone, and Annual Qualified Capacity.

III.15.9.2. Publication of Certain Data After Conducting the Annual Capacity Auction

In addition to the Annual Capacity Auction results information identified by Section III.15.2.11 and Section III.15.4.3 of Market Rule 1, within 15 days of conducting the Annual Capacity Auction, the ISO shall publish publicly on its website:

a. which Capacity Offers, satisfying the requirements of Section III.A.21.1 of Market Rule 1, were not reviewed for an exercise of buyer-side market power because of one of the conditions described in Sections III.A.21.1.1, III.A.21.1.2, or III.A.21.1.4 of Market Rule 1; and the condition met by each such resource;
b. the Internal Market Monitor's determinations made as part of any buyer-side market power review conducted pursuant to Section III.A.21.2 and any Capacity Offer Floor Price determinations made pursuant to Section III.A.21.3 with regard to capacity not previously cleared

in an Annual Capacity Auction or Forward Capacity Auction, and the basis for any such determinations; except that offer price information and any information employed by the Internal Market Monitor in making these determinations related to the potential impact of a Capacity Resource's offer on Capacity Clearing Prices shall not be published publicly;

c. the Internal Market Monitor's determinations regarding Proposed Capacity Offers, including whether the Internal Market Monitor accepted or rejected prices specified in a resource's Proposed Capacity Offer that were subject to Internal Market Monitor review and whether the Internal Market Monitor accepted or rejected the cost components of the resource' offer, which are set forth in Section III.A.22.2.3(a). No offer prices, cost components, or other underlying data shall be published; and,

d. which resources offering capacity not previously offered into an Annual Capacity Auction or Forward Capacity Auction were qualified to participate in the Annual Capacity Auction (this information will include a list of which resources received Capacity Supply Obligations in each Capacity Zone and the amount of those Capacity Supply Obligations).