

System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm point-to-point transmission service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service (NR Interconnection Service).

4.1.2.1 *The Product.* The Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all other Network Resources. NR Interconnection Service in and of itself does not convey any transmission delivery service.

4.1.2.2 *Transmission Delivery Service Implications.* NR Interconnection Service allows the Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on the Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as all other existing Network Resources interconnected to the Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although NR Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses other Network Resources. A Large Generating Facility receiving NR Interconnection Service may also be used to provide Ancillary Services 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 Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated 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.

NR Interconnection Service does 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 Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on the Transmission Provider's Transmission System, the Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in the Transmission Provider's Transmission System in the same manner as all other 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 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 a Network Resource, it must do so pursuant to the Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining NR Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within the Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, 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 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 Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for the Transmission Provider to grant such request.

4.2 *Provision of Service.* Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 *Generator Balancing Service Arrangements.* Interconnection Customer must demonstrate, to the Transmission Provider's reasonable satisfaction, that it has satisfied the requirements of this Article 4.3 prior to the submission of any schedules for delivery service to such Transmission Provider identifying the Large Generating Facility as the Point of Receipt for such scheduled delivery.

4.3.1 Interconnection Customer is responsible for ensuring that its actual Large Generating Facility output matches the scheduled delivery from the Large Generating Facility to the Transmission Provider's Transmission System, consistent with the scheduling requirements of the Transmission Provider's FERC-approved market structure, including ramping into and out of such scheduled delivery, as measured at the Point of Interconnection, consistent with the scheduling requirements of the Transmission Provider's Tariff and any applicable FERC-approved market structure.

Interconnection Customer shall arrange for the supply of energy when there is a difference between the actual Large Generating Facility output and the scheduled delivery from the Large Generating Facility (the "Generator Balancing Service Arrangements").

Interconnection Customer may satisfy its obligation for making such Generator Balancing Service Arrangements by:

(a) Obtaining such service from another entity that (i) has generating resources

deliverable within the applicable Control Area, (ii) agrees to assume responsibility for providing such Generator Balancing Service Arrangement to the Interconnection Customer, and (iii) has appropriate coordination service arrangements or agreements with the applicable Control Area that addresses Generator Balancing Service Arrangements for all generating resources for which the entity is responsible within the applicable Control Area;

(b) Committing sufficient additional unscheduled generating resources to the control of and dispatch by the applicable Control Area operator that are capable of supplying energy not supplied by the Interconnection Customer's scheduled Large Generating Facility, and entering into an appropriate coordination services agreement with the applicable Control Area that addresses Generator Balancing Service Arrangements obligations for the Large Generating Facility;

(c) Entering into an arrangement with another Control Area to dynamically schedule the Interconnection Customer's Large Generating Facility out of the applicable Control Area and into such other Control Area;

(d) Entering into a Generator Balancing Service Arrangements with the applicable Control Area; or

(e) In the event the load/generation balancing function of the applicable Control Area is accomplished through the function of its market structures approved by FERC, by entering into an arrangement consistent with such FERC-approved market structure.

In the event Interconnection Customer fails to demonstrate to the Transmission Provider that it has otherwise complied with this Article 4.3, the Interconnection Customer shall be deemed to have elected to enter into a Generator Balancing Service Arrangements with the applicable Control Area.

Nothing in this provision shall prejudice either Party from obtaining a FERC-approved tariff addressing its obligations and rights with respect to Generator Balancing Service Arrangements.

4.4 *Performance Standards.* Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is the Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to the Commission for approval.

4.5 *No Transmission Delivery Service.* The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under the Transmission Provider's Tariff.

4.6 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.