

The VELCO logo is displayed in a bold, white, sans-serif font. It is positioned in the upper left corner of the slide, set against a background image of a Vermont landscape with rolling hills and power lines.

VERMONT'S TRANSMISSION RELIABILITY RESOURCE

O&M Interconnection Arrangement

Sheffield

10/20/2011

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

- **Large Generating Facility** shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW
- **Agreement is between the Interconnection Customer (First Wind), System Operator (ISO-NE), and Interconnecting Transmission Owner (Vermont Transco)**
 - The System Operator and Interconnecting Transmission Owner shall jointly file this LGIA with the appropriate Governmental Authority
 - Agreement shall remain in effect for a period of 20 years, but in no case less than ten (10) years. The Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter
 - If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs
 - Upon termination of this LGIA, Interconnection Service shall terminate and, the Parties will take all appropriate steps to disconnect the Large Generating Facility. 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
 - If a Party elects to terminate this Agreement, each Party shall pay all costs incurred
 - The System Operator and Interconnecting Transmission Owner must conduct the necessary studies and the Interconnecting Transmission Owner and Affected Parties must construct the Network Upgrades needed to interconnect
 - System Operator and Interconnecting Transmission Owner shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

- **Standard Option.** The Interconnecting Transmission Owner shall design, procure, and construct the Interconnecting Transmission Owner's Interconnection Facilities and Network Upgrades
- **Option to Build.** Interconnection Customer assumes responsibility for the design, procurement and construction of the Interconnecting Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades:
 - Using standards and specifications provided in advance by the Interconnecting Transmission Owner
 - Interconnecting Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction
 - Interconnecting Transmission Owner shall have the right to gain unrestricted access to conduct inspections
 - At any time during construction, should Interconnecting Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications, the Interconnection Customer shall be obligated to remedy deficiencies
 - The Interconnection Customer shall transfer control of Interconnecting Facilities and Stand Alone Network Upgrades to the Interconnecting Transmission Owner

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

- **MAINTENANCE**

- **Operating and Maintenance Expenses.** Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Interconnecting Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, Network Upgrades and Distribution Upgrades.

- **PERFORMANCE OBLIGATION**

- **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 at the sole expense of the Interconnection Customer.
- **Network Upgrades and Distribution Upgrades.** Interconnecting Transmission Owner shall design, procure, construct, install, and own the Network Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades.

OWNERSHIP, OPERATION, AND MAINTENANCE AGREEMENT OF INTERCONNECTING FACILITIES

- **Purpose of Ownership, Operation and Maintenance Agreement (OOMA)-Supplements** and clarifies requirements in the LGIA
- **Items addressed:**
 - Definitions
 - Cost Responsibility
 - Operational Control and Responsibility
 - Daily Facility Operations
 - Equipment Maintenance and Responsibility
 - Prearranged Maintenance
 - Interruption of Service
 - Power Quality
 - Switching
 - Infrastructure
 - Liability; Indemnity; Several Obligations
 - Assignment/Successors
 - Notices and Contact Information
 - Integration Clause
 - Governing Law
 - Dispute Resolution, Injunction Relief and Arbitration
 - Further Assurances

OWNERSHIP, OPERATION, AND MAINTENANCE AGREEMENT OF INTERCONNECTING FACILITIES

- **Definitions**

- Defined terms used in agreement

- **Cost Responsibility**

- The Generator will transfer ownership of all Transmission Owner Interconnection Facilities to VT TRANSCO on or prior to the Commercial Operations Date
- This portion of the substation is separated from the Generator Interconnection Facilities by a fence and within the control house by a physical barrier
- The cables between the bank breaker and the 115 kV controls will remain the property of the Generator
- The fence and barrier separating the assets will be owned by VT TRANSCO.
- The external fence surrounding the 115 kV yard will be owned and maintained by VT TRANSCO.
- VT TRANSCO will have reasonable access to the Transmission Owner Interconnection Facilities using the Generator's access roads and gates.
- The Generator will be responsible for all reasonable and documented ownership transfer costs, including VT TRANSCO's tax liability for contributions in aid of construction ("CIAC")
- The Generator will be responsible for all reasonable and documented costs incurred by VT TRANSCO to maintain, operate and own the Transmission Owner Interconnection Facilities
- An annual budget request and a billable work order will be developed by VT TRANSCO

OWNERSHIP, OPERATION, AND MAINTENANCE AGREEMENT OF INTERCONNECTING FACILITIES

- **Operational Control and Responsibility**
 - VT TRANSCO will assume operational control of all Transmission Owner Interconnection Facilities upon transfer of ownership from Generator
 - Operational control of the Generator Interconnection Facilities will be the responsibility of the Generator
- **Daily Facility Operations**
 - VT TRANSCO shall be notified of generation de-rates, change in generator breaker status, or any other reliability-related information that is required to be communicated to ISO-NE
 - VT TRANSCO will then communicate this information to ISO-NE per applicable operating procedures
 - The Generator, retains its rights to communicate directly with ISO-NE and have ISO-NE communicate directly with Generator regarding said information or otherwise
- **Equipment Maintenance and Responsibility**
 - VT TRANSCO and the Generator shall maintain their respective Facilities
 - The Parties agree to provide reasonable advance notice, defined as a minimum of ten business days, of all power outages or reductions in capacity excluding Emergency State situations
 - Maintenance work will be coordinated in such a way as to minimize Generator outages
 - The Generator shall have the right to upgrade any of the Generator Interconnection Facilities at its discretion in coordination with VT TRANSCO.
 - VT TRANSCO will be responsible for scheduling, performing, and contracting all maintenance activities for the Transmission Owner Interconnection Facilities
 - VT TRANSCO shall have the right to make and to be reimbursed by the Generator for upgrades caused by or resulting from generator initiated upgrades or required by VT TRANSCO at its reasonable discretion

OWNERSHIP, OPERATION, AND MAINTENANCE AGREEMENT OF INTERCONNECTING FACILITIES

- **Prearranged Maintenance**

- Any prearranged work on any portion of the Facilities or on any device that may impact the other Party shall be coordinated with VT TRANSCO and the Generator.
- For VT TRANSCO, prearranged maintenance, VT TRANSCO Outage Coordinator will notify the Generator's at least 10 business days in advance, in alignment with ISO-NE scheduling.
- All VT TRANSCO planned work will be coordinated in a manner that times outages to the Generator's facility to be concurrent with Generator's planned maintenance schedule
- For Generator prearranged maintenance, the Generator shall submit an electronic mail "OUTAGE NOTIFICATION" to the VT TRANSCO at least 10 business days prior to the time work is to commence

- **Interruption of Service**

- If required by Good Utility Practice or Applicable Reliability Standards to do so, VT TRANSCO may require the Generator to interrupt or reduce production of electricity

- **Power Quality**

- Neither the Generator nor VT TRANSCO shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves

OWNERSHIP, OPERATION, AND MAINTENANCE AGREEMENT OF INTERCONNECTING FACILITIES

- **Switching**

- VT TRANSCO's current switching and tagging rules and practices apply to the Transmission Owner Interconnection Facilities
- VT TRANSCO shall provide Generator representatives with switching and tagging training
- VT TRANSCO and Generator shall ensure that qualified personnel perform all switching and tagging

- **Infrastructure**

- VT TRANSCO is responsible for limiting access and security for the VT TRANSCO side of the Control Building
- The Generator is responsible for ensuring that access roads are reasonably useable to access the substation.

- **Liability; Indemnity; Several Obligations**

- Neither party shall be liable to the other party for tort damages, except based upon its negligence or willful misconduct.
- Neither party shall be liable for any indirect, consequential, incidental or punitive damages except to the extent caused by the gross negligence or willful misconduct of such party.
- Each Party shall be solely responsible for and shall bear all costs of claims by its own employees or contractors growing out of any workers' compensation law
- Each party to this Agreement shall defend, save harmless and indemnify the other Party from and against all losses, claims, demands, damages, costs, expenses of any nature or liabilities, judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings resulting from or arising out of (I) an act or omission or (II) equipment or facilities, or the operation or use thereof
- Each Party shall maintain and pay for casualty and general liability insurance coverage as will reasonably insure the provisions of this Agreement.

OWNERSHIP, OPERATION, AND MAINTENANCE AGREEMENT OF INTERCONNECTING FACILITIES

- **Assignment/Successors**

- This Agreement shall bind and inure to the benefit of the successors and assigns of the Parties hereto

- **Notices and Contact Information**

- Any notices provided in this Agreement or otherwise shall be sufficient if given in writing and deposited in the United States mail, first-class postage prepaid

- **Integration Clause**

- This Agreement is not intended to amend or modify the rights and obligations of the Parties with respect to the LGIA and nothing contained herein shall constitute a waiver with respect to the LGIA

- **Governing Law**

- This Agreement and the rights of parties hereto shall be governed by the laws of the State of Vermont

- **Dispute Resolution, Injunction Relief and Arbitration**

- If negotiation fails, the parties agree to submit the dispute to mediation at a mutually agreeable location, with a mutually agreeable, impartial mediator
- If mediation fails, all disputes will be finally settled by binding arbitration pursuant to the Commercial Arbitration Rules

- **Further Assurances**

- The parties agree to execute, acknowledge and deliver such documents and take such other actions as may be reasonably required from time to time to carry out the intent and purposes of this Agreement