

Proposal Concerning Modification to Smart Grid Small Generator Interconnection Procedures Appended to LIPA’s Tariff for Electric Service

Requested Action:

The Long Island Power Authority (“LIPA” or the “Authority”) Staff proposes to modify the PSEG-Long Island Smart Grid Small Generator Interconnection Procedures (“Smart Grid SGIP”) which is an addendum to the Tariff for Electric Service (“Tariff”) in order to reflect the March 2016 updates made to New York State Standardized Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR”) and to provide for implementation of the Online Application Portal required by the SIR.

Background:

On March 18, 2016, the New York State Public Service Commission (the “PSC”) issued its “Order Modifying Standardized Interconnection Requirements” for electric utilities subject to the jurisdiction of the PSC. The SIR, which has been amended a number of times since its inception in 1999, provides a mechanism, including a standardized interconnection contract, for simplifying the interconnection application and review process for distributed generation (“DG”) projects, including net metering projects.

The recent modifications to the SIR were driven by a need to enhance and reduce the time required for the interconnection application and review process, as well as the overall interconnection process given the significant increase in interconnection applications across the state. There has also been a significant increase in interconnection applications in the LIPA service territory. In 2012, LIPA received about 2,000 applications. PSEG Long Island estimates it will receive approximately 15,000 applications in 2016.

Proposal:

Staff proposes to update the current Smart Grid SGIP in order to reflect recent changes in Public Service Commission policies for the regulated, investor-owned utilities with respect to interconnection procedures. These proposed updates include (a) streamlining and automating the interconnection process, (b) implementing an online interconnection portal, and (c) modernizing the technical and safety requirements of the interconnection process. These changes also enable specific processes to take place related to the Solar and Fuel Cell Feed-In Tariff’s approved by LIPA’s Board on September 21, 2016. The proposed changes to the Smart Grid SGIP—including the proposed fees—are substantively the same as the March 2016 SIR. The Pre-Application Report, an increased limit on Fast Track application, and segmented analyses will provide for technically improved application packages and expeditious review.

In addition to updating the SGIP, the Staff is also proposing to update the existing generation capacity requirement associated with maintenance charges for interconnection equipment. Currently customers with more than 2,000 kW of generating capacity will pay an annual charge of 8.1% based on the total investment in the interconnection equipment. Staff is proposing to increase the 2,000 kW requirement to 5,000 kW.

Update the Smart Grid Small Generator Interconnection Procedure

The proposed changes to the Smart Grid SGIP are summarized as follows:

- **Pre-Application:** The proposed changes introduce a new pre-application step in the SGIP process available for all applications. An applicant may now request a Pre-Application Report that would be provided by PSEG Long Island. The applicant shall provide a non-refundable fee of \$750 with its request for completion of the Pre-Application Report. The goal of the Pre-Application Report is to provide prospective developers with an early indication of the viability of a proposed interconnection, so as to reduce the volume of applications that are unlikely to proceed to development.

The Pre-Application Report shall be provided to the applicant within ten (10) business days of receipt of the form and payment of the fee. The Pre-Application Report will be non-binding and will provide only the electrical system data and information requested that is readily available to PSEG Long Island. Should the applicant formally apply to interconnect their proposed DG project within fifteen (15) business days of receipt of PSEG Long Island's Pre-Application Report, the \$750 will be applied towards the application fee.

- **Expedited Process:** This proposed change would make the Fast Track Process more widely available by increasing the upper threshold for eligibility for this process to projects 50 kW and below rather than the current threshold of 25 kW and below. The following additional changes are proposed:
 - The period for notification of the applicant with respect to application omissions or technical deficiencies is to be decreased from fifteen (15) business days to ten (10) business days from the submittal date of the application.
 - For inverter-based systems, the upper eligibility threshold is to be increased from 200 kW to 300 kW. Inverter-based systems will continue to be required to be tested in accordance with UL 1741 and approved by PSEG- Long Island in order to be eligible for the Fast Track Process.
- **Additional Documentation Submittal:** In the current SGIP, there is no time limit for a customer to submit requested additional information (such as missing documentation) in response to any requirement of the Smart Grid SGIP. A requirement has been added indicating that after notification by PSEG Long

Island, the applicant has thirty (30) days to submit the additional information. If the applicant fails to submit the additional information to PSEG Long Island within thirty (30) business days following the date of PSEG Long Island's written notification, the application shall be deemed withdrawn and no further action on the part of PSEG Long Island is required.

- **Application Fees:** The proposed changes, which conform to the March 2016 SIR, will raise the application fee for projects over 25 kW AC from \$350 to \$750, with additional provisions to:
 - Apply the application fee to the interconnection costs; and
 - Apply the amount of the pre-application fee as a credit toward the application fee if application is submitted within fifteen (15) days of Pre-Application Report.
- **Coordinated Electric System Interconnection Review (“CESIR Study”):** Propose to increase the size of generators for which a CESIR study applies:
 - From 25 kW to 2000kW to 50 kW to 5000kW for Non-Inverter-based interconnections and;
 - 200 kW to 2000kW to 300 kW to 5000kW for Inverter-based interconnections.

The CESIR Study will now consist of three primary steps:

- 1) **Preliminary Analysis:** PSEG Long Island will perform a Preliminary Screening Analysis of the proposed system interconnection. The analysis will be completed and a written response detailing the results will be sent to the applicant within fifteen (15) business days of the completion of the Application Package.

If the applicant fails the Preliminary Screening Analysis, the applicant will have the option to proceed with (a) a preliminary result meeting, (b) a Supplementary Review, (c) a Full CESIR Study, or (d) withdrawal of the interconnection request. If the applicant fails to notify PSEG-LI of its decision within thirty (30) business days of notification of the Preliminary Analysis results, the Interconnection request will be removed from the queue.

Preliminary Analysis Fee: No fee is proposed for the Preliminary Screening Analysis.

- 2) **Supplementary Review:** The second step of the proposed CESIR study is a supplementary review within twenty (20) business days that includes an analysis of all technical screens. If the supplementary review is failed, the applicant will have the option to proceed with (a) a supplementary results meeting, (b) a Full CESIR Study, or (c) withdrawal of the application. If the analysis finds the applicant's proposed system passes all technical screens and

is in compliance with the interconnection requirements and there are no additional upgrades required to be made to the interconnection or distribution system, then PSEG Long Island will notify the applicant within fifteen (15) days that the applicant can proceed to the Full CESIR Study phase.

Supplementary Review Fee: The proposed supplementary review fee is \$2,500.

- 3) **Full CESIR Study:** PSEG Long Island shall complete the CESIR within sixty (60) business days, absent extraordinary circumstances, following authorization, receipt of the CESIR fee, and complete information. If the applicant fails to provide PSEG Long Island with authorization to proceed, the CESIR fee, and the information requested by PSEG Long Island within thirty (30) business days, the interconnection request shall be removed from the queue and no further action on the part of PSEG Long Island is required.

For systems above 2 MW up to 5 MW, additional studies may be required. A mutually agreed-upon schedule for a CESIR for these systems will not exceed an additional twenty (20) business days, or eighty (80) business days in total.

Study Fee: PSEG Long Island shall provide the applicant with an estimate of costs associated with the Full CESIR study.

- **Study Process:** For systems between 5 MW and 10 MW, the Study Process will apply. The Study Process and fees will remain the same as in the current SGIP, including the following elements: a Scoping Meeting, a Feasibility Study, a System Impact Study, and a Facility Study.
- **Final Acceptance and PSEG Long Island Cost Reconciliation** - If PSEG Long Island witnessed the verification testing, then within ten (10) business days of the completion of such testing PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system.
 - If PSEG Long Island did not witness the verification testing, then within ten (10) business days of receiving the written test notification PSEG Long Island will either issue to the applicant a formal letter of acceptance for interconnection or schedule a date and time to witness operation of the DG system.
 - Within ten (10) business days of the completion of any such witnessed testing, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the DG system.

Interconnection Portal

The proposed implementation of an online Interconnection Portal will afford the following enhancements:

- Automation and streamlining of the Smart Grid SGIP application and screening process by allowing online application submittals and ensuring timely and efficient processing of the related applications, documents, and payments as well as the completion of interconnection feasibility studies;
- Greater transparency and efficiency around the interconnection process;
- Automated technical screening for the majority of applications between 0-50 kW and automated technical screening criteria for applications >50 kW;
- Integration with other processes (that include Net Metering, Bill processing, and Equipment changes) as well as automated analysis, improved interconnection planning and enhanced customer communication;
- Compliance with Reforming the Energy Vision (“REV”) standardized application process requirements;
- Improved customer service through a streamlined application process;
- Hosting capacity to assist potential Distributed Generation developers with their project analysis;
- Customer guidance through the application process;
- Automated validation and processing, accelerating application turn-around time;
- Monitoring of the process of applications;
- Automation of interconnection processes, management and regulatory reporting; and
- Monitoring of Distributed Energy Resources (DER) penetration thresholds and feeder analysis across LIPA systems.

Financial Impacts:

The annual financial impact of the new Smart Grid SGIP is estimated to be immaterial:

- The estimated annual cost of administering the *new* Smart Grid SGIP process is approximately \$1.13 Million, or about \$155,000 more than the current process. This increase will be offset by the anticipated increase in annual application fee revenue of approximately \$170,000.
- Additionally, the financial impact to updating the existing generation capacity requirement associated with maintenance charges for interconnection equipment from 2,000 kW to 5,000 kW would result in a loss of 14 customers for a revenue reduction of approximately \$5,000.

Proposed Tariff Changes:

To update Tariff to reflect kW associated with maintenance charges for interconnection equipment and to update the changes to the SGIP attachment to the tariff and associated SGIP agreements and forms.

Affected Tariff Leaves:

258 and 266.

Summary of Proposed Changes:

In summary, the proposed changes will revise and update the existing Smart Grid Small Generator Interconnection Procedures and add an online portal for submission of interconnection application.

VIII. SERVICE CLASSIFICATIONS (continued):**O. SERVICE CLASSIFICATION NO. 11 - Buy-Back Service (continued):****(Rate Code: 289)****Rates and Charges (continued):****(1) Adjustments to Rates and Charges**

Each Customer's bill will be increased by the Increases in Rates and Charges to Recover PILOT Payments.

(2) Interconnection Charges

Interconnection Charges are for costs, not recovered elsewhere, that are more than the Authority's ordinary costs would have been to supply the Customer's electrical needs under a suitable Service Classification. The Customer shall reimburse the Authority the full cost, including overheads, of installing interconnection equipment when the equipment is originally installed. The Authority will also charge an application fee of \$350 which may be applied to the costs of interconnection.

- (a) The application fee will be returned to Customers that are participating in net metering to the extent it is not used to cover the cost of interconnection.
- (b) Customers that are not participating in net metering will not be entitled to the return of any portion of their application fee, even to the extent it is not used to cover the cost of interconnection.
- (c) The application fee will not be returned to Customers that withdraw their application or otherwise do not complete their interconnection agreement.

(3) Maintenance Charges for Interconnection Equipment

The Maintenance Charges for Interconnection Equipment will be as follows:

- (a) The Authority will maintain interconnection equipment installed on its Property. A Customer with more than 52,000 kW of generating capacity will pay an annual charge of 8.1% based on the total investment in the interconnection equipment.
- (b) If the interconnection equipment is located on the Customer's property, the Customer has the option to:
 - (1) Have the Authority furnish and maintain the interconnection equipment, and the Customer or its successor on the site will pay an annual maintenance charge of 8.1% of the total investment in the interconnection equipment, or
 - (2) Furnish, own, operate, and maintain all the interconnection equipment, provided that the interconnection equipment and maintenance are suitable for interconnection operations, and the equipment meets Authority specifications and is reasonably available for the Authority's inspection.
- (c) Interconnection equipment installed by the Customer and in accordance with the Authority's specifications shall be maintained by the Customer at the Customer's cost.

VIII. SERVICE CLASSIFICATIONS (continued):**P. SERVICE CLASSIFICATION NO. 12****Back-Up and Supplemental Service (continued):****(Rate Codes: 680, 681)**1. Maintenance Charges for Interconnection Equipment:

- a) The Authority will maintain interconnection equipment installed on its property. A Customer with more than ~~52~~,000 kW of generating capacity will pay an annual charge of 8.1% on the total investment in the interconnection equipment.
- b) If the interconnection equipment is located on the Customer's property, the Customer has the option to:
 - (1) Have the Authority furnish and maintain the interconnection equipment, and the Customer or its successor on the site will pay an annual Maintenance Charge of 8.1% on the total investment in the interconnection equipment, or
 - (2) Furnish, own, operate, and maintain all the interconnection equipment, provided that the interconnection equipment and maintenance are suitable for interconnection operations, and the equipment meets Authority specifications, and is reasonably available for the Authority's inspection.
- c) Interconnection equipment installed by the Customer and in accordance with the Authority's specifications shall be maintained by the Customer at the Customer's cost.
- d) Customer shall pay the Replacement Costs, less net salvage, when equipment covered in the Customer's Interconnection Charge needs to be replaced.
- e) If a Customer disputes the Authority's charge for interconnection costs, it may lodge a complaint following the complaint procedures in this Tariff.
- f) Additional technical information for connecting to the Authority's electrical system can be found in the Authority's Smart Grid Small Generator Interconnection Procedures.



Smart Grid Small Generator Interconnection Procedures ~~for New~~
~~For~~ Distributed ~~Resources 20 MW or~~ Generators Less than 10 MW Connected in
Parallel with LIPA's Radial Distribution Systems

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Section I. Application Process

Section I.A. Introduction

~~LIPA's~~The Smart Grid Small Generator Standardized Interconnection Procedures (“Smart Grid SGIP”) administered by PSEG Long Island, as the service provider and agent for LIPA, provides a framework for processing applications for interconnection to LIPA’s Distribution System for:

- i. Interconnection of new distributed generation facilities with a nameplate rating of ~~20 MW or less~~ less than 10 MW (aggregated on the customer side of the point of common coupling (PCC)).
- ii. Modifications to existing distributed generation facilities with a nameplate rating of ~~20 MW or less~~ less than 10 MW (aggregated on the customer side of the PCC) that have been interconnected to the LIPA Distribution System and where an existing contract between the applicant and ~~the~~ LIPA is in place.
- iii. For new distributed generation facilities ~~2-20~~ less than 10 MW, interconnection to specific voltage level of the LIPA System will be determined during the study phase of the application process.
- iv. New distributed generation facilities 10 MW and above must connect to LIPA’s transmission system and make application to the NYISO under its Small Generator Interconnection Procedures (SGIP) or Large Generator Interconnection Procedures (LGIP), as applicable.

Generation neither designed to operate, nor operating, in parallel with LIPA’s System is not subject to these requirements. Currently, LIPA does not allow interconnection of Distributed Generation in Underground secondary Network Areas of the LIPA distribution system.

The application procedures set forth in Section I are organized to facilitate efficient review of potential interconnections to LIPA’s Distribution System. These procedures also provide applicants with an understanding of the process and information required to allow

LIPAPSEG Long Island to review and accept the applicants' equipment for interconnection in a reasonable and expeditious manner.

The application procedures for 0-20 up to 10 MW distributed generator interconnections to LIPA's Distribution System are detailed in Section I and organized for three categories of generator interconnections. Section I.B addresses application procedures for systems of less than 2550 kW as well as inverter-based systems above 2550 kW up to 200300 KW that have been certified and tested in accordance with UL 1741. Section I.C addresses application procedures for systems above 2550 kW up to 25 MW. Section I.D addresses application procedures above 25 MW up to 2010 MW. All systems 0-25 MW are eligible to use web-based application procedures, which are detailed in Section I.E.

For systems sized between 0-25 MW, the time required to complete the process will reflect the complexity of the proposed project. Projects using previously submitted designs certified per the requirements of Section II.H will move through the process more quickly, and several steps may be satisfied with an initial application depending on the detail and completeness of the application and supporting documentation submitted by the applicant. Applicants submitting systems utilizing certified equipment however, are not exempt from providing LIPAPSEG Long Island with complete design packages necessary for LIPAPSEG Long Island to verify the electrical characteristics of the generator systems, the interconnecting facilities, and the impacts of the applicants' equipment on LIPA's systems' Distribution System.

The application process and the attendant services are offered on a non-discriminatory basis. LIPA PSEG Long Island will clearly identify its costs related to the applicants' interconnections, specifically those costs LIPAPSEG Long Island would not have incurred but for the applicants' interconnections. LIPA PSEG Long Island will keep a log of all applications, milestones met, and justifications for application-specific requirements. The applicants are to be responsible for payment of LIPA's all costs, as provided for herein.

All interconnections to LIPA's Distribution System are subject to the Smart Grid SGIP set forth in Section II. These requirements detail the technical interconnection requirements and LIPAPSEG Long Island interconnection policies and practices. Where specific standards or requirements are applicable to a specific type of system or to a system of a particular kW or MW value, such limitations are noted in the applicable standards.

All application timelines shall commence the next Business Day following receipt of information from the applicant.

A glossary of terms used herein is provided in Section III.

Section I.B. Application Process Steps for Systems 2550 kW or Less (Expedited/Fast Track Process)

The application procedures set forth below are primarily applicable to systems of 2550 kW or less. However, applications for inverter based systems above 2550 kW up to 200300

kW, may follow the expedited application process outlined below of the Smart Grid SGIP under the following circumstances:

- i. Where an inverter-based system above 0 kW up to ~~200~~300 kW has been certified and tested in accordance with UL 1741 and LIPAPSEG Long Island has approved the project accordingly.

LIPA Currently, LIPA does not allow interconnection of Distributed Generation in Underground secondary Network Areas of the LIPA distribution system.

PSEG Long Island has ~~fifteen~~ (15) Business Days from the original application submittal to determine and notify the applicant in writing of its findings. For any system above 25 kW that LIPAPSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete, inverter based and whether it is approved for interconnection if eligible for expedited process. PSEG Long Island shall notify the applicant in writing of its findings upon review of the application. For any system below 50 kW that PSEG Long Island determines is not eligible for the fast track or expedited application process (for example, if the system's inverter is not certified as compliant with UL1741), the applicant will proceed with the remaining steps of Section I.C (Systems above ~~25 kW up to 2 MW), 50 kW up to 5 MW). If the applicant fails to submit the additional information to PSEG Long Island within thirty (30) Business Days following the date of PSEG Long Island's written notification, the application shall be deemed withdrawn and no further action on the part of PSEG Long Island is required.~~

Currently, LIPA does not allow interconnection of Distributed Generation in Underground secondary Network Areas of the LIPA distribution system.

STEP 1: Initial Communication from the Potential Applicant

Communication could range from a general inquiry to a completed application.

STEP 2: The Inquiry is ~~Reviewed~~reviewed by LIPAPSEG Long Island to Determine the Nature of the Project

Technical staff from LIPAPSEG Long Island discusses the scope of the interconnection with the potential applicant (either by phone or in person) ~~to determine what specific information and documents (such as an application, contract, and provide a copy of the SGIP document and any LIPA specific technical requirements, specifications, listing of qualified type tested equipment/systems, applicable rate schedules, and metering requirements) will be provided to the potential applicant. The preliminary technical feasibility of the project at the proposed location may also be discussed at this time. All such information and a copy of the Smart Grid SGIP as set forth in Section II herein must be sent to the applicant within three (3) Business Days following the initial communication from the potential applicant, unless the potential applicant indicates otherwise. A LIPAspecifications that may apply. A PSEG Long Island representative will be designated to serve as the single point of contact for the applicant (unless LIPAPSEG Long Island~~

informs the applicant otherwise) in coordinating the potential applicant's project with [LIPAPSEG Long Island](#).

STEP 3: Potential Applicant Files an Application

The potential applicant submits an application package to [LIPAPSEG Long Island](#). No application fee is required for systems 2550 kW or less.

A complete application package will consist of:

~~A letter of authorization by the customer (if the applicant is an agent for the customer);~~
~~The standard single page application form completed and signed by the applicant;~~
~~A signed copy of the standardized contract set forth in Appendix A;~~
~~A Detailed Single Line Diagram for the system identifying the manufacturer and model number of the equipment(s);~~
~~A copy of the manufacturer's data sheet for the equipment(s);~~
~~A copy of the manufacturers verification test procedure(s) and~~
~~A copy of the equipment(s) certification to UL 1741 if applicable. The equipment(s) will be considered acceptable by LIPA if it meets the requirements of Section II.H. If the application is not complete, then within five (5) Business Days of receipt of the application package, LIPA will notify the applicant by email, fax, or other form of written communication, and explain the deficiencies. If the proposed system meets the Smart Grid all items detailed in Appendix F. PSEG Long Island strongly prefers electronic submission of all documents, including electronic signatures, whenever possible. Electronic signatures must meet the requirements for filing documents electronically with the Secretary of the NY Public Service Commission. PSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete, meets the SGIP technical requirements LIPA will return a signed and executed standardized contract to the applicant within ten (10) Business Days of receiving the application and the applicant may proceed with the installation. If the proposed system does not meet the Smart Grid SGIP technical requirements, then LIPA will so notify the applicant within fifteen (15) Business Days of receiving the application by email, fax, or other form of written communication and explain the technical issues or problems. in Section II, and approved for interconnection if all other requirements are met. PSEG Long Island shall notify the applicant by email, fax, or other form of written communication. If the application is deemed not complete by PSEG Long Island, PSEG Long Island shall provide an explanation of the deficiencies identified and a list of the additional information required from the applicant. Once it has received the required information, PSEG Long Island shall notify the applicant of the acceptance or rejection of the application within ten (10) Business days. If the applicant fails to submit the additional information requested by PSEG Long Island to address the~~

deficiencies, PSEG Long Island within thirty (30) Business Days following the date of PSEG Long Island's written notification, the application shall be deemed withdrawn and no further action on the part of PSEG Long Island is required.

If PSEG Long Island accepts the application, the notification of acceptance to the applicant shall include an executed LIPA Standardized Interconnection Contract and the applicant may proceed with the proposed installation. PSEG Long Island shall also indicate in its response to the applicant whether or not it plans to witness the testing and verification process in person.

An accepted application will be placed in each PSEG Long Island's interconnection inventory upon PSEG Long Island's receipt of the Standardized Contract executed by the applicant. If the final acceptance as set out in Step 6 below is not completed within twelve (12) months of receipt of such executed copy of the Standardized Interconnection Contract as a result of applicant inactivity or other failure to pursue diligently the timely completion of the interconnection, PSEG Long Island has the right to notify the applicant by U.S. first class mail with delivery receipt confirmation that the applicant's project will be removed from PSEG Long Island's interconnection inventory if the applicant does not respond within thirty (30) Business Days of the issue of such notification and provide a project status update and justification as to why the project should remain in PSEG Long Island's interconnection inventory for an additional period of time.

With respect to an applicant proposing to install a system rated 25 kW or less, that is to be net-metered, if LIPAPSEG Long Island determines that it is necessary to install a dedicated transformer(s) or other equipment to protect the safety and adequacy of electric service provided to other customers, the applicant shall be informed of its responsibility for the actual costs for installing the dedicated transformer(s) and other safety equipment. ~~The~~ LIPA's Tariff for Electric Service (the -"LIPA-Tariff") specifies the maximum responsibility each applicant shall have with respect to the actual cost of the dedicated transformer(s) and other safety equipment.

STEP 4: System Installation

The applicant will install the system according to LIPAPSEG Long Island accepted design and the equipment manufacturer's ~~requirements.~~ 's requirements. If there are substantive design variations from the originally accepted system diagram, a revised system diagram (and other drawings for non-inverter based systems) shall be submitted by the applicant for the PSEG Long Island review and acceptance. All inverter based systems will be allowed to interconnect to the LIPA system for a period not to exceed two hours, for the sole purpose of assuring proper operation of the installed equipment.

For net metered systems as defined in Section II.B.6, any modifications related to existing metering configurations to allow for net metering shall be completed by LIPAPSEG Long Island prior to Step 5. LIPAPSEG Long Island shall complete the necessary metering changes within ten (10) Business Days of receiving a request from the applicant.

STEP 5: The Applicant's Facility is ~~Tested~~tested in Accordance with the Standardized Interconnection Requirements.

Verification testing will be performed by the applicant in accordance with the written verification test procedure provided by the equipment manufacturer. The verification testing will be conducted within ten (10) Business Days of system installation at a mutually agreeable time, and LIPAPSEG Long Island shall be given the opportunity to witness the tests. If LIPAPSEG Long Island opts not to witness the test, the applicant will send LIPAPSEG Long Island within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the Smart Grid SGIP; LIPA; PSEG Long Island -- accepted design and the equipment manufacturer's instructions. The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 5. The applicant must have complied with and must continue to comply with all contractual and technical requirements.

STEP 6: Final Acceptance

Within five (5) Business Days of receiving the written ~~test~~ notification of successful test completion from Step 5, LIPAPSEG Long Island will ~~either~~ issue to the applicant a formal letter of acceptance for interconnection, ~~or will request that the applicant and LIPA set a date and time for an on-site verification and witness operation of the system. This joint on-site verification must be completed within ten (10) Business Days after being requested. If the test was not completed successfully, the project must be modified to pass the test, or the project shall be withdrawn from the PSEG Long Island queue.~~ Within five (5) Business Days of the completion of the on-site verification, LIPAPSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system.

Section I.C. Application Process Steps for Systems above 2550 KW up to 25 MW

PSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete and whether it is eligible for interconnection. PSEG Long Island shall notify the applicant in writing of its findings upon review of the application. If PSEG Long Island determines that the DG system cannot be interconnected or requires additional information be submitted and/or additional review time is needed, the applicant can work with PSEG Long Island on an appropriate timeframe and approval schedule agreeable to both parties.

Currently, LIPA does not allow interconnection of Distributed Generation in Underground secondary Network Areas of the LIPA distribution system.

Exception: Inverter Applicants with inverter-based systems above 25 kW up to 200 kW may request authorization to utilize 50 kW up to 300 kW, certified and tested in accordance with the most recent revision of UL 1741, are encouraged but not required to use the expedited application process ~~outlined under~~ (Section I. B.) of the Smart Grid SGIP and may proceed with such process if approved pursuant to Section I.B.

STEP 1: Initial Communication from the Potential Applicant.

Communication could range from a general inquiry to a completed application.

STEP 2: The Inquiry is ~~Reviewed~~reviewed by ~~LIPA~~PSEG Long Island to Determine the Nature of the Project.

~~Technical staff from LIPA discusses~~PSEG Long Island may discuss the scope of the interconnection with the potential applicant (either by phone or in person) ~~to determine what specific information and documents (such as an application, contract, and shall provide a copy of the SGIP and any PSEG Long Island specific technical requirements, specifications, listing of qualified type tested equipment/systems, application fee information, applicable rate schedules, and metering requirements) will be provided to the potential applicant. The preliminary technical feasibility of the project at the proposed location may also be discussed at this time. All such information and a copy of the standardized interconnection requirements must be sent to the applicants~~specifications that may apply within three (3) Business Days following the initial communication ~~from the potential applicant, unless the potential applicant indicates otherwise.~~ A ~~LIPA~~PSEG Long Island representative ~~will~~shall be designated to serve as the single point of contact for the applicant ~~(unless LIPA informs the applicant otherwise)~~ in coordinating the potential applicant's ~~project with LIPA.~~ 's project with PSEG Long Island. At this time the applicant may also request that a Pre-Application Report (see Appendix D herein) be provided by PSEG Long Island. The applicant shall provide a non-refundable fee of \$750 with its request for completion of the Pre-Application Report. The Pre-Application Report shall be provided to the applicant within ten (10) Business Days of receipt of the form and payment of the fee. The Pre-Application Report will be non-binding and shall only provide the electrical system data and information requested that is readily available to PSEG Long Island. Should the applicant formally apply to interconnect

their proposed DG project within fifteen (15) Business Days of receipt of PSEG Long Island's Pre-Application Report, the \$750 will be applied towards the application fee in Step 3.

STEP 3: Potential Applicant Files an Application.

The potential applicant submits an application to LIPA. The submittal must include the completed standard application form, including a copy of equipment certification to UL 1741 as applicable, a three line diagram specific to the proposed system, a letter of authorization (if applicant is agent for the customer), and payment of a non-refundable \$350 application fee. Within five (5) Business Days of receiving the application, LIPA will notify the applicant of receipt and whether the application has been completed adequately. It is in the best interest of the applicant to provide LIPA with all pertinent technical information as early as possible in the process. If the required documentation is presented in this step, it will allow LIPA to perform the required reviews and allow the process to proceed as expeditiously as possible. PSEG Long Island in the name of the customer. A complete application package will consist of all items detailed in Appendix F. Electronic submission of all documents is acceptable, inclusive of electronic signature. Electronic signatures must meet the requirements for filing documents electronically with the Secretary of the NY Public Service Commission. If a Pre-Application Report has been provided to the customer, and an application is received by PSEG Long Island within fifteen (15) Business Days of the date of issue of the Pre-Application Report, a \$750 credit will be applied towards the application fee. Otherwise, payment of a non-refundable \$750 application fee is required.

PSEG Long Island shall review the application to determine whether it is complete in accordance with Appendix F, and whether any additional information is required from the applicant. PSEG Long Island shall notify the applicant in writing within ten (10) Business Days following receipt of the application. If the application is not complete, PSEG Long Island's notification shall specify what is missing from the application and provide a list of additional information needed. PSEG Long Island shall notify the applicant by email, fax, or other form of written communication.

The applicant shall submit to PSEG Long Island all items required by Appendix F, and provide additional information identified by PSEG Long Island. If the applicant has failed to do so within thirty (30) Business Days following the date of PSEG Long Island's notification, the application shall be deemed withdrawn and no further action on the part of PSEG Long Island is required.

If the required documentation is presented in this step, PSEG Long Island may move to Step 4 and perform the required reviews and allow the process to proceed as expeditiously as possible.

An accepted application will be placed in PSEG Long Island's interconnection inventory upon PSEG Long Island's receipt of the Standardized Contract executed by the applicant. If the final acceptance as set out in Step 6 below is not completed within twelve (12) months of receipt of such executed copy of the Standardized Interconnection Contract as a result of applicant inactivity or other failure to diligently pursue final acceptance, PSEG Long Island may notify the applicant that the applicant's project will be removed from PSEG Long Island's interconnection inventory unless the applicant provides a project

status update and justification as to why the project should remain in PSEG Long Island's interconnection inventory. PSEG Long Island's notification to the applicant shall be delivered by U.S. first class mail with delivery receipt confirmation, or other method that provides a receipt for delivery.

PSEG Long Island will refund any advance payments for services or construction not yet completed should the applicant be removed from PSEG Long Island's interconnection inventory. If the costs incurred by PSEG Long Island exceed the advance payments made by the applicant prior to removal from the interconnection inventory, the applicant will receive a bill for any balance due to PSEG Long Island.

STEP 4: LIPAPSEG Long Island Conducts a Preliminary Review and Develops a Cost Estimate for the Coordinated Electric System Interconnection Review (CESIR).

LIPA conducts a preliminary review of the proposed system interconnection. Upon completion of the preliminary review, LIPA will inform the applicant as to whether the proposed interconnection is viable or not, and PSEG Long Island shall perform a Preliminary Screening Analysis of the proposed system interconnection utilizing the technical screens A through F detailed in Appendix G. The Preliminary Analysis shall be completed and a written response detailing the results of each screen and the overall outcome of the Preliminary Analysis shall be sent to the applicant within fifteen (15) Business Days of the completion of Step 3. Depending on the results of the Preliminary Analysis and the subsequent choices of the applicant, the following process or processes will apply:

a. If the Preliminary Analysis finds that the applicant's proposed system passes all of the relevant technical screens (i.e. screens A through F) and is in compliance with the Interconnection Requirements outlined in Section II, there are no requirements for Interconnection Facilities or Distribution Upgrades. As such PSEG Long Island will return an executed Standardized Interconnection Contract to the applicant and the applicant may proceed with the interconnection process.

b. If the Preliminary Analysis finds that the applicant's proposed system cannot pass all of the relevant technical screens (i.e. screens A through F), PSEG Long Island shall provide the technical reasons, data and analysis supporting the Preliminary Analysis results in writing. The applicant shall notify PSEG Long Island within ten (10) Business Days following such notification whether to (i) proceed to a Preliminary Analysis results meeting, (ii) proceed to Supplemental Review, (iii) proceed to a full CESIR, or (iv) withdraw the Interconnection Request. If the applicant fails to notify PSEG Long Island of their decision within thirty (30) Business Days of notification of the Preliminary Analysis results, the Interconnection Request shall be removed from the queue and no further action on the part of PSEG Long Island is required.

i. If the applicant chooses to proceed to a Preliminary Analysis results meeting and modifications that obviate the need for Supplemental Analysis are identified, and the applicant and PSEG Long Island agree to such modifications, PSEG Long Island shall return a signed and executed Standardized Interconnection Contract within fifteen (15)

Business Days of the Preliminary Analysis results meeting if no Interconnection Facilities or Distribution Upgrades are required. The applicant shall notify PSEG Long Island within fifteen (15) Business Days following such notification indicating the intention of the applicant to revise its application as requested and proceed with the interconnection process or withdraw its application. The applicant may request one extension of no more than fifteen (15) Business Days to respond. If the applicant fails to notify PSEG Long Island of their decision within fifteen (15) Business Days of notification of the Preliminary Analysis results, or at the end of the extension, if one was requested, the Interconnection Request shall be removed from the queue and no further action on the part of PSEG Long Island is required. If the applicant does notify PSEG Long Island of its intention to accept the proposed upgrades and proceed with interconnection, PSEG Long Island will return a signed and executed Standardized Interconnection Contract to the applicant within fifteen (15) Business Days of receiving the notification.

If the applicant chooses to proceed to a Preliminary Analysis results meeting and modifications that obviate the need for Supplemental Analysis are not identified and agreed to, the applicant shall notify PSEG Long Island within ten (10) business days of the meeting of their intention to (i) proceed to Supplemental Analysis, (ii) proceed to a full CESIR, or (iii) withdraw the Interconnection Request. If the applicant fails to notify PSEG Long Island of their decision within thirty (30) business days, the Interconnection Request shall be removed from the queue and no further action on the part of PSEG Long Island is required.

ii. Applicants that elect to proceed to Supplemental Analysis shall provide a nonrefundable fee of \$2,500 with their response. PSEG Long Island shall complete the Supplemental Analysis within twenty (20) Business Days, absent extraordinary circumstances, following authorization and receipt of the fee. If the Supplemental Analysis finds that the applicant's proposed system passes all of the relevant technical screens (i.e. screens G through I) and is in compliance with the Interconnection Requirements outlined in Section II, then there are no requirements for Interconnection Facilities or Distribution Upgrades. Thus, PSEG Long Island will return a signed and executed Standardized Interconnection Contract to the applicant within fifteen (15) Business Days of providing the applicant the results of the Supplemental Review and the applicant may proceed with the interconnection process.

c. If the Supplemental Analysis finds that the applicant's proposed system cannot pass all of the relevant technical screens (i.e. screens G through I), PSEG Long Island shall provide the technical reasons, data, and analysis supporting the Supplemental Analysis results in writing. The applicant shall notify PSEG Long Island within ten (10) Business Days following such notification whether to (i) proceed to a Supplemental Analysis results meeting, (ii) proceed to a full CESIR, or (iii) withdraw the Interconnection Request. If the applicant fails to notify PSEG Long Island of their decision within thirty (30) Business Days of notification of the Preliminary Analysis results, the Interconnection Request shall be removed from the queue and no further action on the part of PSEG Long Island is required.

i. If the applicant chooses to proceed to a Supplemental Analysis results meeting, and modifications that obviate the need for a CESIR are identified, and the applicant and

PSEG Long Island agree to such modifications, PSEG Long Island shall return a signed and executed Standardized Interconnection Contract within fifteen (15) Business Days of the Preliminary Analysis results meeting if no Interconnection Facilities or Distribution Upgrades are required. If Interconnection Facilities or Distribution Upgrades are required and agreed to, PSEG Long Island shall provide the applicant with a non-binding cost estimate of any Interconnection Facilities or Distribution Upgrades within fifteen (15) Business Days of the Supplemental Analysis results meeting. The applicant shall notify PSEG Long Island within fifteen (15) Business Days following such notification indicating the intention of the applicant to accept the upgrades and proceed with the interconnection process or withdraw its application. The applicant may request one extension of no more than fifteen (15) Business Days to respond. If the applicant fails to notify PSEG Long Island of their decision within fifteen (15) Business Days of notification of the Preliminary Analysis results, or at the end of the extension, if one was requested, the Interconnection Request shall be deemed inactive and no further action on the part of PSEG Long Island will be required until positive confirmation is received. If the applicant does notify PSEG Long Island of its intention to accept the upgrades and proceed with interconnection, PSEG Long Island will return a signed and executed Standardized Interconnection Contract to the applicant within fifteen (15) Business Days of receiving the notification.

ii. If the applicant chooses to proceed to a Supplemental Review results meeting and modifications that obviate the need for Supplemental analysis are not identified and agreed to, the applicant shall notify PSEG Long Island, within ten (10) business days of the meeting, of their intention to proceed to a full CESIR or withdraw the Interconnection Request. If the applicant fails to notify PSEG Long Island of their decision within thirty (30) business days, the Interconnection Request shall be removed from the queue and no further action on the part of PSEG Long Island is required.

iii. If the applicant and PSEG Long Island are unable to identify or agree to modifications that enable the applicant to pass either the Initial or Supplemental Analysis or if the applicant chooses at any time in the above process to proceed directly to a CESIR, PSEG Long Island shall provide the applicant with an estimate of costs associated with the completion of the CESIR. ~~The preliminary review shall be completed and a written response detailing the outcome of the preliminary review shall be sent to the applicant within fifteen (15) Business Days of the completion of Step 3. LIPA's response to applicants proposing to interconnect systems above 25 kW up to 2 MW, or proposing to interconnect to network systems will include preliminary comments on requirements for safety equipment, protective relaying, metering and telemetry. LIPA will issue the CESIR cost estimate in a letter agreement to the applicant for signature, within five (5) Business Days of the final notification to/from the applicant. The applicant shall notify PSEG Long Island within ten (10) business days of receiving this cost estimate of their intention to proceed to a full CESIR and move on to Step 5 or to withdraw their application.~~

An accepted application will be placed in PSEG Long Island's interconnection inventory upon PSEG Long Island's receipt of the Standardized Interconnection Contract executed by the

applicant. If the final acceptance as set out in Step 11 below is not completed within twelve (12) months of receipt of such executed copy of the Standardized Interconnection Contract as a result of applicant inactivity, PSEG Long Island has the right to notify the applicant by U.S. first class mail with delivery receipt confirmation that the applicant's project will be removed from PSEG Long Island's interconnection inventory if the applicant does not respond within thirty (30) Business Days of the issue of such notification and provide a project status update and justification as to why the project should remain in PSEG Long Island's interconnection inventory for an additional period of time.

STEP 5: Applicant Commits to the Completion of the CESIR

The applicant will indicate his commitment to the CESIR cost estimate by ~~executing the letter confirming~~ agreement within ten (10) business days of receipt. If the customer declines the agreement, the application will be closed. Prior to commencement of the CESIR, the applicant shall provide the following information to LIPAPSEG Long Island:

- i. A complete detailed interconnection design package
- ii. The name and phone number of the individual(s) responsible for addressing technical and contractual questions regarding the proposed system, and ~~if~~
- iii. If applicable, advanced payment of the costs associated with the completion of the CESIR

The complete detailed interconnection design package shall include:

- (1) Electrical schematic drawings reflecting the complete proposed system design which are easily interpreted and of a quality necessary for a full interconnection. The drawings shall show all electrical components proposed for the installation, and their connections to the existing on-site electrical system from that point to the PCC; and shall be clearly marked to distinguish between new and existing equipment. For those systems proposed to be interconnected at a system voltage of 1000 volts or greater, the drawings shall be sealed by a NYS licensed Professional Engineer.

A complete listing of all interconnection devices proposed for use at the PCC. A set of specifications for this equipment shall be provided by the applicant upon request from LIPAPSEG Long Island.

- (2) The written verification test procedure provided by the equipment manufacturer, if such procedure is required by this document. For non-inverter based systems, testing equipment must be capable of measuring that protection settings operate within the appropriate times and thresholds set forth in Section II.
- (3) Three (3) copies of the following information:

- a. Proposed three line diagram of the generation system showing the interconnection of major electrical components within the system. Proposed equipment ratings clearly needs to indicate:
 - i. Number, individual ratings, and type of units comprising the above rating;
 - ii. General high voltage bus configuration and relay functions; and
 - iii. Proposed generator step-up transformer MVA ratings, impedances, tap settings and winding voltage ratings.
- b. Electrical studies as requested by LIPAPSEG Long Island to demonstrate that the design is within acceptable limits, inclusive and limited to the following: system fault, relay coordination, flicker,

voltage drop, and harmonics. This shall include all relay, communication, and controller set points.

If PSEG Long Island determines that the detailed interconnection design package provided by the applicant is incomplete or otherwise deficient, PSEG Long Island shall notify the applicant within ten (10) Business Days and provide an explanation of the deficiencies identified and a list of what is required by the applicant. Unless otherwise notified by PSEG Long Island, the CESIR review period begins upon confirmed receipt and acceptance of the applicants interconnection design package and associated fees.

STEP 6: LIPAPSEG Long Island Completes the CESIR

The CESIR will consist of two parts:

- (1) A review of the impacts to the LIPA System associated with the interconnection of the proposed system, and
- (2) A review of the proposed system's compliance with the applicable criteria set forth below.

A CESIR will be performed by LIPAPSEG Long Island to determine if the proposed generation on the circuit results in any relayprotective coordination, fault current, ~~and/or voltage regulation problems.~~ A full CESIR may not be needed if the aggregate generation is less than: 50 kW on a single phase branch of a radial distribution circuit; or 150 kW on a single distribution feeder thermal, voltage, power quality, or equipment stress concerns.

The CESIR shall be completed within sixty (60) Business Days of receipt of the information set forth in Step 5. For systems utilizing type-tested equipment, the time required to complete the CESIR may be reduced. PSEG Long Island shall complete the CESIR within sixty (60) Business Days, absent extraordinary circumstances, following authorization, receipt of the CESIR fee, and complete information set forth in Step 5. If the applicant fails to provide PSEG Long Island authorization to proceed, CESIR fee and information requested within thirty (30) Business Days, the interconnection request shall be removed from the queue and no further action on the part of PSEG Long Island is required.

For systems above 50 kW up to 5 MW, additional studies may often be required. A mutually agreed-upon schedule for a CESIR for these systems will not exceed an additional twenty (20) Business Days, or eighty (80) Business Days in total. Systems above 50 kW up to 300 kW are eligible for the Fast Track process.

Upon completion of the CESIR, LIPAPSEG Long Island will provide the following, in writing, to the applicant:

- (1) LIPA system impacts, if any;
- (2) notification of whether the proposed system meets the applicable criteria considered in the CESIR process;

- (3) if applicable, a description of where the proposed system is not in compliance with these requirements;
- (4) Subject to subsections (a) through (d) below, a good faith, detailed estimate of the total cost of completion of the interconnection of the proposed system and/or a statement of cost responsibility for a dedicated transformer(s) or other required interconnection equipment which is valid for sixty (60) Business Days. This estimate must meet the following requirements:
- (a) with respect to an applicant that is not to be net-metered, an estimate shall be provided and shall include the costs associated with any required modifications to the LIPA System, administration, metering, and on-site verification testing;
 - (b) with respect to an applicant that is to be net-metered ~~and that is either a Farm Wind or Non-Residential Wind applicant intending to install wind electric generating equipment with a rated capacity of more than 25 kW, an estimate shall be provided and (i) shall include,~~ the costs associated with any required modifications to the LIPA System, administration, metering, and on-site verification testing, ~~and such applicant shall be informed that it is responsible for one-half of such costs, and (ii) shall include the applicant's responsibility for the actual cost of installing any dedicated transformer(s) and other safety equipment up to the maximum set forth in subsection (d) below;~~
 - ~~with respect to an applicant that is to be net-metered (but not a Farm Wind or Non-Residential Wind applicant covered in subsection (b) above) such applicant shall have no responsibility for the interconnection costs described in subsection (b)(i) above, and a statement shall be provided showing the applicant's responsibility for the actual cost of installing any dedicated transformer(s) and other safety equipment up to the maximum set forth in subsection (d) below and;~~
 - (c) the applicant shall be informed that it is responsible for one-half of such costs; and
 - (d) ~~with respect to an applicant that is to be net-metered, if LIPA determines that it is necessary to install a dedicated transformer(s) or other equipment to protect the safety and adequacy of electric service provided to other customers, the applicant shall be informed of its responsibility for the actual costs for installing the dedicated transformer(s) and other safety equipment. The LIPA Tariff specifies the maximum~~LIPA's Tariff for Electric Service section I(C) sets forth the responsibility each ~~designated~~ applicant shall have with respect to the actual cost of the dedicated transformer(s) and other safety equipment.

PSEG Long Island cost estimates provided in the CESIR shall be detailed and broken down by specific equipment requirements, material needs, labor, overhead, and any other categories or efforts incorporated in the estimate. Contingencies associated with the cost estimates shall not exceed +/- 25%.

STEP 7: Applicant Commits to LIPAPSEG Long Island Construction of LIPA's System Modifications.

The applicant and LIPAPSEG Long Island will execute a standardized contract for interconnection as set forth in Appendix A and the applicant will provide LIPAPSEG Long Island with an advance payment ~~for LIPA~~ of 30% of PSEG Long Island's estimated costs as identified in Step 6 (~~estimated costs will be reconciled with actual costs in Step 11~~) within sixty (60) Business Days.

PSEG Long Island is not required to procure any equipment or materials associated with the project or begin construction until 30% deposit payment has been received. Progress payments will be required during construction and any excess will be reconciled and invoiced to the Applicant after COD. Invoice payments are due within thirty (30) Business Days of receipt.

STEP 8: Project Construction.

The applicant will build the facility in accordance with LIPAPSEG Long Island -accepted design. LIPAPSEG Long Island will commence construction/installation of system modifications and metering requirements as identified through the CESIR in Step 6. LIPA system modifications will vary in construction time depending on the extent of work and equipment required. The schedule for this work is to be discussed and agreed upon with the applicant in Step 6.

STEP 9: The Applicant's Facility is ~~Tested~~tested in Accordance ~~With~~with the Standardized Interconnection Requirements.

The verification testing will be performed in accordance with the written test procedures provided in Step 5 and any site-specific requirements identified by LIPAPSEG Long Island in Step 6. The final testing will be conducted within ten (10) Business Days of complete installation at a mutually agreeable time, and LIPAPSEG Long Island shall be given the opportunity to witness the tests. If LIPAPSEG Long Island opts not to witness the test, the applicant will send LIPAPSEG Long Island within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the Smart Grid SGIP, LIPAPSEG Long Island -accepted design, and the equipment manufacturer's instructions.

STEP 10: Interconnection.

The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 9. In addition, the applicant must have complied with and must continue to comply with the contractual and technical requirements.

STEP 11: Final Acceptance and LIPAPSEG Long Island Cost Reconciliation.

If LIPAPSEG Long Island witnessed the verification testing, then, within ten (10) Business Days of the ~~test,~~ LIPAcompletion of such testing, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system. If LIPAPSEG Long Island did not witness the

verification testing, then, within ten (10) Business Days of receiving the written test notification from Step 9, ~~LIPA~~PSEG Long Island will either issue to the applicant a formal letter of acceptance for interconnection, or will request that the applicant and ~~LIPA~~PSEG Long Island set a date and time ~~for an on-site verification and to~~ witness operation of the DG system. This ~~joint on-site witnessed~~ verification testing must be completed within twenty (20) Business Days after being requested. Within ten (10) Business Days of the completion of ~~the on-site verification,~~ LIPAany such witnessed testing, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the DG system.

At this time, ~~LIPA will also reconcile~~PSEG Long Island shall prepare and submit to the applicant a final reconciliation invoice of its actual costs ~~related to the applicant's project against the application fee~~ and advance payments made by the applicant. The invoice shall be submitted within thirty (30) days of the later of the completion of the accepted installation or the submission of final "as built" by the applicant. The applicant will receive either a bill for any balance due or a reimbursement for overpayment as determined by ~~LIPA's reconciliation, except that a net metering applicant may not be charged in excess of the cost of installing the dedicated transformer(s) or other safety equipment described above in Step 6.~~ PSEG Long Island's reconciliation. The applicant may contest the reconciliation with PSEG Long Island. If PSEG Long Island's final reconciliation invoice states a balance due from the applicant, unless it is challenged by a formal complaint interposed by the applicant, it shall be paid to PSEG Long Island within thirty (30) business days or PSEG Long Island reserves the right to lock the generating system offline. If PSEG Long Island's final reconciliation invoice states a reimbursement for overpayment to be paid by PSEG Long Island, unless the reimbursement amount is challenged by a formal complaint interposed by the applicant, it shall be paid to the applicant within thirty (30) business days.

Section I.D. Application Process (Study Process) Steps for Systems above 25 MW up to 20 and less than 10 MW

Applicability:

The Study Process shall be used by an Interconnection Customer proposing to interconnect or modify its Small Generator with LIPA's Distribution System, if the Small Generator, upon interconnection or after modification, is above ~~2 MW and up to and including 20 MW.~~ 5 MW and less than 10 MW. New distributed generation facilities 10 MW and above must connect to LIPA's transmission system and comply with the NYISO Small Generator Interconnection Procedures (SGIP) or Large Generator Interconnection Procedures (LGIP), as applicable. This would include the following requirements:

- a. An Interconnection Customer who requests an interconnection to the LIPA Transmission System or Distribution System must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the NYISO. The NYISO will send a copy to the Connecting Transmission Owner.

- b. NYISO will determine whether they will direct the study process or allow the Connecting Transmission Owner to conduct the process.
 - c. If NYISO allows the Connecting Transmission Owner to conduct the process the following requirements shall apply.
- ii. The Interconnection Studies conducted under these procedures shall consist of analyses designed to identify the Interconnection Facilities and Upgrades required for the reliable interconnection of the Small Generator to the LIPA Distribution System. These Interconnection Studies will be performed in accordance with Applicable Reliability Standards.
- iii. The study process shall determine the appropriate voltage level for the interconnection of the new distributed generation facilities.

STEP 1: Initial Communication from the Potential Applicant.

Communication could range from a general inquiry to a completed application.

STEP 2: The Inquiry is Reviewedreviewed by LIPAPSEG Long Island to Determine the Nature of the Project.

Technical staff from LIPAPSEG Long Island discusses the scope of the interconnection with the potential applicant (either by phone or in person) to determine what specific information and documents (such as an application, contract, technical requirements, specifications, listing of qualified type- tested equipment/systems, application fee information, applicable rate schedules, and metering requirements) will be provided to the potential applicant. The preliminary technical feasibility of the project at the proposed location may also be discussed at this time. All such information and a copy of the standardized interconnection requirements must be sent to the applicant within three (3) Business Days following the initial communication from the potential applicant, unless the potential applicant indicates otherwise. A LIPAPSEG Long Island representative will be designated to serve as the single point of contact for the applicant (unless LIPAPSEG Long Island informs the applicant otherwise) in coordinating the potential applicant's project with LIPAPSEG Long Island.

STEP 3: Potential Applicant Files an Application.

The potential applicant submits an application to LIPAPSEG Long Island. The submittal must include the completed standard Interconnection Request application form, including a copy of equipment certification to UL 1741 as applicable, a three line diagram specific to the proposed system, a letter of authorization (if applicant is agent for the customer), and payment of a non-refundable \$350 application fee. Within five (5) Business Days of receiving the application, LIPAPSEG Long Island will notify the applicant of receipt and whether the application has been completed adequately. It is in the best interest of the applicant to provide LIPAPSEG Long Island with all pertinent technical information as early as possible in the process. If the required documentation is presented in this step, it will allow LIPAPSEG Long Island to perform the required reviews and allow the process to proceed as expeditiously as possible.

STEP 4: Scoping Meeting

- 4.1 A scoping meeting will be held within ten (10) Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. LIPA PSEG Long Island and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.
- 4.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether LIPAPSEG Long Island should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, LIPAPSEG Long Island shall provide the Interconnection Customer, as soon as possible, but not later than five (5) Business Days after the scoping meeting, a feasibility study agreement (Appendix F1) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.
- 4.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within fifteen (15) Business Days. If the Parties agree not to perform a feasibility study, LIPAPSEG Long Island shall provide the Interconnection Customer, no later than five (5) Business Days after the scoping meeting, a system impact study agreement (Appendix G1) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

STEP 5: Feasibility Study

- 5.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generator.
- 5.2 A deposit of the lesser of fifty (50%) percent of the good faith estimated feasibility study costs or earnest money of \$10,000 is required from the Interconnection Customer.
- 5.3 The scope of and cost responsibilities for the feasibility study are described in Appendix F.
- 5.4 If the feasibility study shows no potential for adverse system impacts, LIPAPSEG Long Island shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, LIPAPSEG Long Island shall send the

Interconnection Customer an executable interconnection agreement within five (5) Business Days.

5.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

STEP 6: System Impact Study

6.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generator were interconnected

~~-13-~~ without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

6.2 If no transmission system impact study is required, but potential electric power distribution system adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. LIPA PSEG Long Island shall send the Interconnection Customer a distribution system impact study agreement within fifteen (15) Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.

6.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five (5) Business Days following transmittal of the study report, LIPAPSEG Long Island shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.

6.4 If a transmission system impact study is not required, but electric power distribution system adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, LIPAPSEG Long Island shall send the Interconnection Customer a distribution system impact study agreement.

6.5 If the feasibility study shows no potential for transmission system or distribution system adverse system impacts, LIPAPSEG Long Island shall send the Interconnection Customer either a facilities study agreement (Appendix H1), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

6.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within thirty (30) Business Days.

6.7 A deposit of the good faith estimated costs for each system impact study will be required from the Interconnection Customer.

6.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.

STEP 7: Facilities Study

7.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five (5) Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.

7.2 In order to remain under consideration for interconnection, or, as appropriate, in ~~LIPAPSEG Long Island~~'s interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within thirty (30) Business Days.

7.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

~~LIPA~~7.3.1 ~~PSEG Long Island~~ shall determine whether the interconnection impacts the New York Transmission System and requires System Upgrade Facilities.

7.3.2 The Interconnection Customer shall be responsible for the cost of any System Upgrade Facilities only if ~~LIPAPSEG Long Island~~, based on an Interconnection Study, determines (i) that System Upgrade Facilities are necessary to accommodate the Interconnection Request, and (ii) that the electrical contribution of the project to the need for those System Upgrade Facilities is greater than the *de minimis* impacts defined in Section IV.G.6.f of Attachment S to the NYISO OATT. Such Interconnection Study shall be of sufficient detail and scope to assure that these determinations can be made. If both determinations are made, then the Small Generator shall be evaluated as a member of the next

NYISO Class Year, and the Interconnection Customer's cost responsibility shall be determined in accordance with the NYISO's Attachment S procedures.

If the Interconnection Customer elects Capacity Resource Interconnection Service, and its Small Generator is larger than 2 MW, it will be evaluated, by the NYISO, as a member of the next Class Year to determine the Interconnection Customer's responsibility for System Deliverability Upgrades in accordance with Attachment S to the NYISO OATT.

7.3.3 If the determination is made that an Interconnection Customer's project must be included in the NYISO Class Year, that interconnection customer shall be entitled to expedite its interconnection process in accordance with sections 3.5.3.3 and 3.5.3.4 of the NYISO Small Generator Interconnection Procedures.

7.3.4 If LIPAPSEG Long Island determines that the interconnection impacts the New York Transmission System, LIPAPSEG Long Island shall notify the NYISO within five (5) Business Days of such determination.

7.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. LIPAPSEG Long Island may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and LIPAPSEG Long Island may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by LIPAPSEG Long Island, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, LIPAPSEG Long Island shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

7.5 A deposit of the good faith estimated costs for the facilities study will be required from the Interconnection Customer.

7.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.

7.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and

Upgrades identified in the facilities study, LIPAPSEG Long Island shall provide the Interconnection Customer an executable interconnection agreement within five (5) Business Days.

STEP 8: Applicant Commits to LIPAPSEG Long Island Construction of LIPA's System Modifications.

The applicant and LIPAPSEG Long Island will execute an interconnection agreement as set forth in Appendix JM and the applicant will provide LIPAPSEG Long Island with an advance payment for LIPA's PSEG Long Island's estimated costs as identified in Step 6 (estimated costs will be reconciled with actual costs in Step 11).

STEP 9: Project Construction.

The applicant will build the facility in accordance with LIPAPSEG Long Island -accepted design. LIPAPSEG Long Island will commence construction/installation of system modifications and metering requirements as identified in Step 6. LIPA system modifications will vary in construction time depending on the extent of work and equipment required. The schedule for this work is to be discussed and agreed upon with the applicant in Step 6.

STEP 10: The Applicant's Facility is ~~Tested~~tested in Accordance ~~With~~with the Standardized Interconnection Requirements.

The verification testing will be performed in accordance with the written test procedure provided in Step 5 and any site-specific requirements identified by LIPAPSEG Long Island in Step 6. The final testing will be conducted within ten (10) Business Days of complete installation at a mutually agreeable time, and LIPAPSEG Long Island shall be given the opportunity to witness the tests. If LIPAPSEG Long Island opts not to witness the test, the applicant will send LIPAPSEG Long Island within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the Smart Grid SGIP, LIPAPSEG Long Island -accepted design, and the equipment manufacturer's instructions.

STEP 11: Interconnection.

The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 10. In addition, the applicant must have complied with and must continue to comply with the contractual and technical requirements.

STEP 12: Final Acceptance and LIPAPSEG Long Island Cost Reconciliation.

If LIPAPSEG Long Island witnessed the verification testing, then, within ten (10) Business Days of the test, LIPAPSEG Long Island will issue to the applicant either a formal letter of

acceptance for interconnection or a detailed explanation of the deficiencies in the system. If LIPAPSEG Long Island did not witness the verification testing, then, within ten (10) Business Days of receiving the written test notification from Step 9, LIPAPSEG Long Island will either issue to the applicant a formal letter of acceptance for interconnection, or will request that the applicant and LIPAPSEG Long Island set a date and time for an on-site verification and witness operation of the system. This joint on-site verification must be completed within twenty (20) Business Days after being requested. Within ten (10) Business Days of the completion of the on-site verification, LIPAPSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system. At this time, LIPAPSEG Long Island will also reconcile its actual costs related to the applicant's project against the application fee and advance payments made by the applicant. The applicant will receive either a bill for any balance due or a reimbursement for overpayment as determined by LIPAPSEG Long Island's reconciliation, except that a net metering applicant may not be charged in excess of the cost of installing the dedicated transformer(s) or other safety equipment as specified in the LIPA Tariff.

Section I.E. Web-Based Standard Interconnection Application and Information

LIPAPSEG Long Island shall implement and maintain a web-based system to provide customers and contractors current information regarding the status of their Smart Grid SGIP application process. The system shall be customer specific and post the current status of the Smart Grid SGIP process. At a minimum the following content shall be provided:

- (1) The applicant's name and project/application identification number.
Description of the project, including at a minimum, the project's type (energy source), size, metering, and location.
- (2) Smart Grid SGIP project application status, including all the steps completed and to be completed, along with corresponding completion/deadline dates associated with each step.
 - a. If the next action is to be taken by LIPAPSEG Long Island, the expected date that action will be completed.
 - b. If the next action is to be taken by the applicant, what exactly is required and a contact for more information,
- (3) Information regarding any outstanding information request made by LIPAPSEG Long Island of the applicant, and
- (4) The status of all amounts paid and/or due to LIPAPSEG Long Island by the applicant.

Access shall be available for the customer and their contractor, such that both can access the information. The web site must be, however, secure and private from unauthorized access.

LIPAPSEG Long Island web site shall also provide the ability for applicants with systems ~~of 25 kW and less than 2 MW~~ to submit their application for interconnection via the web. The web based application process will be consistent with Appendix B of this Smart Grid Small Generator Interconnection Procedures for ~~New~~ Distributed Resources ~~20 less than 10 MW or Less~~ Connected in Parallel with LIPA Distribution Systems ("Smart Grid SGIP") and include the ability to attach associated documentation or drawings associated with each project. Electronic signatures will be accepted by PSEG Long Island on associated documentation for this process.

Section II. Interconnection Requirements

Section II.A. Provisions that Apply to All Interconnection Requests

All interconnection requests made pursuant to these Procedures shall be subject to the following terms:

- 1. Compliance with Deadlines.** LIPAPSEG Long Island shall make reasonable efforts to meet all time frames provided in these procedures unless LIPAPSEG Long Island and the Interconnection Customer agree to a different schedule. If LIPAPSEG Long Island cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.
- 2. Meter Installation.** Any metering necessitated by the use of the Small Generator shall be installed at the Interconnection Customer's expense in accordance with LIPAPSEG Long Island's specifications.
- 3. Queue Position.** LIPAPSEG Long Island shall maintain a single queue for requests to interconnect to LIPA's Distribution System by a Small Generator. LIPAPSEG Long Island shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. At LIPAPSEG Long Island's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.
- 4. Withdrawal of Application.** The applicant may withdraw its application at any time by written notice of such withdrawal to LIPAPSEG Long Island. Such withdrawal will not relieve the applicant from any costs incurred by LIPAPSEG Long Island to process the application up to the time of withdrawal.
- 5. Effect of Modification to Machine Data or Equipment Configuration.** Any modification to machine data or equipment configuration or to the interconnection site of the Small Generator not agreed to in writing by LIPAPSEG Long Island and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.
- 6. Infrastructure Security.** Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. LIPAPSEG Long Island complies with the recommendations offered by the ~~United~~ President's Critical Infrastructure Protection Board (established by Executive Order 13231 of October 16, 2001) and best practice recommendations from the electric reliability authority. All small generators interconnecting to LIPA's distribution

facilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational and security practices.

7. NYISO Matters.

- a. LIPAPSEG Long Island shall notify the NYISO of all interconnection requests over 2 MW that are determined to have an impact on the New York Transmission System and require System Upgrade Facilities as determined pursuant to Section II of these procedures.
- b. A new Small Generator whose output may be sold into the wholesale energy, capacity and ancillary services markets operated by the New York Independent System Operator must make an election as to whether it will interconnect on a minimum interconnection basis pursuant to Energy Resource Interconnection Service or whether it will elect Capacity Resource Interconnection Service and satisfy the NYISO Deliverability Interconnection Standard.
- c. LIPAPSEG Long Island shall notify the NYISO of all interconnection requests electing Capacity Resource Interconnection Service and coordinate with the NYISO regarding necessary studies, procedures and standards applicable to such request.

8. Site Control. Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

- a. Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generator;
- b. An option to purchase or acquire a leasehold site for such purpose; or
 - a. Exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.
- ~~c. An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.~~

9. Disputes. For the period between the submission of any application for interconnection and the execution of a contract for interconnection between the Interconnection Customer and LIPAPSEG Long Island, the following dispute procedures shall apply for disputes involving administration and review of such request for interconnection with LIPA's Distribution System pursuant to Sections I and II.

The Parties agree to use their commercially reasonable efforts to settle promptly any disputes or claims arising out of or relating to this Agreement Smart Grid SGIP through negotiation conducted in good faith between executives having authority to

reach such a settlement. Either Party may by written notice to the other Party, refer any such dispute or claim for advice or resolution to mediation by a suitable mediator. The mediator shall be chosen by the mutual agreement of the Parties. If the Parties are unable to agree on a mediator each Party shall designate a qualified mediator who, together with the mediator designated by the other, shall choose a single mediator for the particular dispute or claim. If the mediator chosen is unable, within thirty (30) days of such referral to reach a determination, then either party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.

- b. Unless otherwise agreed to in writing or prohibited by applicable law, the Parties shall continue to provide service, honor all commitments under these procedures, and continue to make payments in accordance with these procedures during the course of any dispute resolution under this Article and during the pendency of any action at law or in equity relating hereto.
- c. Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

Upon execution of a contract for interconnection between the Interconnection Customer and LIPAPSEG Long Island as set forth in Appendices A and J (as applicable), the dispute resolution terms of such contract shall govern all disputes between the parties to the interconnection contract.

9. Confidentiality

- a. Claim of Confidentiality
 - i. In connection with the application procedures and interconnection review requirements under Sections I and II, the Parties may exchange information that is deemed to be confidential whether such information is provided in written, oral, electronic or other format (“Confidential Information”). The Party disclosing such Confidential Information is referred to herein as the “Disclosing Party” and the Party receiving such Confidential Information is referred to herein as the “Receiving Party.” The Disclosing Party shall mark all written Confidential Information as “Confidential,” “Proprietary” or the like and in the case of Confidential Information that is communicated orally, the Disclosing Party shall within thirty (30) days follow up such communication with a writing addressed to the Receiving Party generally describing such information and identifying it as Confidential Information. The Parties acknowledge that all information disclosed by the Interconnection Customer in connection with costs, pricing or operation of the Small Generator shall be treated as Confidential Information whether or not such information is marked or identified as Confidential Information. LIPAPSEG Long Island shall not disclose such Confidential Information without Interconnection Customer’s written consent, which may be

withheld in Interconnection Customer's sole discretion, unless LIPAPSEG Long Island is otherwise required by law to make such disclosure.

- ii. The Receiving Party shall protect the Confidential Information from disclosure to third parties consistent with the provisions of this Section II.A.10 and subject to applicable law, provided however, a Receiving Party may disclose Confidential Information to its Affiliates, Lenders, employees, agents or representatives of such Receiving Party, where such Affiliate, Lender, employee, agent or representative expressly agrees to be bound by the terms of this Section II.A.10 and provided further that the Receiving Party shall be liable for any breach by its Affiliates, Lenders, employees, agents or representatives.
 - iii. It is further understood and agreed that money damages would not be sufficient remedy for any breach of this Section II.A.10, and that if a Party breaches this Section II.A.10, the Party disclosing Confidential Information to such breaching Party shall be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach. The breaching Party agrees to waive any requirement for the posting of a bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Section II.A.10 but shall be in addition to all other remedies available at law or equity. In the event of any legal action based upon or arising out of this Section II.A.10, the prevailing Party in such action shall be entitled to recover reasonable attorney's fees and costs from the other Party.
- b. Compliance with Law. If either Party is required by law to disclose Confidential Information of the other Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise), the Party required to make such disclosure will (i) notify the other Party and provide the other Party the opportunity to review the Confidential Information, and (ii) provide the other Party the opportunity to seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained or is not pursued within a reasonable period of time, the Party required to make disclosure or such Party's representatives will furnish only that portion of the Confidential Information that it is legally required to disclose and the Party required to make disclosure will request that confidential treatment be accorded the Confidential Information by relevant third parties.

Compliance with the Freedom of Information Law. If LIPAPSEG Long Island is requested by a third party to disclose Confidential Information pursuant to the Freedom of Information Law ("FOIL"), LIPAPSEG Long Island will (i) notify Generator of the request and provide Generator the opportunity to review the Confidential Information; (ii) provide Generator the opportunity to provide information regarding the need for confidential treatment; (iii) evaluate the third party's request for disclosure and Generator's request for confidential treatment;

and (iv) determine if the Confidential Information is subject to disclosure under FOIL. If LIPAPSEG Long Island determines that the Confidential Information is subject to disclosure, it will provide prompt written notice of such determination to Generator so that Generator may seek a protective order or other appropriate remedy. If Generator does not obtain a protective order or no formal proceeding has been initiated by Generator within a reasonable period of time after LIPAPSEG Long Island provides notice to Generator of its intent to make public the Confidential Information, then LIPAPSEG Long Island may disclose such information with no liability or further obligation to Generator.

- c. Treatment of Otherwise Publicly Available Documents. Notwithstanding anything to the contrary in this Article, neither Party shall be required to hold confidential any information that (i) becomes publicly available other than through disclosure by the Receiving Party; (ii) is independently developed by the Receiving Party; or (iii) becomes available to the Receiving Party without restriction from a third party, provided that such third party is not bound by a confidentiality agreement with the Disclosing Party or its representatives. Should any person or entity seek to legally compel a Receiving Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise) to disclose any Confidential Information, the Receiving Party will provide the Disclosing Party prompt written notice so that the Disclosing Party may seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained, the Receiving Party or the Receiving Party's representative will furnish only that portion of the Confidential Information that it is legally required to disclose and the Receiving Party will request that confidential treatment be accorded the Confidential Information by relevant third parties.
- d. Term of Confidentiality. The obligations set forth in this Article shall survive expiration or termination of this Agreement.

10. Application of Industry Electrical Standards. Where the interconnection requirements set forth in Sections I and II refer to an industry electrical standard, including standards adopted or promulgated by Underwriters Laboratories (UL), the Institute of Electrical and Electronics Engineers (IEEE) and American National Standards Institute (ANSI) the applicable standard will be the version of that designated standard that is in effect on the date upon which the Interconnection Customer submits, and LIPAPSEG Long Island receives, a completed application for interconnection with LIPA' PSEG Long Island's Distribution System.

11. Standard Contract Terms. Standard contract terms have been established for the contract for interconnection of a Small Generator between 0 kW and 25 MW set forth in Appendix A and the interconnection agreement for a Small Generators sized ~~between 2 more than 5~~ MW and ~~20 less 10~~ MW set forth in Appendix ~~JM~~. The contract for interconnection is a standard form that will be executed by LIPAPSEG Long Island and the Interconnection

Customer in the form set forth in Appendix A and only supplemented as noted within such form with information specific to the Small Generator and Interconnection Customer.

With respect to the execution of an interconnection agreement for a Small Generator ~~between 2 more than 5 MW~~ and ~~20 less than 10~~ MW as set forth in Appendix ~~JM~~, any technical standards and requirements set forth in such agreement shall not be modified to be inconsistent with requirements of Sections I and II herein. With respect to all other terms of the interconnection agreement, modifications of such non-technical terms shall be limited to those necessary to reflect any specific circumstances of the proposed Small Generator (such as the status of the Interconnection Customer as a governmental entity). ~~LIPA PSEG Long Island~~ reserves all rights and is under no obligation to accept requests for modification of the standard contract terms set forth in Appendix ~~JA or M~~.

Section II.B. Design Requirements

1. Common

The generator-owner shall provide appropriate protection and control equipment, including a protective device that utilizes an automatic disconnect device that will disconnect the generation in the event that the portion of the LIPA System that serves the generator is de-energized for any reason or for a fault in the generator-owner's system. The generator-owner's protection and control equipment shall be capable of automatically disconnecting the generation upon detection of an islanding condition and upon detection of a LIPA system fault.

The type and size of the generation facility is based on electrical generator nameplate data (AC output).

The generator-owner's protection and control scheme shall be designed to ensure that the generation remains in operation when the frequency and voltage of the LIPA System is within the limits specified by the required operating ranges. Upon request from ~~LIPAPSEG Long Island~~, the generator-owner shall provide documentation detailing compliance with the requirements set forth in this document.

The specific design of the protection, control and grounding schemes will depend on the size and characteristics of the generator-owner's generation, as well the generator-owner's load level, in addition to the characteristics of the particular portion of LIPA's system where the generator-owner is interconnecting.

The generator-owner shall have, as a minimum, an automatic disconnect device(s) sized to meet all applicable local, state, and federal codes and operated by over and under voltage and over and under frequency protection. For three-phase installations, the over and under voltage function should be included for each phase and the over and under frequency protection on at least one phase. All phases of a generator or inverter interface shall disconnect for voltage or frequency trip conditions sensed by the protective devices. Voltage protection shall be wired phase to ground for single phase installations and for applications using wye grounded-wye grounded service transformers.

The settings below are listed for single-phase and three-phase applications using wye grounded-wye grounded service transformers or wye grounded-wye grounded isolation transformers. For applications using other transformer connections, a site-specific review will be conducted by [LIPAPSEG Long Island](#) and the revised settings identified in Step 6 of the Application Process.

The requirements set forth in this document are intended to be consistent with those contained in IEEE [StdSTD](#) 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems. The requirements in IEEE [StdSTD](#) 1547 above and beyond those contained in this document shall be followed.

Voltage Response

The required operating range for the generators shall be from +/- 5% of nominal voltage magnitude. For excursions outside these limits the protective device shall automatically initiate a disconnect sequence from the LIPA System as detailed in the most current version of IEEE [StdSTD](#) 1547. Clearing time is defined as the time the range is initially exceeded until the generator owner's equipment ceases to energize the PCC and includes detection and intentional time delay. [Other static or dynamic voltage functionalities shall be permitted as agreed upon by PSEG Long Island and the generator-owner.](#)

Frequency Response

The required operating range for the generators shall be from 59.3 Hz to 60.5 Hz. For generators greater than 30 kW [LIPAPSEG Long Island](#) may request that the generator operate at frequency ranges below 59.3 Hz as defined in IEEE [StdSTD](#) 1547. For excursions outside these limits the protective device shall automatically initiate a disconnect sequence from the LIPA System as detailed in the most current version of IEEE [StdSTD](#) 1547. Clearing time is defined as the time the range is initially exceeded until the generator-owner's equipment ceases to energize the PCC and includes detection and intentional time delay. [Other static or dynamic frequency functionalities shall be permitted as agreed upon by PSEG Long Island and the generator-owner.](#)

Reconnection to LIPA's Distribution System

If the generation facility is disconnected as a result of the operation of a protective device, the generator-owner's equipment shall remain disconnected until [the LIPA's system's](#) service voltage and frequency have recovered to acceptable voltage and frequency limits for a minimum of five (5) minutes. Systems greater than 25 kW that do not utilize inverter based interface equipment shall not have automatic recloser capability unless otherwise approved by [LIPAPSEG Long Island](#). If [LIPAPSEG Long Island](#) determines that a facility must receive permission to reconnect, then any automatic reclosing functions must be disabled and verified to be disabled during verification testing.

2. Synchronous Generators

Synchronous generation shall require synchronizing facilities. These shall include automatic synchronizing equipment or manual synchronizing with relay supervision, voltage regulator, and power factor control.

For all synchronous generators sufficient reactive power capability shall be provided by the generator-owner to withstand normal voltage changes on LIPA's system. The generator voltage VAR schedule, voltage regulator, and transformer ratio settings shall be jointly determined by [LIPAPSEG Long Island](#) and the generator-owner to ensure proper coordination of voltages and regulator action. Generator-owners shall have synchronous generator reactive power capability to withstand voltage changes up to 5% of the base voltage levels.

A voltage regulator must be provided and be capable of maintaining the generator voltage under steady state conditions within plus or minus 1.5% of any set point and within an operating range of plus or minus 5% of the rated voltage of the generator.

Generator-owners shall adopt one of the following grounding methods for synchronous generators:

- a) Solid grounding
- b) High- or low-resistance grounding
High- or low-reactance grounding
- c) Ground fault neutralizer grounding

Synchronous generators shall not be permitted to connect to LIPA secondary network systems without the approval of [LIPAPSEG Long Island](#).

3. Induction Generators

Induction generation may be connected and brought up to synchronous speed (as an induction motor) if it can be demonstrated that the initial voltage drop measured at the PCC is acceptable based on current inrush limits. The same requirements also apply to induction generation connected at or near synchronous speed because a voltage dip is present due to an inrush of magnetizing current. The generator-owner shall submit the expected number of starts per specific time period and maximum starting kVA draw data to ~~LIPA to verify that the voltage dip due to starting is within the visible flicker limits as defined by IEEE Std 519, Recommended Practices and Requirements for Harmonic Control in Electric Power Systems.~~ [PSEG Long Island](#).

Starting or rapid load fluctuations on induction generators can adversely impact LIPA's system voltage. Corrective step-switched capacitors or other techniques may be necessary. These measures can, in turn, cause Ferro resonance. If these measures (additional capacitors) are installed on the customer's side of the PCC, [LIPAPSEG Long Island](#) will review these measures and may require the customer to install additional equipment.

4. Inverters

Direct current generation can only be installed in parallel with LIPA's system using a synchronous inverter. The design shall be such as to disconnect this synchronous inverter upon a LIPA system interruption. [Inverters intended to provide local grid support during system events that](#)

result in voltage and/or frequency excursions as described in Section II.B.1 shall be provided with the required onboard functionality to allow for the equipment to remain online for the duration of the event.

It is recommended that equipment meet all functional requirements of IEEE ~~Std~~Standard 1547 and be protected by ~~LIPA-grade relays~~Utility Grade Relays (as defined in these requirements) using settings approved by ~~LIPAPSEG Long Island~~ and verified in the field. The field verification test must demonstrate that the equipment meets the voltage and frequency requirements detailed in this section.

Synchronization or re-synchronization of an inverter to the LIPA System shall not result in a voltage deviation that exceeds the requirements contained in Section II.E, Power Quality. Only inverters designed to operate in parallel with the LIPA System shall be utilized for that purpose.

~~A line inverter can be used to isolate the customer from the LIPA System provided it can be demonstrated that the inverter isolates the customer from the LIPA System safely and reliably.~~

5. Minimum Protective Functions

Protective system requirements for distributed generation facilities result from an assessment of many factors, including but not limited to:

- Type and size of the distributed generation facility
- Voltage level of the interconnection
- Location of the distributed generation facility on the circuit
- Distribution transformer
- Distribution system configuration
- Available fault current
- Load that can remain connected to the distributed generation facility under isolated conditions
- Amount of existing distributed generation on the local distribution system.

As a result, protection requirements cannot be standardized according to any single criteria. Minimum protective function requirements shall be as detailed in the table below. ANSI C37.2, Electric Power System Device Function Numbers, are listed with each function. All voltage, frequency, and clearing time set points shall be field adjustable.

Synchronous Generators	Induction Generators	Inverters
Over/Under Voltage (Function 27/5 9)	Over/Under Voltage (Function 27/ 5-959)	Over/Under Voltage (Function 27/ 5-959)
Over/Under Frequency (Function 81O/81U)	Over/Under Frequency (Function 81O/81U)	Over/Under Frequency (Function 81O/81U)
<u>Anti-Islanding Protection</u>	<u>Anti-Islanding Protection</u>	Anti-Islanding Protection
<u>Overcurrent (Function 50P/50G/51P/51G)</u>	<u>Overcurrent (Function 50P/50G/51P/51G)</u>	<u>Overcurrent (Function 50P/50G/51P/51G)</u>

The need for additional protective functions shall be determined by ~~LIPAPSEG Long Island~~ on a case-by-case basis. If ~~LIPAPSEG Long Island~~ determines a need for additional functions, it shall

notify the generator-owner in writing of the requirements. The notice shall include a description of the specific aspects of LIPA's system that necessitate the addition, and an explicit justification for the necessity of the enhanced capability. LIPAPSEG Long Island shall specify and provide settings for those functions that LIPAPSEG Long Island designates as being required to satisfy protection practices. Any protective equipment or setting specified by LIPAPSEG Long Island shall not be changed or modified at any time by the generator-owner without written consent from LIPAPSEG Long Island.

The generator-owner shall be responsible for ongoing compliance with all applicable local, state, and federal codes and standardized interconnection requirements set forth in Section II herein, as they pertain to the interconnection of the generating equipment. Protective devices shall utilize their own current transformers and potential transformers and not share electrical equipment associated with LIPAPSEG Long Island revenue metering.

A failure of the generator-owner's protective devices, including loss of control power, shall open the automatic disconnect device, thus disconnecting the generation from the LIPA System. A generator-owner's protection equipment shall utilize a non-volatile memory design such that a loss of internal or external control power, including batteries, will not cause a loss of interconnection protection functions or loss of protection set points.

All interface protection and control equipment shall operate as specified independent of the calendar date.

Metering

The need for additional revenue metering or modifications to existing metering will be reviewed by LIPAPSEG Long Island on a case-by-case basis.

Any incremental metering costs are included in interconnection costs that may be required of an applicant, except where the ~~LIPA~~ Tariff specifies the cost responsibilities for net metered customers.

6. Islanding

~~Generation interconnection systems~~Systems must be designed and operated so that islanding is not sustained on LIPA's distribution circuits or on substation bus and transmission systems. The requirements listed in this document are designed and intended to prevent islanding. Special protection schemes and system modifications may be necessary based on the capacity of the proposed system and the configuration and existing loading on the subject circuit.

The need for zero sequence voltage (3Vo) and direct transfer trip (DTT) protection schemes shall be evaluated based on minimum loads on the associated feeder and substation bus, including certain fault conditions resulting from system installation to protect for an islanded condition

C-II. C. Operating Requirements

The generator-owner shall provide a 24-hour telephone contact. This contact will be used by LIPAPSEG Long Island to arrange access for repairs, inspection or emergencies. LIPAPSEG Long Island will make such arrangements (except for emergencies) during normal business hours.

Voltage and frequency trip set point adjustments shall be accessible to service personnel only. Any changes to these settings must be reviewed and approved by LIPAPSEG Long Island.

The generator-owner shall not supply power to LIPAPSEG Long Island during any outages of LIPA's system that serves the PCC. The generator-owner's generation may be operated during such outages only with an open tie to LIPAPSEG Long Island. Islanding will not be permitted. The generator-owner shall not energize a de-energized LIPAPSEG Long Island circuit for any reason.

The disconnect switch specified for system size larger than 25kW and non-inverter based systems of 25 kW or less in Section II.E, Disconnect Switch, may be opened by LIPAPSEG Long Island at any time for any of the following reasons:

- a. To eliminate conditions that constitute a potential hazard to PSEG Long Island or LIPA personnel or the general public;
- b. Pre-emergency or emergency conditions on the LIPA System;
- c. A hazardous condition is revealed by a LIPAPSEG Long Island inspection;
- d. Protective device tampering;
- e. Parallel operation prior to LIPAPSEG Long Island approval to interconnect.

The disconnect switch may be opened by LIPAPSEG Long Island for the following reasons, after notice to the responsible party has been delivered and a reasonable time to correct (consistent with the conditions) has elapsed:

- a. A generator-owner has failed to make available records of verification tests and maintenance of its protective devices;
- b. A generator-owner's system adversely impacts the operation of LIPA equipment or equipment belonging to other LIPA customers;
- c. A generator-owner's system is found to adversely affect the quality of service to adjoining customers.

LIPAPSEG Long Island will provide a name and telephone number so that the generator-owner can obtain information about LIPA's PSEG Long Island's lock-out.

The generator-owner shall be allowed to disconnect from LIPAPSEG Long Island without prior notice in order to self-generate.

~~Under certain conditions LIPA may require a direct transfer trip (DTT). LIPA shall provide detailed evidence as to the need for DTT.~~

If a generator-owner proposes any modification to the system that has an impact on the interface at the PCC after it has been installed and a contract between LIPA and the generator-owner has already been executed, then any such modifications must be reviewed and approved by LIPAPSEG Long Island before the modifications are made.

Section II. D. Dedicated Transformer

LIPAPSEG Long Island reserves the right to require a power-producing facility to connect to the LIPA System through a dedicated transformer. The transformer shall either be provided by LIPAPSEG Long Island at the generator-owner's expense, purchased from LIPAPSEG Long Island, or conform to LIPA's PSEG Long Island's specifications. The transformer may be necessary to ensure conformance with LIPAPSEG Long Island safe work practices, to enhance service restoration operations or to prevent detrimental effects to other LIPAPSEG Long Island customers. The transformer that is part of the normal electrical service connection of a generator-owner's facility may meet this requirement if there are no other customers supplied from it. A dedicated transformer is not required if the installation is designed and coordinated with LIPAPSEG Long Island to protect the LIPAPSEG Long Island System and its customers adequately from potential detrimental net effects caused by the operation of the generator.

If LIPAPSEG Long Island determines a need for a dedicated transformer, it shall notify the generator-owner in writing of the requirements. The notice shall include a description of the specific aspects of the LIPA System that necessitate the addition, the conditions under which the dedicated transformer is expected to enhance safety or prevent detrimental effects, and the expected response of a normal, shared transformer installation to such conditions.

Section II. E. Disconnect Switch

Generating equipment with equipment size larger than 25 kW and non-inverter based systems of 25 kW or less shall be capable of being isolated from the LIPA System by means of an external, manual, visible, gang-operated, load break disconnecting switch. The disconnect switch shall be installed, owned, and maintained by the customer-generator, and located between the generating equipment and its interconnection point with the LIPA System.

The disconnect switch must be rated for the voltage and current requirements of the installation. The basic insulation level (B IL) of the disconnect switch shall be such that it will coordinate with that of LIPA's equipment. Disconnect devices shall meet applicable UL, ANSI, and IEEE standards, and shall be installed to meet all applicable local, state, and federal codes. (Applicable Local City Building Code may require additional certification.)

The disconnect switch shall be clearly marked, "Generator Disconnect Switch," with permanent 3/8 inch or larger letters or larger.

The disconnect switch shall be located within 10 feet of LIPA's PSEG Long Island's external electric service meter. If such location is not possible, the customer-generator will propose, and LIPAPSEG Long Island will approve, an alternate location. The location and nature of the disconnect switch shall be indicated in the immediate proximity of the electric service entrance.

The disconnect switch shall be readily accessible for operation and locking by LIPAPSEG Long Island personnel in accordance with Section II.B, Operating Requirements. The disconnect switch must be lockable in the open position with a 3/8" shank LIPA padlock.

For installations above 600V or with a full load output of greater than 960A, a draw-out type circuit breaker with the provision for padlocking at the draw-out position can be considered a disconnect switch for the purposes of this requirement. unless the use of such a circuit breaker is specifically granted by PSEG Long Island, based on site-specific technical requirements. If PSEG Long Island grants such use, the generator-owner will be required, upon PSEG Long Island's request, to provide qualified operating personnel to open the draw-out circuit breaker and ensure isolation of the DG system, with such operation to be witnessed by PSEG Long Island followed immediately by PSEG Long Island locking the device to prevent re-energization. In an emergency or outage situation, where there is no access to the draw-out breaker or no qualified personnel, utilities may disconnect the electric service to the premise in order to isolate the DG system.

Section II. F. Power Quality

The maximum harmonic limits for electrical equipment shall be in accordance with IEEE 519 to limit the maximum individual frequency voltage harmonic to 3% of the fundamental frequency and the voltage Total Harmonic Distortion (THD) to 5% on LIPA's side of the PCC. Mitigation measures necessary to comply with these requirements shall at the generator-owner's expense. In addition, any voltage fluctuation resulting from the connection of the customer's energy producing equipment to LIPA's system must not exceed the limits defined by the maximum permissible voltage fluctuations border line of visibility curve identified in IEEE ~~Std~~ STD 519. This requirement is necessary to minimize the adverse voltage effect upon other customers on the LIPA System.

Section II. G. Power Factor

The Small Generator shall maintain an average power factor, as measured at the PCC, of no less than 0.9 (leading or lagging). The method of power factor correction necessitated by the installation of the generator will be negotiated with PSEG Long Island as a commercial item. If the average power factor of the generator is proven to be above the minimum of 0.9 (leading or lagging) by the customer and accepted by PSEG Long Island, that power factor value shall be used for any further PSEG Long Island design calculations and requirements.

Induction power generators may be provided VAR capacity from LIPA's system at the generator-owner's expense. The installation of VAR correction equipment by the generator-owner on the generator-owner's side of the PCC must be reviewed and approved by LIPAPSEG Long Island prior to installation.

Section II. H. Equipment Certification

In order for the equipment to be acceptable for interconnection to the LIPA System without additional protective devices, the interface equipment must be equipped with the minimum protective function requirements listed in the table in Section II.A. 5 and be tested by a Nationally

Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration (OSHA) in compliance with Underwriter's Laboratories (UL) 1741, Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources.

For each interconnection application, documentation including the proposed equipment certification, stating compliance with UL 1741 by an NRTL, shall be provided by the applicant to LIPAPSEG Long Island. Supporting information from the Public Service Commission's website (<http://www.dps.state.ny.us/distgen.htm>), <http://www.dps.state.ny.us/distgen.htm>, an NRTL website or UL's website stating compliance is acceptable for documentation.

LIPAPSEG Long Island is not responsible for reviewing and approving equipment tested and certified by a non- NRTL.

If equipment is UL 1741 certified by ~~an~~ NRTL and compliance documentation is submitted to LIPA, LIPAPSEG Long Island, PSEG Long Island shall accept such equipment for interconnection in New York ~~state~~State. All equipment certified to UL 1741 by an NRTL shall be deemed "certified equipment" even if it does not appear on the Public Service Commission's website.

~~LIPA grade relays~~Utility Grade Relays need not be certified per the requirements of this section.

Section II. I. Verification Testing

All interface equipment must include a verification test procedure as part of the documentation presented to LIPAPSEG Long Island. Except for the case of small single-phase inverters as discussed later, the verification test must establish that the protection settings meet the Smart Grid SGIP requirements. The verification testing may be site-specific and is conducted periodically to assure continued acceptable performance.

Upon initial parallel operation of a generating system, or any time interface hardware or software is changed, the verification test must be performed. A qualified individual must perform verification testing in accordance with the manufacturer's published test procedure. Qualified individuals include professional engineers, factory-trained and certified technicians, and licensed electricians with experience in testing protective equipment. LIPAPSEG Long Island reserves the right to witness verification testing or require written certification that the testing was successfully performed.

Verification testing shall be performed at least once every four years. All verification tests prescribed by the manufacturer shall be performed. If wires must be removed to perform certain tests, each wire and each terminal must be clearly and permanently marked. The generator-owner shall maintain verification test reports for inspection by LIPAPSEG Long Island.

Single-phase inverters and inverter systems rated 25 kW and below shall be verified upon initial parallel operation and once every four years as follows: the generator-owner shall interrupt LIPA

PSEG Long Island's source and verify that the equipment automatically disconnects and does not reconnect for at least five minutes after ~~LIPA~~' PSEG Long Island's source is reconnected. The owner shall maintain a log of these operations for inspection by ~~LIPA~~PSEG Long Island. Any system that depends upon a battery for trip power shall be checked and logged at least annually for proper voltage. Once every four (4) years the battery must be either replaced or a discharge test performed.

Section II. J. Interconnection Inventory

The utilities will manage the queue of interconnection applications in their inventories in the order in which they are received and according to the timelines set forth in this document.

To ensure applications are addressed in a timely manner and monitor the overall interconnection activities, LIPA PSEG Long Island shall maintain a Smart Grid SGIP inventory of projects and shall submit an SGIP inventory of projects monthly to LIPA by the 15th day of the following month. At a minimum the following information shall be provided in the inventory:

Company

1. Utility Name
2. Applicant Name
3. System Type
4. System Capacity
5. Net Metered (Yes/No)
6. Protective Equipment
7. Application Review Start and End date
8. Preliminary ~~Review~~ Screening Analysis Start and End date
9. CESIR Start and End date
10. CESIR Costs
11. PSEG Long Island Interconnection Costs
12. Customer Interconnection Costs
13. LIPA System Upgrade Costs
14. Customer System Upgrade Costs
15. Verification Testing date
16. Final Letter of Acceptance date
17. Total ~~Percentage~~ percentage of Smart Grid SGIP ~~Connected Demand~~ connected demand

Monthly Interconnection Inventory submissions should also be accompanied by the Net Metering Cap summary information tracked by PSEG Long Island.

Section III. Glossary of Terms

Affected System: An electric system, other than LIPA's Transmission System, that may be affected by the proposed interconnection.

Applicable Reliability Standards: The applicable criteria, requirements and guidelines of the North American Electric Reliability Council, the Northeast Power Coordinating Council, the New York State Reliability Council and related and successor organizations as well as the reliability criteria, requirements and guidelines adopted by [PSEG Long Island and/or](#) LIPA.

Automatic Disconnect Device: An electronic or mechanical switch used to isolate a circuit or piece of equipment from a source of power without the need for human intervention.

Business Day: Any day on which the Federal Reserve Member Banks in New York City are open for business, and shall extend from 8:00 a.m. until 5:00 p.m. local time for each Party's principal place of business.

Capacity Resource Interconnection Service: The service provided to interconnect generating facilities in accordance with the NYISO Deliverability Interconnection Standard, as such term is defined and set forth in Attachment S of the NYISO OATT, in order to qualify such generator to be an installed capacity supplier to the NYISO wholesale capacity markets.

Cease to Energize: Cessation of energy flow capability

Coordinated Electric System Interconnection Review: Any studies performed by utilities to ensure that the safety and reliability of the electric grid with respect to the interconnection of distributed generation as discussed in this document.

Customer-Generator: A LIPA customer who owns or operates electric generating equipment located and used at the customer's premises, and/or the customer's agent.

Dedicated Transformer: A transformer with a secondary winding that serves only one customer.

Direct Transfer Trip: Remote operation of a circuit breaker by means of a communication channel.

Disconnect (verb): To isolate a circuit or equipment from a source of power. If isolation is accomplished with a solid-state device, "Disconnect" shall mean to cease the transfer of power.

Disconnect Switch: A mechanical device used for isolating a circuit or equipment from a source of power.

Distribution System: LIPA'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. Voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades: The additions, modifications, and upgrades to LIPA's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generator and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Draw-out Type Circuit Breaker: Circuit breakers that are disconnected by physically separating, or racking, the breaker assembly away from the switchgear bus.

Energy Resource Interconnection Service: The service provided to interconnect generating facilities on a minimum interconnection standard basis which enables the delivery of energy and ancillary services from the Small Generator into the NYISO wholesale markets.

Farm Waste, Net Meter, Farm Applicant: A farm applicant who is proposing to install a farm waste anaerobic digester generating system, not to exceed 1 MW, at a farm, per the requirements of LIPA Tariff for Electric Service.

Fuel Cell, Net Meter, Residential Applicant: A residential applicant who is proposing to install a fuel cell electric generating system located and used at the applicant's premises, not to exceed a combined rated capacity of not more than 10 kW, per the requirements of LIPA Tariff for Electric Service.

Fuel Cell, Net Meter, Non-Residential Applicant: A non-residential applicant who is proposing to install a fuel cell electric generating system located and used at the applicant's premises, not to exceed a combined rated capacity of not more than 2 MW, per the requirements of LIPA Tariff for Electric Service.

Generator-Owner: An applicant to operate on-site power generation equipment in parallel with the LIPA grid per the requirements of this document.

Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the State of New York during the term of this Agreement, or any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish the desired results at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to delineate acceptable practices, methods or acts generally accepted by a significant portion of the electric utility industry operating in the State of New York.

Interconnection Customer: Any entity including the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generator with LIPA's Distribution System.

Interconnection Facilities: LIPA's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generator and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generator to LIPA's electric system. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Network Upgrades or System Upgrade Facilities.

Interconnection Request: The Interconnection Customer's request, in accordance with the Smart Grid SGIP, to interconnect a new Small Generator, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generator that is interconnected with LIPA's Transmission System.

Islanding: A condition in which a portion of the LIPA System that contains both load and distributed generation is isolated from the remainder of the LIPA System. (Adopted from IEEE 929.)

LIPA Net Metering Rules: ~~LIPA's Tariff for Electric Service, especially leaves 34A through 34H. All other provisions of the LIPA Tariff for Electric Service also apply.~~

LIPA System: The electric transmission and distribution system owned by LIPA and ~~or~~ operated by LIPAPSEG Long Island Electric Utility SERVCO and consisting of all real and personal property, equipment, machinery, tools and materials, and other similar items relating to the transmission and distribution of electricity to LIPA' PSEG Long Island's customers.

LIPA Transmission System: The facilities and equipment owned, ~~controlled or~~ by LIPA, and operated by LIPAPSEG Long Island Electric Utility SERVCO that are used to provide transmission service.

Material Modification: A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Micro-Combined Heat and Power, Net Meter, Residential Applicant: A residential applicant who is proposing to install a micro-combined heat and power (Micro-CHP) generating system located and used at the applicant's premises, not to exceed 10 kW, per the requirements of LIPA Tariff for Electric Service.

Micro-Hydroelectric, Net Meter, Residential Applicant: A residential applicant who is proposing to install a micro-hydroelectric generating equipment located and used at the applicant's premises, not to exceed 25 kW, per the requirement of LIPA Tariff for Electric Service.

Micro-Hydroelectric, Net Meter, Non-Residential Applicant: A non-residential applicant who is proposing to install a micro-hydroelectric generating equipment located and used at the applicant's premises, not to exceed 2 MW, per the requirement of LIPA Tariff for Electric Service.

PSEG Long Island: PSEG Long Island LLC, acting through its subsidiary, Long Island Electric Utility Servco LLC.

PSEG Long Network Upgrades: Additions, modifications, and upgrades to LIPA's Transmission System required at or beyond the point at which the Small Generator interconnects with LIPA's Distribution System. Network Upgrades do not include Distribution Upgrades.

New York State Transmission System: New York State Transmission System shall mean the entire New York State electric transmission system, which includes (i) the Transmission Facilities under ISO Operational Control; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.

Party or Parties: means LIPA, , ~~Interconnection Customer or any combination thereof and Customer individually or jointly. T&D Manager is not a party to the agreements referenced in this SGIP, and is executing and administering such agreements on behalf of LIPA as LIPA's agent.~~

Point of Common Coupling: The point at which the interconnection between the electric utility and the customer interface occurs. Typically, this is the customer side of ~~LIPA~~PSEG Long Island revenue meter.

Point of Interconnection: The point where the Interconnection Facilities connect with LIPA's Distribution System, which shall include the Point of Common Coupling.

Preliminary Review: A review of the generator-owner's proposed system capacity, location on the LIPA System, system characteristics, and general system regulation to determine if the interconnection is viable.

Protective Device: A device that continuously monitors a designated parameter related to the operation of the generation system that operates if preset limits are exceeded

PSEG Long Island Net Metering Rules: LIPA's Tariff for Electric Service in Tariff leaves 34A through 34H, and all other provisions of the ~~LIPA Tariff for Electric Service~~ also apply.

Queue Position: The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, which is established based upon the date and time of receipt of the valid Interconnection Request by ~~LIPA~~ PSEG Long Island.

Remote Net Metering: Remote Net Metering allows certain types of customers and/or distributed generation technology (see tables in Section II) the option to apply excess generation credits from the customer's generator to certain other meters on property that is owned or leased by the same customer and located within the service territory of the same utility to which the customer-generator's net energy meters are interconnected and within the same load zone.

Required Operating Range: The range of magnitudes of LIPA system voltage or frequency where the generator-owner's equipment, if operating, is required to remain in operation for the purposes of compliance with UL 1741. Excursions outside these ranges must result in the automatic disconnection of the generation within the prescribed time limits.

Safety Equipment: Includes dedicated transformers or equipment and facilities to protect the safety and adequacy of electric service provided to other customers.

Solar, Net Meter, Residential Applicant: A residential applicant who is proposing to install a photovoltaic generating system, not to exceed 25 kW, in an owner occupied residence per the requirements of LIPA Tariff for Electric Service.

Solar, Net Meter, Non-Residential Applicant: A non-residential applicant who is proposing to install a solar generating system located and used at the applicant's premises, not to exceed 2 MW, pursuant to LIPA Tariff for Electric Service

Small Generator: Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Study Process: The procedure for evaluating an Interconnection Request that includes the Scoping Meeting, Feasibility Study, System Impact Study, and Facilities Study.

System Upgrade Facilities: In the case of proposed interconnection projects, System Upgrade Facilities are the modifications or additions to the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO interconnection standards.

Upgrades: The required additions and modifications to LIPA's Distribution System or Transmission System at or beyond the Point of Interconnection. Upgrades may be System Upgrade Facilities, Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Utility Grade Relay: A relay that is constructed to comply with, as a minimum, the most current version of the following standards for non-nuclear facilities:

<u>Standard</u>	<u>Conditions Covered</u>
<u>ANSI/IEEE C37.90</u>	Usual Service Condition Ratings Current and Voltage Maximum design for all relay AC and DC auxiliary relays Make and carry ratings for tripping contacts Tripping contacts duty cycle Dielectric tests by manufacturer Dielectric tests by user
<u>ANSI/IEEE C37.90.1</u>	Surge Withstand Capability (SWC) Fast Transient Test
<u>IEEE C37.90.2</u>	Radio Frequency Interference
<u>IEEE C37.98</u>	Seismic Testing (fragility) of Protective and Auxiliary Relays
<u>ANSI C37.2</u>	Electric Power System Device Function Numbers

<u>Standard</u>	<u>Conditions Covered</u>
<u>IEC 255-21-1</u>	Vibration
<u>IEC 2555-22-2</u>	Electrostatic Discharge
<u>IEC 25 5-5</u>	Insulation (Impulse Voltage Withstand)

Verification Test: A test performed upon initial installation and repeated periodically to determine that there is continued acceptable performance.

Wind, Net Meter, Residential Applicant: A residential applicant who is proposing to install a wind electric generating system, not to exceed a combined rated capacity of 25 kW, located and used at the applicant's primary residence, per the requirements of LIPA Tariff for Electric Service.

Wind, Net Meter, Non-Residential Applicant: A non-residential applicant who is proposing to install a wind electric generating system located and used at the applicant's premises, not to exceed 2 MW, pursuant to LIPA Tariff for Electric Service.

Wind, Net Meter, Farm Applicant: A farm applicant who is proposing to install a wind electric generating system, not to exceed a combined rated capacity of 500 kW, located and used at the applicant's primary residence, per the requirements of LIPA Tariff for Electric Service.

APPENDIX A

LONG ISLAND ~~POWER AUTHORITY LIGHTING COMPANY~~ D/B/A LIPA
STANDARDIZED CONTRACT
FOR INTERCONNECTION OF ~~NEW~~ DISTRIBUTED ~~RESOURCE~~ GENERATION
EQUIPMENT
WITH CAPACITY OF 25 MW OR LESS
CONNECTED IN PARALLEL WITH THE LIPA DISTRIBUTION SYSTEMS

Customer Information: ~~Company~~ Utility Information:

Name: _____

APPENDIX A

Name: _____ Name: _____ Name: _____
Long Island Electric Utility Servco (“T&D Manager”) as acting agent and on behalf of **LONG ISLAND LIGHTING COMPANY d/b/a LIPA (“LIPA”)**

Address: _____

APPENDIX A

| Address: _____

| Address: _____ Address: 175 E. Old Country Road, E.O.B

| Address: _____ Address: Hicksville, NY 11801

| Telephone: _____

APPENDIX A

| Telephone: _____ Telephone: (516) 949-8295

| Fax: _____

APPENDIX A

| Fax: _____

| Email: _____ Email: PAMSolarLI@PSEG.com

| Installation Address (if different):

| _____

| Email: _____

APPENDIX A

Email: _____

Unit Application/File No. _____

DEFINITIONS

“Dedicated Facilities” means the equipment and facilities on LIPA’s system necessary to permit operation of the Unit in parallel with LIPA’s system.

“Delivery Service” means the services LIPA may provide to deliver capacity or energy generated by Customer to a buyer to a delivery point(s), including related ancillary services.

“Net energy metering” means the use of a net energy meter to measure, during the billing period applicable to a customer-generator, the net amount of electricity supplied by an electric corporation and provided to the corporation by a customer-generator.

“Party” or “Parties” means LIPA and Customer individually or jointly.

“Smart Grid SGIP” means the PSEG Long Island ~~Power Authority~~ Smart Grid Small Generator Interconnection Procedures which are applicable to new and modifications to existing distributed generation units with a nameplate capacity ~~of 2 MW or less~~ than 10 MW connected in parallel with LIPA distribution system posted at <https://www.psegliny.com/files.cfm/SGIP.pdf>.

“T&D Manager,” also referred to herein as **“PSEG Long Island,”** means PSEG Long Island LLC through its operating subsidiary, Long Island Electric Utility Servco LLC, which has managerial responsibility for the day-to-day the operational maintenance of, and capital investment to, the electric transmission and distribution system owned by LIPA as of January 1, 2014, pursuant to that Amended Restated Operations Services Agreement, dated as of December 31, 2013, as amended from time to time (the “OSA”) or any other similar agreement or arrangement, or any successor or assignee thereof providing certain operation, maintenance and other services to LIPA.

“Unit” means the distributed generation Unit with a nameplate capacity of 25 MW or less located on the Customer’s premises at the time ~~LIPA~~ T&D Manager approves such Unit for operation in parallel with LIPA’s system. This Agreement relates only to such Unit, but a new agreement shall not be required if the Customer makes physical alterations to the Unit that do not result in an increase in its nameplate generating capacity. The nameplate generating capacity of the Unit shall not exceed 25 MW.

I. TERM AND TERMINATION

1.1 Term: This Agreement shall become effective when executed by both Parties and shall continue in effect until terminated.

1.2 Termination: This Agreement may be terminated as follows:

APPENDIX A

- a. The Customer may terminate this Agreement at any time, by giving T&D Manager and LIPA sixty ~~(60)~~ (60) days' written notice.
- b. Failure by the Customer to seek final acceptance by LIPAT&D Manager within twelve (12) months after completion of LIPAT&D Manager's construction process described in the Smart Grid SGIP shall automatically terminate this Agreement.
- c. Either Party may, by giving the other Party at least sixty (60) days' prior written notice, terminate this Agreement in the event that the other Party is in default of any of the material terms and conditions of this Agreement. The terminating Party shall specify in the notice the basis for the termination and shall provide a reasonable opportunity to cure the default.
- d. LIPA may, by giving the customer at least sixty (60) days' prior written notice, terminate this Agreement for cause. The Customer's non-compliance with an upgrade to the Smart Grid SGIP, unless the Customer's installation is "grandfathered," shall constitute good cause.

1.3 Disconnection and Survival of Obligations: Upon termination of this Agreement the Unit will be disconnected from LIPA's Systemsystem. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

1.4 Suspension: This Agreement will be suspended during any period in which the Customer is not eligible for delivery service from LIPA.

II. SCOPE OF AGREEMENT

2.1 Scope of Agreement: This Agreement relates solely to the conditions under which LIPA and the Customer agree that the Unit may be interconnected to and operated in parallel with LIPA's system.

2.2 Electricity Not Covered: Neither LIPA nor T&D Manager shall have ~~no~~ any duty under this Agreement to account for, pay for, deliver, or return in kind any electricity produced by the Facility and delivered into LIPA's System's system unless the system is net metered pursuant to LIPA's Net Metering Rules.

III. INSTALLATION, OPERATION AND MAINTENANCE OF UNIT

3.1 Compliance with Smart Grid SGIP: Subject to the provisions of this Agreement, LIPAT&D Manager shall be required to interconnect the Unit to LIPA's system, for purposes of parallel operation, if LIPAT&D Manager accepts the Unit as in compliance with the Smart Grid SGIP. The Customer shall have a continuing obligation to maintain and operate the Unit in compliance with the Smart Grid SGIP.

3.2 Observation of the Unit - Construction Phase: LIPAT&D Manager may, in its discretion and upon reasonable notice, conduct reasonable on-site verifications during the

APPENDIX A

construction of the Unit. ~~Whenever LIPA chooses to exercise its right to conduct observations herein it shall specify to LIPA its reasons for its decision to conduct the observation.~~ For purposes of this paragraph and paragraphs 3.3 through 3.5, the term "on-site verification" shall not include testing of the Unit, and verification tests shall not be required except as provided in paragraphs 3.3 and 3.4.

3.3 Observation of the Unit - Ten-day Period: ~~LIPAT&D Manager~~ may conduct on-site verifications of the Unit and observe the execution of verification testing within a reasonable period of time, not exceeding ten (10) Business Days after system installation. The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the verification test. The applicant must have complied with and must continue to comply with all contractual and technical requirements.

3.4 Observation of the Unit - Post-Ten-day Period: If ~~LIPAT&D Manager~~ does not perform an on-site verification of the Unit and observe the execution of verification testing within the ten-day period, the Customer will send ~~LIPAT&D Manager~~ within five (5) days of the verification testing a written notification certifying that the Unit has been installed and tested in compliance with the ~~Smart Grid SGIP, LIPASIR, T&D Manager~~ -accepted design and the equipment manufacturer's instructions. The Customer may begin to produce energy upon satisfactory completion of the verification test. After receiving the verification test notification, ~~T&D Manager, on behalf of LIPA~~ will either issue to the applicant a formal letter of acceptance for interconnection, or may request that the applicant and ~~LIPAT&D Manager~~ set a date and time to conduct an on-site verification of the Unit and make reasonable inquiries of the Customer, but only for purposes of determining whether the verification tests were properly performed. The Customer shall not be required to perform the verification tests a second time, unless irregularities appear in the verification test report or there are other objective indications that the tests were not properly performed in the first instance.

3.5 Observation of the Unit - Operations: ~~LIPAT&D Manager~~ may conduct on-site verification of the operations of the Unit after it commences operations if ~~LIPAT&D Manager~~ has a reasonable basis for doing so based on its responsibility to provide continuous and reliable utility service or as authorized by the provisions of LIPA's Retail Tariff relating to the verification of customer installations generally.

3.6 Costs of Dedicated Facilities: During the term of this Agreement, ~~LIPAT&D Manager~~ shall design, construct and install the Dedicated Facilities. The Customer shall be responsible for paying the incremental capital cost of such Dedicated Facilities attributable to the Customer's Unit. All costs associated with the operation and maintenance of the Dedicated Facilities after the Unit first produces energy shall be the responsibility of LIPA.

IV. DISCONNECTION OF THE UNIT

~~Emergency Disconnection: LIPA may disconnect the Unit, without prior notice to the Customer (a) to eliminate conditions that constitute a potential hazard to Company~~

4.1 Emergency Disconnection: ~~T&D Manager may disconnect the Unit, without prior notice to the Customer (a) to eliminate conditions that constitute a potential hazard to Company~~ personnel or the general public; (b) if pre-emergency or emergency conditions exist on the LIPA System; (c) if ~~T&D Manager observes~~ a hazardous condition relating to the Unit ~~is observed by a LIPA~~ in an inspection; or (d) if the Customer has tampered with any protective device. ~~LIPA T&D Manager~~ shall notify the Customer of the emergency if circumstances permit.

~~-40-~~

4.2 Non-Emergency Disconnection: ~~LIPAT&D Manager~~ may disconnect the Unit, after notice to the responsible party has been provided and a reasonable time to correct, consistent with the conditions, has elapsed, if (a) the Customer has failed to make available records of verification tests and maintenance of his protective devices; (b) the Unit system interferes with Company equipment or equipment belonging to other customers of LIPA; (c) the Unit adversely affects the quality of service of adjoining customers.

4.3 Disconnection by Customer: The Customer may disconnect the Unit at any time.

4.4 LIPA Obligation to Cure Adverse Effect: If, after the Customer meets all interconnection requirements, the operations of LIPA are adversely affecting the performance of the Unit or the Customer's premises, ~~LIPAT&D Manager~~ shall immediately take appropriate action to eliminate the adverse effect. If ~~LIPAT&D Manager~~ determines that ~~LIPA~~ needs to upgrade or reconfigure

APPENDIX A

its system the Customer will not be responsible for the cost of new or additional equipment beyond the point of common coupling between the Customer and LIPA.

V. ACCESS

5.1 Access to Premises: LIPA T&D Manager shall have access to the disconnect switch of the Unit at all times. At reasonable hours and upon reasonable notice consistent with Section III of this Agreement, or at any time without notice in the event of an emergency (as defined in paragraph 4.1), LIPAT&D Manager shall have access to the Premises.

5.2 Company and Customer Representatives: LIPA shall designate, and shall provide to the Customer, the name and telephone number of a representative or representatives who can be reached at all times to allow the Customer to report an emergency and obtain the assistance of LIPAT&D Manager. For the purpose of allowing access to the premises, the Customer shall provide LIPAT&D Manager with the name and telephone number of a person who is responsible for providing access to the Premises.

5.3 Company Right to Access Company-Owned Facilities and Equipment: If necessary for the purposes of this Agreement, the Customer shall allow LIPA or T&D Manager access to LIPA's equipment and facilities located on the Premises. To the extent that the Customer does not own all or any part of the property on which LIPA is required to locate its equipment or facilities to serve the Customer under this Agreement, the Customer shall secure and provide in favor of LIPA or T&D Manager the necessary rights to obtain access to such equipment or facilities, including easements if the circumstances so require.

VI. DISPUTE RESOLUTION

6.1 Good Faith Resolution of Disputes: Each Party agrees to attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner.

6.2 Mediation: If a dispute arises under this Agreement, and if it cannot be resolved by the Parties within ten (10) Business Days after written notice of the dispute, the parties agree to submit the dispute to mediation by a mutually acceptable mediator, in a mutually convenient location in New York State, in accordance with the then current CPR Institute for Dispute Resolution Mediation Procedure. The Parties agree to participate in good faith in the mediation for a period of up to ninety (90) days.

6.3 Escrow: If there are amounts in dispute of more than two thousand dollars (\$2,000), the Customer shall either place such disputed amounts into an independent escrow account pending final resolution of the dispute in question, or provide to LIPA an appropriate irrevocable standby letter of credit in lieu thereof; provided however, that a Customer that is an agency or instrumentality of the Federal government, or an agency or instrumentality of the New York State government, shall not be required to place such disputed amounts into escrow if the establishment of such an escrow would be inconsistent with applicable Federal or State law or regulations.

VII. INSURANCE

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7.1 Recommendation for Insurance: The Customer is not required to provide general liability insurance coverage as part of this Agreement, the Smart Grid SGIP, or any other LIPA requirement. Due to the risk of incurring damages however, LIPA recommends that every distributed generation customer protect itself with insurance.

7.2 Effect: The inability of LIPA to require the Customer to provide general liability insurance coverage for operation of the Unit is not a waiver of any rights LIPA may have to pursue remedies at law against the Customer to recover damages.

7.3 With respect to a Customer who owns and/or operates solar, Farm Waste, Micro-Combined-Heat-and-Power, Micro-Hydroelectric, Fuel Cell, Wind, or Hybrid Electric Generating Equipment (as these terms are defined in the LIPA Tariff), PSEG Long Island may require the Customer to:

- (i) Comply with additional safety or performance standards in addition to those specified in LIPA's "Smart Grid Small Generator Interconnection Procedures";
- (ii) Perform or pay for additional tests;
- (iii) Purchase additional liability insurance when the total rated generating capacity of the electric generating equipment that provides electricity to LIPA through the same local feeder line exceeds twenty (20%) of the rated capacity of the total feeder line.

VIII. MISCELLANEOUS PROVISIONS

8.1 Beneficiaries: This Agreement is intended solely for the benefit of the parties hereto, and if a party is an agent, its principal. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any other person. T&D Manager is not a party to this Agreement, and is executing and administering this agreement on behalf of LIPA as LIPA's agent. T&D Manager shall have all rights of a Party hereunder with respect to accuracy of information, Force Majeure, limitations of liability, indemnification, and disclaimers of warranty.

8.2 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, such portion or provision shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

8.3 Entire Agreement: This Agreement constitutes the entire Agreement between the parties and supersedes all prior agreements or understandings, whether verbal or written.

8.4 Waiver: No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. In the event that any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

8.5 Applicable Law: This Agreement shall be governed by and construed in accordance with the law of the State of New York, without regard to any choice of law provisions. However, if the

APPENDIX A

Customer is an agency or instrumentality of the United States Government, this Agreement shall be governed by the applicable laws of the United States of America and, to the extent that there is no applicable or controlling federal law, the laws of the State of New York, without regard to conflicts of law principles.

8.6 Amendments: This Agreement shall not be amended unless the amendment is in writing and signed by T&D Manager on behalf of LIPA and the Customer.

8.7 Force Majeure: For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: terrorism, acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible.

8.8 Assignment to Corporate Party: At any time during the term, the Customer may assign this Agreement to a corporation or other entity with limited liability, provided that the Customer obtains the consent of T&D Manager on behalf of LIPA. Such consent will not be withheld unless T&D Manager on behalf of LIPA can demonstrate that the corporate entity is not reasonably capable of performing the obligations of the assigning Customer under this Agreement.

8.9 Assignment to Individuals: At any time during the term, a Customer may assign this Agreement to another person, other than a corporation or other entity with limited liability, provided that the assignee is the owner, lessee, or is otherwise responsible for the Unit.

8.10 Permits and Approvals: Customer shall obtain all environmental and other permits lawfully required by governmental authorities prior to the construction and for the operation of the Unit during the term of this Agreement.

8.11 Limitation of Liability: Neither by inspection, if any, or non-rejection, nor in any other way, does LIPA or T&D Manager give any warranty, express or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed or maintained by the Customer or leased by the Customer from third parties, including without limitation the Unit and any structures, equipment, wires, appliances or devices appurtenant thereto.

ACCEPTED AND AGREED:

Long Island Electric Utility Service LLC [Customer]
acting as agent of and on behalf of
Long Island Lighting Company d/b/a LIPA

By: _____ By: _____
(Signature) (Signature)

Name: _____ Name: _____
(Print) (Print)

APPENDIX A

| Title:

| Date:

Title:

Date:

Customer:

APPENDIX AB

Date: _____

~~LIPA: **Date:** LONG ISLAND POWER AUTHORITY LIGHTING COMPANY D/B/A LIPA
STANDARIZED APPLICATION
FOR FAST-TRACK INTERCONNECTION OF DISTRIBUTED RESOURCE EQUIPMENT 25
KW OR LESS, AND UL1741 COMPLIANT INVERTER SYSTEMS UP TO 200 KW IN
PARALLEL WITH THE LIPA DISTRIBUTION SYSTEM~~

Customer:

Name: _____ **Fax: ()** _____

Email: _____ **Address:** _____

| **APPENDIX AB**

| Phone: () _____

Municipality: _____

LIPA Account Number: _____

Agent (if any):

Name: Phone: () _____ Fax:

() _____

Email: _____

Address: _____

Consulting Engineer or Contractor:

APPENDIX AB

Municipality: _____

Name: _____ Phone: (____) _____

Address: _____ **Estimated In-Service Date:**

Existing Electric Service: _____ Capacity: _____ Amperes

_____ Voltage: _____ Volts Service Character: (

)Single Phase (-)Three Phase

Location of Protective Interface Equipment on Property: (include address if different from customer address) _____

Energy Producing Equipment/Inverter Information: _____

Manufacturer: _____

Model No. _____

APPENDIX AB

Version No. _____

~~() Synchronous () Induction () Inverter () Other Rating: _____ kW Rating: _____ kVA Generator Connection:~~

~~() Delta () Wye () Wye Grounded Interconnection Voltage: _____ Volts~~

~~System Type Tested (Total System): () Yes () No; attach product literature Equipment Type Tested (i.e. Inverter, Protection System): () Yes () No; attach product literature Detailed Single Line Diagram attached: () Yes (Provide reference to Sample) Installation Test Plan attached: () Yes If applicable, Certification to UL 1741 attached: () Yes~~

CUSTOMER/AGENT SIGNATURE _____ TITLE _____ DATE _____

**LONG ISLAND POWER
AUTHORITY STANDARDIZED
APPLICATION FOR
INTERCONNECTION OF
DISTRIBUTED RESOURCE
EQUIPMENT ABOVE 25 KW UP
TO 2 MW INTERCONNECTION
OF INVERTER BASED
DISTRIBUTED GENERATION
EQUIPMENT**

IN PARALLEL WITH THE LIPA DISTRIBUTION SYSTEM

~~CHECK IF: Standard SGIP Project _____ or Feed in Tariff Project _____~~

~~CHECK IF Requesting Fast Track Review for PV UL 1741 Compliant System 200kW or Less _____~~

CHECK IF: Standard SGIP Project _____ or Feed in Tariff Project _____

Customer:

Name: _____

Address (Street, City, State, ZIP): _____

Phone: (= _____)

APPENDIX AB

Fax: (_____) -

APPENDIX AB

Email: _____

LIPA Account Number: _____

Installation Address (Street, City, State, ZIP): _____

Applicant Organization: _____

Applicant Contact: _____ Title: _____

Address (Street, City, State, ZIP): _____

Phone: () _____ Fax: () _____ Email: _____

Address: _____

Phone: () _____

Agent (if any):

APPENDIX AB

Fax: () _____

APPENDIX AB

Email: _____

Agent Organization: _____

Agent Contact: _____ **Title:** _____

Address (Street, City, State, ZIP): _____ **Phone: (** _____ **)** _____

Phone: (_____ **)** _____

| **APPENDIX AB**

_____ Email: _____

Consulting Engineer or Contractor:

Organization: _____

Contact: _____ **Title:** _____

| Address (Street, City, State, ZIP): _____ ~~Phone:~~ _____

| ~~Phone:~~ (_____)_

APPENDIX AB

_____ Email: _____

Estimated In-Service Date: _____

Electric Service: Indicate if Existing _____

or New Service _____

Capacity: __Amperes—__ Voltage: _____ Volts Service Character: (___) Single Phase ()
Three Phase Secondary 3 Phase Transformer Connection () Wye () Delta

Location of Protective Interface Equipment on Property: (include address if different from
customer address) ~~Energy Producing Equipment/Inverter~~ _____

Solar Panel Information:

~~(-) Synchronous (-) Induction (—) Photo Voltaic (-) Other (Define)~~ _____

~~For Photo Voltaic Systems:~~

Panel Manufacturer: _____

Model No. _____

APPENDIX AB

Version No. _____

Panel Power Rating: _____ DC _____

kW Number(DC) _____

Quantity of Panels Total Rated Output: _____ DC kW

Efficiency: _____ % PTC/CEC

Net Total Output _____ DC kW

Inverter Efficiency: _____ % Potential

Net Total Output _____ AC kW:

Inverter Manufacturer: _____

Model No. _____

APPENDIX AB

Version No. _____

Inverter Power Rating: _____ AC kW

Number of Inverters _____

Total Rated Output: _____ AC kW (DC)

Inverter Efficiency: _____ % PTC/CEC

Potential Panel Net Total Output _____ AC kW (AC)

Inverter Information:

Manufacturer: _____ / _____ / _____

Model No: _____ / _____ / _____

Inverter Rating kW (AC): _____ / _____ / _____

Quantity of Inverters _____ / _____ / _____

Total Rating of All Inverters kW (AC): _____

System Total Output _____ kW AC (Lesser of Inverter Net Output or Net Panel Output* Inverter Eff.)

~~System Type Tested (Total System): () Yes () No; attach product literature Equipment Type Tested Output~~

~~Connection: () Delta () Wye () Wye Grounded _____ kW AC~~

~~(System Total Output should be lesser of Potential Panel Net Total Output or Total Rating of All Inverters)~~

~~System Type Tested (Total System): () Yes () No; attach product literature~~

~~Equipment Type Tested Output Connection: () Delta () Wye () Wye Grounded~~

~~Interconnection Voltage: _____ Volts~~

Applicable Attachments:

Detailed One Line Diagram attached () Yes

If applicable, NRTL/UL 1741 Certification attached: () Yes

CUSTOMER/AGENT SIGNATURE TITLE DATE

APPENDIX C

LONG ISLAND LIGHTING COMPANY D/B/A LIPA
STANDARIZED APPLICATION
FOR INTERCONNECTION OF NON-INVERTER BASED DISTRIBUTED GENERATION
EQUIPMENT
IN PARALLEL WITH THE LIPA DISTRIBUTION SYSTEM

CHECK IF: Standard SGIP Project or Feed in Tariff Project

Customer:

Name: _____

Address (Street, City, State, ZIP): _____

Phone: () Fax: () Email: _____

LIPA Account Number: _____ **Installation Address** (Street, City, State,

ZIP): _____ **Applicant Organization:** _____

Applicant Contact: _____ Title: _____

Address (Street, City, State, ZIP): _____

Phone: () Fax: () Email: _____

Agent (if any):

Agent Organization: _____

Agent Contact: _____ **Title:** _____

Address (Street, City, State, ZIP): _____

Phone: () Fax: () Email: _____

Consulting Engineer or Contractor:

Organization: _____

Contact: _____ **Title:** _____

Address (Street, City, State, ZIP): _____

Phone: () Fax: () Email: _____

Estimated In-Service Date: _____

Electric Service: Indicate if Existing or New Service

Capacity: Amperes Voltage: Volts Service Character: () Single Phase ()
Three Phase Secondary 3 Phase Transformer Connection () Wye () Delta

Location of Protective Interface Equipment on Property: (include address if different from customer address)

APPENDIX C

Energy Producing Equipment Information:

Manufacturer: _____

Model No.: _____ Version No.: _____

Synchronous Induction Other (Define) _____

Rating: _____ kW Rating: _____ kVA

Rated Output: _____ VA Rated Voltage: _____ Volts

Rated Frequency: _____ Hz Rated Speed: _____ RPM

Efficiency: _____ % Power Factor: _____ %

Rated Current: _____ Amps Locked Rotor Current: _____ Amps

Synchronous Speed: _____ RPM Winding Connection: _____

Min. Operating Freq. /Time: _____

Generator Connection: Delta Wye Wye Grounded

System Tested to UL 1741 (most current version) (Total System):

Yes No If no, attach product literature.

Equipment Tested to UL 1741 (most current version) (i.e., Protection System):

Yes No

If no, attach product literature.

Three Line Diagram attached: Yes

Verification Test Plan attached: Yes

If applicable, Certification to UL 1741 attached: Yes

For Synchronous Machines:

Manufacturer: _____

Model No.: _____

APPENDIX C

Version No. _____

Rating: _____ kW Rating: _____ Rated Output: _____ VA Rated Voltage: _____ Volts

APPENDIX C

kVA

Rated Frequency: _____

APPENDIX C

~~Hertz Rated Speed: _____ RPM
Efficiency: _____ % Power Factor: _____ % Rated Current: _____
_____ Amps Locked Rotor Current: _____ Amps Synchronous Speed:
_____ RPM Winding Connection: Min. Operating Freq./Time: Generator
Connection: () Delta () Wye () Wye Grounded~~ Submit copies of the Saturation Curve and the
Vee Curve

() Salient () Non-Salient

Torque: _____ lb-ft Rated RPM: _____

Field Amperes: _____ at rated generator voltage and current and _____ % PF over-excited

Type of Exciter: _____

Output Power of Exciter: _____

Type of Voltage Regulator: _____

Direct-axis Synchronous Reactance (X_d): _____ ohms

Direct-axis Transient Reactance (X'_{d}): _____ ohms

Direct-axis Sub-transient Reactance (X''_{d}): _____ ohms

APPENDIX C

For Induction Machines:

Manufacturer: _____
Model No. _____

APPENDIX C

Version No. _____

Rating: _____

APPENDIX C

kW Rating: _____ kVA

Rated Output: _____ VA Rated Voltage: _____ Volts

Rate Frequency: _____

APPENDIX C

~~Hertz Rated Speed: _____ RPM~~
~~Efficiency: _____ %~~ ~~Power Factor: _____ %~~ ~~Rated Current: _____~~
~~_____ Amps~~ ~~Locked Rotor Current: _____ Amps~~ ~~Synchronous Speed:~~
~~_____ RPM~~ ~~Winding Connection: Min. Operating Freq./Time: _____~~
~~Generator Connection: () Delta () Wye () Wye Grounded~~

~~Rotor Resistance (Rr): _____ ohms~~ ~~Exciting Current: _____ Amps~~

~~Rotor Reactance (Xr): _____ ohms~~ ~~Reactive Power Required: _____~~

~~Magnetizing Reactance (Xm): _____ ohms, _____ VARs (No Load)~~

~~Stator Resistance (Rs): _____ ohms, _____ VARs (Full Load)~~

~~Stator Reactance (Xs): _____ ohms~~

~~Short Circuit Reactance (Xd): _____ ohms~~

~~Phases: () Single Phase () Three Phase~~

~~Frame Size: _____ Temp. Rise: _____~~

APPENDIX C

_____ Design Letter: ~~_-Deg-C-~~ _____
Temp. Rise: _____ °C

Step Up Transformer Winding Configuration:

_____ Wye-Wye Wye-Delta Delta-Wye

Applicable Attachments:

~~Detailed One Line Diagram attached: Yes Three~~

~~line Diagram attached: Yes Verification Test Plan~~

~~attached: Yes~~

~~If applicable, NRTL/UL 1741 Certification attached: Yes~~

Signature:

CUSTOMER/AGENT SIGNATURE

TITLE

DATE

**LONG ISLAND POWER
AUTHORITY STANDARDIZED
APPLICATION**

APPENDIX D

FOR INTERCONNECTION OF DISTRIBUTED RESOURCE EQUIPMENT ABOVE 2 MW UP TO 20 MW IN PARALLEL WITH THE PRE-APPLICATION REPORT FOR THE CONNECTION OF PARALLEL GENERATION EQUIPMENT TO LIPA'S DISTRIBUTION SYSTEM

SMALL GENERATOR INTERCONNECTION REQUEST

DG Project Information: (Provided to Utility by Applicant)
Customer name
Location of Project: (Address and/or GPS Coordinates)
DG technology type
DG fuel source / configuration
Proposed project size in kW (AC)
Date of Pre-Application Request
Pre-Application Report: (Provided to Applicant by Utility – 10 Business Days)
Operating voltage of closest distribution line
Phasing at site
Approximate distance to 3-Phase (if only 1 or 2 phases nearby)
Circuit capacity (MW)
Fault current availability, if readily obtained
Circuit peak load for the previous calendar year
Circuit minimum load for the previous calendar year
Approximate distance (miles) between serving substation and project site
Number of substation banks
Total substation bank capacity (MW)
Total substation peak load (MW)
Aggregate existing distributed generation on the circuit (kW)
Aggregate queued distributed generation on the circuit (kW)

APPENDIX E

APPENDIX E

(Application Form) COST RESPONSIBILITY FOR DEDICATED TRANSFORMER(S) AND OTHER SAFETY EQUIPMENT FOR NET METERED CUSTOMERS

Customer Cost Responsibility will be per LIPA Tariff for Electric Service. Such costs can include the total costs for upgrades to ensure the adequacy of the transmission and/or distribution system which would not have been necessary but for the interconnection of the net metered DG resource.

Generator Type	Generator Size	Equipment Cost to Residential Net Metered Customers	Equipment Cost to Non-Residential Net Metered Customers
Micro-CHP	Less than or equal to 10 kW	\$350 maximum	N/A
Fuel Cell	Less than or equal to 10 kW	\$350 maximum	As determined by Utility*
Fuel Cell	Over 10 kW up to 2MW	N/A	As determined by Utility*
Solar	Less than or equal to 25 kW	\$350 maximum	\$350 maximum
Solar	Over 25 kW up to 2 MW	N/A	As determined by Utility*
Micro-hydroelectric	Less than or equal to 25 kW	\$350 maximum	As determined by Utility*
Micro-hydroelectric	Over 25 kW up to 2 MW	N/A	As determined by Utility*
Wind **	Less than or equal to 25 kW	\$750 maximum	\$750 maximum
Wind	Over 25 kW up to 2 MW	N/A	As determined by Utility*
Farm Wind ***	Over 25 kW up to 500 kW	N/A	\$5,000 maximum***
Farm Waste ***	Up to 1 MW	N/A	\$5,000 maximum***

APPENDIX F

APPENDIX F
APPLICATION PACKAGE CHECKLIST

<u>Completed standard application form</u>	<u>✓</u>
<u>Signed copy of the standard contract</u>	<u>✓</u>
<u>Letter of authorization, signed by the Customer, to provide for the contractor to act as the customer's agent, if necessary</u>	<u>✓</u>
<u>If requesting a new service, a site plan with the proposed interconnection point identified by a Google Earth, Bing Maps or similar satellite image. For those projects on existing services, account and meter numbers shall be provided</u>	<u>✓</u>
<u>Description / Narrative of the project and site proposed. If multiple DG systems are being proposed at the same site/location, this information needs to be identified and explained in detail</u>	<u>✓</u>
<u>DG technology type</u>	<u>✓</u>
<u>DG fuel source / configuration</u>	<u>✓</u>
<u>Proposed project size in AC kW</u>	<u>✓</u>
<u>Project is net metered, remote, or community net metered</u>	<u>✓</u>
<u>Metering configuration</u>	<u>✓</u>
<u>Copy of the certificate of compliance referencing UL 1741</u>	<u>✓</u>
<u>Copy of the manufacturer's data sheet for the interface equipment</u>	<u>✓</u>
<u>Copy of the manufacturer's verification test procedures, if required</u>	<u>✓</u>
<u>System Diagram - A three line diagram for designs proposed on three phase systems, including detailed information on the wiring configuration at the PCC and an exact representation of existing utility service. One line diagrams shall be acceptable for single phase installations</u>	<u>✓</u>

CHECK IF: Standard SGIP Project _____ or Feed in Tariff Project _____

**~~Submitted To: Long Island Power Authority Distributed Resource Management 175
East Old Country Road Hicksville, New York 11801~~**

APPENDIX G

APPENDIX G
PRELIMINARY SCREENING ANALYSIS

Fax: 516-545-6134

Screen A: Is the PCC on a Networked Secondary System?

Does the proposed system connect to a secondary network system?

- If yes (fail).
- If no (pass), continue to Screen B.

Screen B: Is Certified Equipment Used?

Does the Interconnection Request propose to use equipment that has been listed to meet UL1741 (Inverters, Converters and Charge Controllers for Use in Independent Power Systems) by a nationally recognized testing laboratory?

- If yes (pass), continue to Screen C.
- If no (fail)

Screen C: Is the Electric Power System (EPS) Rating Exceeded?

Do the maximum aggregated Gross Ratings for all the Generating Facilities connected to an EPS exceed any EPS rating, modified per established Distribution Provider practice, absent any Generating Facilities?

- If yes (fail).
- If no (pass), continue to Screen D.

Screen D: Is the Line Configuration Compatible with the Interconnection Type?

~~An Interconnection Request is considered complete when it provides all applicable and correct information required below. Documentation of site control must be submitted with the Interconnection Request.~~ Line Configuration Screen: Identify primary distribution line configuration that will serve the Generating Facility. Based on the type of Interconnection to be used for the Generating Facility, determine from the table below if the proposed Generating Facility passes the Screen.

Preamble and Instructions

- If yes (pass), continue to Screen E.

~~An Interconnection Customer who requests an interconnection to LIPA's Distribution System must submit this Interconnection Request by hand-delivery, mail, or fax to LIPA.~~

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result / Criteria
Three-phase, three wire, > 5 kV	3-phase	Pass
Three-phase, four wire, >5 kV	Effectively-grounded 3 phase	Pass
All	Single phase, phase-phase, or ineffectively grounded sources or transformers	Fail

APPENDIX G

Processing Fee or Deposit:

Screen E: Simplified Penetration Test

Is the aggregate Generating facility capacity on the Line Section less than 15% of the annual peak load for all Line Sections bounded by automatic sectionalizing devices?

- If yes (pass), continue to Screen F.
- If no (fail), Supplemental Review is required, continue to Screen F.

Screen F: Simplified Voltage Fluctuation Test

In aggregate with existing generation on the Line Section

a. Can the Generating Facility parallel with the Distribution Provider’s Distribution System without causing a voltage fluctuation at the PCC greater than 5% of the prevailing voltage level of the Distribution System at the PCC?

If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$350, payable to LIPA.

- If yes (pass), Preliminary Screening Analysis is complete.
- If no (fail), Supplemental Review is required

SUPPLEMENTAL SCREENING ANALYSIS

Screen G: Supplemental Penetration Test

If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not qualify for the Fast Track Process, the Interconnection Customer shall submit to LIPA a deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of \$10,000 towards the cost of the feasibility study.

Where 12 months of line section minimum load data is available, can be calculated, can be estimated from existing data, or determined from a power flow model, is the aggregate Generating Facility capacity on the Line Section less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the Generating Facility?

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____

| **APPENDIX G**

| State: _____

APPENDIX G

Zip: _____

Facility Location (if different from above): _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Alternative Contact Information (if different from the Interconnection

Customer) Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____

| **APPENDIX G**

| ~~Telephone (Evening):~~

| ~~Fax:~~

| **APPENDIX G**

| E-Mail Address:

| **Application is for:**

APPENDIX G

~~_____ **New Small Generator**~~

~~_____ **Capacity addition to Existing Small Generator**~~

~~If capacity addition to existing facility, please describe: _____~~

~~Will the Small Generator be used for any of the following?~~

~~Net Metering? Yes _____ No _____~~

~~To Supply Power to the Interconnection Customer? Yes _____ No _____ To Supply Power to Other? Yes _____ No _____~~

~~For installations at locations with existing electric service to which the proposed Small Generator will interconnect, provide:~~

~~(Name on existing LIPA account) _____ (Existing LIPA Account Number)~~

~~Contact Name: _____~~

~~Title: _____~~

~~Address: _____~~

~~Telephone (Day):~~

| **APPENDIX G**

| ~~Telephone (Evening):~~

| ~~Fax:~~

APPENDIX G

~~E-Mail Address:~~

- ~~• If yes (pass), continue to Screen H.~~
- ~~• If no (fail), a quick review of the failure may determine the requirements to address the failure; otherwise the Interconnecting Customer may be required go on to the Coordinated Electric System Interconnection Review (CESIR) process. Continue to Screen H.~~

Screen H: Power Quality and Voltage Tests

~~In aggregate with existing generation on the Line Section,~~

- ~~a. Can it be determined within the Supplemental Review that the voltage regulation on the line section can be maintained in compliance with current voltage regulation requirements under all system conditions?~~
- ~~b. Can it be determined within the Supplemental Review that the voltage fluctuation is within acceptable limits as defined by IEEE 1453 or utility practice similar to IEEE1453?~~
- ~~Requested Point of Intereconnection: c. Can it be determined within the Supplemental Review that the harmonic levels meet IEEE519 limits at the Point of Common Coupling (PCC)?~~

~~Interconnection Customer's Requested In-Service Date:~~

Small Generator Information

~~The small generator will provide the application information required by LIPA in the SIR, as applicable.~~

Applicant Signature

- ~~• If yes to all of the above (pass), continue to Screen I.~~
- ~~• If no to any of the above (fail), a quick review of the failure may determine the requirements to address the failure; otherwise the Interconnecting Customer may be required go on to the Coordinated Electric System Interconnection Review (CESIR) process. Continue to Screen I.~~

Screen I: Safety and Reliability Tests

~~Does the location of the proposed Generating Facility or the aggregate generation capacity on the Line Section creates specific impacts to safety or reliability that cannot be adequately addressed without a detailed study?~~

- ~~I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.~~
- ~~• If yes (fail), a quick review of the failure may determine the requirements to address the failure; otherwise the Interconnecting Customer will be provided with information on the specific points of failure in the supplemental review results and may go to the Coordinated Electric System Interconnection Review (CESIR) process.~~
 - ~~• If no (pass), Supplemental Review is complete.~~

| APPENDIX **DH**

| For Interconnection Customer: _____

| APPENDIX **DH**

| ~~Date:~~ **METERING REQUIREMENTS**

Refer to the document entitled “Revenue Metering Requirements for Generator Facilities Interconnecting to the LIPA Transmission System” for ~~LIPA~~ PSEG Long Island’s interconnection technical requirements for Small Generators ~~no greater than 20~~ up to 10 MW.

(Former LIPA Attachment 8)

Feasibility Study Agreement

THIS AGREEMENT is made and entered into this _____ day of ~~20~~ _____ 20____ by and between _____, a ~~a~~ _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and **LIPA Long Island Lighting Company d/b/a LIPA ("LIPA")**. Interconnection Customer and LIPA each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generator or generating capacity addition to an existing Small Generator consistent with the Interconnection Request completed by Interconnection Customer on _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generator with LIPA's Distribution System; and

WHEREAS, Interconnection Customer has requested LIPA to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generator with LIPA's Distribution System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

~~1.0~~ 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the **PSEG Long Island Power Authority Small Generator Interconnection Procedures for New Distributed Resources ~~20 less than 10 MW or Less~~** Connected in parallel with LIPA Distribution Systems (~~LIPAPSEG Long Island~~ Small Generator Interconnection Procedures).

~~2.0~~ 2.0 The Interconnection Customer elects and LIPA shall cause to be performed an interconnection feasibility study consistent **with** the ~~LIPAPSEG Long Island~~ Small Generator Interconnection Procedures.

~~3.0~~ 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.

~~4.0~~ 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. LIPA reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the

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feasibility study and as designated in accordance with the LIPAPSEG Long Island Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

~~5.0~~5.0 In performing the study, LIPA shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.

~~6.0~~6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generator as proposed:

~~6.1~~6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

~~6.2~~6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;

~~6.3~~6.3 Initial review of grounding requirements and electric system protection; and

~~6.4~~6.4 Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generator and to address the identified short circuit and power flow issues.

~~7.0~~7.0 The feasibility study shall model the impact of the Small Generator regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generator is being installed.

~~8.0~~8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.

~~9.0~~9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$10,000 may be required from the Interconnection Customer.

~~10.0~~10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within thirty (30) Business Days of the Interconnection Customer's agreement to conduct a feasibility study.

~~11.0~~11.0 Any study fees shall be based on LIPA's ~~the~~ actual costs associated with the study and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

~~12.0~~12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) calendar days on receipt of the invoice or resolution of any dispute. If

APPENDIX F11

the deposit exceeds the invoiced fees, LIPA shall refund such excess within thirty (30) calendar days of the invoice without interest. LIPA shall not be obligated to perform or continue to perform any Interconnection Study work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

13.0 Miscellaneous.

13.1 Accuracy of Information. Except as Interconnection Customer may otherwise specify in writing when it provides information to LIPA under this Agreement, Interconnection Customer represents and warrants that the information it provides to LIPA shall be accurate and complete as of the date the information is provided. Interconnection Customer shall promptly provide LIPA with any additional information needed to update information previously provided.

13.2 Disclaimer of Warranty. In preparing the system impact study, LIPA and any subcontractor ~~consultants employed by~~ or consultant to LIPA shall have to rely on information provided by Interconnection Customer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither LIPA nor any subcontractor ~~or consultant employed by~~ to LIPA 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 or merchantability and fitness for a particular purpose, with regard to the accuracy, content or system impact conclusions of the system impact study. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representation or warranties have formed the basis of its bargain hereunder.

13.3 Force Majeure. For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement.

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13.4 Limitations of Liability. In no event shall any Party or its subcontractor consultant be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the system impact study or any reliance on the system impact study by Developer or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall LIPA be liable for any delay in delivery or for the non-performance or delay in performance of LIPA's obligations under this Agreement.

13.5 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless LIPA, 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 LIPA under this Agreement, any bankruptcy filings made by Interconnection Customer, or the actions or omissions of Interconnection Customer in connection with this Agreement, except to the extent such Losses arise from the gross negligence or willful misconduct by LIPA or their respective 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 LIPA shall be several, and not joint or joint and several.

13.6 Third-Party Beneficiaries. Without limitation of Sections 13.2, 13.3 and 13.5 of this Agreement, Interconnection Customer further agrees that a subcontractor or consultant hired by LIPA to conduct or review, or to assist in the conducting or reviewing, an Interconnection Feasibility Study shall be deemed third party beneficiaries with respect to Sections 13.2, 13.3, 13.4 and 13.5.

13.7 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 13.7, shall continue in effect for a term of one year or until the system impact study for Interconnection Customer's Small Generator is completed, whichever event occurs first. Interconnection Customer or LIPA may terminate this Agreement upon the withdrawal of the Interconnection Customer's Application under Section II.A.4 of LIPA's PSEG Long Island's Small Generator Interconnection Procedures.

13.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.

13.9 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null or 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.

13.10 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

13.11 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.

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13.12 Survival. All warranties, limitations of liability, indemnification and confidentiality provisions provided herein shall survive the expiration or termination hereof.

13.13 Independent Contractor. LIPA shall at all times be deemed to be an independent contractor and none of their employees or the employees of its subcontractors shall be considered to be employees of Interconnection Customer as a result of this Agreement.

13.14 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.

13.15 Successors and Assigns. 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. No assignment shall be permitted where the assignee is currently in litigation with one of the Parties to this Agreement, except with the consent of the affected Party.

13.16 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.

~~14.0~~ **14.0** All disputes shall be resolved in accordance with the procedures set forth in Section II.A.9 of the LIPAPSEG Long Island Small Generator Interconnection Procedures.

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.

[LIPA] _____ [Insert name of Interconnection Customer]

Long Island Electric Utility Service LLC
acting as agent of and on behalf of
Long Island Lighting Company d/b/a LIPA

[Insert name of Interconnection Customer]

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print)

Name: _____
(Print)

Title: _____

Title: _____

Date: _____

Date: _____

| **APPENDIX F1 I2**

| Signed

| Name (Printed): _____ Name (Printed):

| Title

| Title

| ~~(Former LIPA Attachment 8A)~~

**Attachment A to
Feasibility Study Agreement**

Assumptions Used in Conducting the Feasibility Study

| The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____:

| 1) Designation of Point of Interconnection and configuration to be studied.

| 2) Designation of alternative Points of Interconnection and configuration.

| ~~1)~~ and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and LIPA.

(Former LIPA Attachment 9)

System Impact Study Agreement

THIS AGREEMENT is made and entered into this _____ day of ~~20~~ _____ 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer,”) and Long Island Lighting Company d/b/a LIPA (“LIPA”). Interconnection Customer and LIPA each may be referred to as a “Party, ” or collectively as the “Parties.”

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generator or generating capacity addition to an existing Small Generator consistent with the Interconnection Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generator with LIPA’s Distribution System;

WHEREAS, LIPA has completed a feasibility study and provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); and

WHEREAS, the Interconnection Customer has requested LIPA to perform a system impact study(s) to assess the impact of interconnecting the Small Generator with LIPA’s Distribution System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

~~1.0~~ 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the PSEG Long Island Power Authority Small Generator Interconnection Procedures for New Distributed Resources ~~20 less than 10~~ MW or Less Connected in parallel with LIPA Distribution Systems (~~LIPAPSEG Long Island~~ Small Generator Interconnection Procedures).

~~2.0~~ 2.0 The Interconnection Customer elects and LIPA shall cause to be performed a system impact study(s) consistent with the ~~LIPAPSEG Long Island~~ Small Generator Interconnection Procedures.

~~3.0~~ 3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.

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~~4.04.0~~ A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. LIPA reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.

~~5.05.0~~ A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement 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. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.

~~6.06.0~~ A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.

~~7.07.0~~ Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and LIPA has twenty (20) additional Business Days to complete a system impact study requiring review by Affected Systems.

~~8.08.0~~ If LIPA uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced

8.1 Are directly interconnected with LIPA's System; or

8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and

8.3 Have a pending higher queued Interconnection Request to interconnect with LIPA's System.

~~9.09.0~~ A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within thirty (30) Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within forty-five (45) Business Days after this Agreement is signed by the Parties, or in accordance with LIPA's queuing procedures.

~~10.010.0~~ The Interconnection Customer shall provide to LIPA a deposit of \$10,000 or other commercially reasonable security in an amount equivalent to the good faith estimated cost of a Distribution System impact study and the good faith estimated cost of a transmission system impact study;

~~11.011.0~~ Any study fees shall be based on LIPA's the actual costs of the study and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.012.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, LIPA shall refund such excess within thirty (30) calendar days of the invoice without interest. LIPA shall not be obligated to perform or continue to perform any Interconnection Study work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

13.0 Miscellaneous.

13.1 Accuracy of Information. Except as Interconnection Customer may otherwise specify in writing when it provides information to LIPA under this Agreement, Interconnection Customer represents and warrants that the information it provides to LIPA shall be accurate and complete as of the date the information is provided. Interconnection Customer shall promptly provide LIPA with any additional information needed to update information previously provided.

13.2 Disclaimer of Warranty. In preparing the system impact study, LIPA and any subcontractor or consultants ~~employed by~~ LIPA shall have to rely on information provided by Interconnection Customer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither LIPA nor any subcontractor or consultant ~~employed by~~ LIPA 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 or merchantability and fitness for a particular purpose, with regard to the accuracy, content or system impact conclusions of the system impact study. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representation or warranties have formed the basis of its bargain hereunder.

13.3 Force Majeure. For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the

Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement.

13.4 Limitations of Liability. In no event shall any Party or its subcontractor consultant be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the system impact study or any reliance on the system impact study by Developer or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall LIPA be liable for any delay in delivery or for the non-performance or delay in performance of LIPA's obligations under this Agreement.

13.5 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless LIPA, 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 LIPA under this Agreement, any bankruptcy filings made by Interconnection Customer, or the actions or omissions of Interconnection Customer in connection with this Agreement, except to the extent such Losses arise from the gross negligence or willful misconduct by LIPA or their respective 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 LIPA shall be several, and not joint or joint and several.

13.6 Third-Party Beneficiaries. Without limitation of Sections 13.2, 13.3 and 13.5 of this Agreement, Interconnection Customer further agrees that subcontractor consultant hired by LIPA to conduct or review, or to assist in the conducting or reviewing, an Interconnection Feasibility Study shall be deemed third party beneficiaries with respect to Sections 13.2, 13.3, 13.4 and 13.5.

13.7 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 13.7, shall continue in effect for a term of one year or until the system impact study for Interconnection Customer's Small Generator is completed, whichever event occurs first. Interconnection Customer or LIPA may terminate this Agreement upon the withdrawal of Interconnection Customer's application pursuant to Section II.A.4 of LIPA's Small Generator Interconnection Procedures.

13.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.

13.9 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null or 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.

13.10 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

13.11 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.

13.12 Survival. All warranties, limitations of liability, indemnification and confidentiality provisions provided herein shall survive the expiration or termination hereof.

13.13 Independent Contractor. LIPA shall at all times be deemed to be an independent contractor and none of their employees or the employees of its subcontractors shall be considered to be employees of Interconnection Customer as a result of this Agreement.

13.14 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

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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.

13.15 Successors and Assigns. 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. No assignment shall be permitted where the assignee is currently in litigation with one of the Parties to this Agreement, except with the consent of the affected Party.

13.16 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.

~~14.0~~ **14.0** All disputes shall be resolved in accordance with the procedures set forth in Section II.A.9 of the LIPAPSEG Long Island Small Generator Interconnection Procedures for ~~New~~ Distributed ~~Resources 20 MW or~~ Generation Less than 10 MW Connected in Parallel with LIPA Distribution Systems.

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.

~~[LIPA]~~ _____ ~~[Insert name of Interconnection Customer]~~

Long Island Electric Utility Service LLC
acting as agent of and on behalf of
Long Island Lighting Company d/b/a LIPA

[Insert name of Interconnection Customer]

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print)

Name: _____
(Print)

Title: _____

Title: _____

Date: _____

Date: _____

| **APPENDIX ~~G1~~ J2**

| Signed

| Name (Printed): _____ Name (Printed):

| Title

| Title

| ~~(Former LIPA Attachment 9A)~~

**Attachment A to
System Impact Study Agreement**

Assumptions Used in Conducting the System Impact Study

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

| 1) Designation of Point of Interconnection and configuration to be studied.

| 2) Designation of alternative Points of Interconnection and configuration.

| ~~1)~~ and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and LIPA.

(Former LIPA Attachment 10)

Facilities Study Agreement

THIS AGREEMENT is made and entered into this _____ day of ~~20~~ _____
~~20~~ by and between _____,
a ~~a~~ _____ organized and existing under the laws of the State of _____,
("Interconnection Customer,") and
Long Island Lighting Company d/b/a LIPA ("LIPA"). Interconnection Customer and LIPA each
may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generator or
generating capacity addition to an existing Small Generator consistent with the Interconnection
Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generator with
LIPA's Distribution System;

WHEREAS, LIPA has completed a system impact study and provided the results of said study to
the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested LIPA to perform a facilities study to
specify and estimate the cost of the equipment, engineering, procurement and construction work
needed to implement the conclusions of the system impact study in accordance with Good Utility
Practice to physically and electrically connect the Small Generator with LIPA's Distribution
System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein
the Parties agreed as follows:

~~1.0~~ 1.0 When used in this Agreement, with initial capitalization, the terms specified shall
have the meanings indicated or the meanings specified in the Long Island Power
Authority Small Generator Interconnection Procedures for ~~New Distributed
Resources 20 MW or Less~~ Distributer Generation less than 10 MW Connected in
parallel with LIPA Distribution Systems (LIPAPSEG Long Island Small Generator
Interconnection Procedures).

~~2.0~~ 2.0 The Interconnection Customer elects and LIPA shall cause a facilities study
consistent with the LIPAPSEG Long Island Small Generator Interconnection
Procedures.

~~3.0~~ 3.0 The scope of the facilities study shall be subject to data provided in Attachment A
to this Agreement.

APPENDIX ~~HK~~1

~~4.0~~4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of LIPA's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

~~5.0~~5.0 LIPA may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generator if it is willing to pay the costs of those facilities.

~~6.0~~6.0 The Interconnection Customer shall provide to LIPA a deposit of \$10,000 or other commercially reasonable security in an amount equal to the good faith estimated facilities study costs.

~~7.0~~7.0 In cases where Upgrades are required, the facilities study must be completed within forty-five (45) Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within thirty (30) Business Days. Projects that are subject to the NYISO OATT Attachment S cost allocation process shall be processed in accordance with the NYISO's Attachment S procedures

~~8.0~~8.0 Once the facilities study is completed, a facilities study report shall be prepared and promptly transmitted to the Interconnection Customer.

~~9.0~~9.0 Any study fees shall be based on ~~LIPA's~~the actual costs of the study and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

~~10.0~~10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, LIPA shall refund such excess within thirty (30) calendar days of the invoice without interest. LIPA shall not be obligated to perform or continue to perform any Interconnection Study work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

11.0 Miscellaneous.

11.1 Accuracy of Information. Except as Interconnection Customer may otherwise specify in writing when it provides information to LIPA under this Agreement, Interconnection Customer represents and warrants that the

information it provides to LIPA shall be accurate and complete as of the date the information is provided. Interconnection Customer shall promptly provide LIPA with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In preparing the system impact study, LIPA and any ~~subcontractors~~ subcontractors or consultants employed by LIPA shall have to rely on information provided by Interconnection Customer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither LIPA nor any subcontractor consultant employed by LIPA 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 or merchantability and fitness for a particular purpose, with regard to the accuracy, content or system impact conclusions of the system impact study. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representation or warranties have formed the basis of its bargain hereunder.

11.3 Force Majeure. For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement.

11.4 Limitations of Liability. In no event shall any Party or its subcontractor consultant be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the system impact study or any reliance on the system impact study by Developer or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall LIPA be liable for any

delay in delivery or for the non-performance or delay in performance of LIPA's obligations under this Agreement.

11.5 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless LIPA, 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 LIPA under this Agreement, any bankruptcy filings made by Interconnection Customer, or the actions or omissions of Interconnection Customer in connection with this Agreement, except to the extent such Losses arise from the gross negligence or willful misconduct by LIPA or their respective 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 LIPA shall be several, and not joint or joint and several.

11.6 Third-Party Beneficiaries. Without limitation of Sections 11.2, 11.3 and 11.5 of this Agreement, Interconnection Customer further agrees that subcontractor or consultant ~~hired by~~ LIPA to conduct or review, or to assist in the conducting or reviewing, an Interconnection Feasibility Study shall be deemed third party beneficiaries with respect to Sections 11.2, 11.3, 11.4 and 11.5.

11.7 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 11.7, shall continue in effect for a term of one year or until the system impact study for Interconnection Customer's Small Generating Facility is completed, whichever event occurs first. Interconnection Customer or LIPA may terminate this Agreement upon the withdrawal of the Interconnection Customer's application pursuant to Section II.A.4 of LIPA's PSEG Long Island's Small Generator Interconnection Procedures.

11.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.

11.9 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null or 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.

11.10 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

11.11 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.

APPENDIX HK1

11.12 Survival. All warranties, limitations of liability, indemnification and confidentiality provisions provided herein shall survive the expiration or termination hereof.

11.13 Independent Contractor. LIPA shall at all times be deemed to be an independent contractor and none of their employees or the employees of its subcontractors shall be considered to be employees of Interconnection Customer as a result of this Agreement.

11.14 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.

11.15 Successors and Assigns. 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. No assignment shall be permitted where the assignee is currently in litigation with one of the Parties to this Agreement, except with the consent of the affected Party.

11.16 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.

~~12.0~~ **12.0** All disputes shall be resolved in accordance with the procedures set forth in Section II.A.9 of the LIPAPSEG Long Island Small Generator Interconnection Procedures.

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.

[LIPA] _____ [Insert name of Interconnection Customer]

Long Island Electric Utility Servco LLC
acting as agent of and on behalf of
Long Island Lighting Company d/b/a LIPA

[Insert name of Interconnection Customer]

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print)

Name: _____
(Print)

Title: _____

Title: _____

Date: _____

Date: _____

| Signed

| **APPENDIX ~~H1~~ K2**

| Signed

| Name (Printed): _____ Name (Printed):

| Title

Title

~~(Former LIPA Attachment 10A)~~

**Attachment A to the
Facilities Study Agreement**

Data to Be Provided by the Interconnection Customer

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT)
Amps

One set of metering is required for each generation connection to the new ring bus or existing LIPA station. Number of generation connections: _____

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 the one-line diagram).

What type of control system or PLC will be located at the Small Generator?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

| **APPENDIX H1 K2**

Bus length from generation to interconnection station:

| _____

| Line length from interconnection station to LIPA's System.

| _____

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 LIPA.

| Is the Small Generator located outside of LIPA's service area?

| Yes _____ No _____ If Yes, please provide name of local provider:

| _____

Please provide the following proposed schedule dates:

| Begin Construction Date: _____

| Generator step-up transformers receive back feed power Date: _____

| Generation Testing Date: _____

| Commercial Operation Date: _____

APPENDIX **HL**

~~(Former LIPA Attachment 7)~~ **Small Generator Certificate of Completion**

Is the Small Generator owner-installed? Yes _____ No _____

Installed System Total Output: _____ kW DC and _____ kW AC

Interconnection Customer: _____

Contact Person: _____ Address: _____

Address: _____

Location of the Small Generator (if different from above):

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

| **APPENDIX HL**

| ~~State: (Evening):~~

| ~~E-Mail Address:~~

APPENDIX HL

Zip Code:

Name:

Address:

Address:

_____ State:

Zip Code:

Telephone (Day): _____ (Evening):

Fax: _____

| **APPENDIX HL**

| **State:** _____ **Zip Code:** _____ **(Evening):** _____

| E-Mail Address: _____

| License number: _____

| Date Approval to Install Facility granted by LIPA: _____

| Application ID number: _____

| Inspection:

The Small Generator has been installed and inspected in compliance with the local

| building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

| _____

| Print Name: _____

| Date: _____

APPENDIX ~~J~~M
INTERCONNECTION AGREEMENT
FOR A SYSTEM
GREATER THAN 25 MW AND ~~UP TO 20~~ LESS THAN 10 MW

~~(Former LIPA Attachment~~

~~11)~~

INTERCONNECTION AGREEMENT
FOR A SYSTEM
GREATER THAN 25 MW AND ~~UP TO 20~~ LESS THAN 10 MW
AT [ADDRESS]

BETWEEN

LONG ISLAND LIGHTING COMPANY D/B/A LIPA

AND

[PARTY NAME]

APPENDIX M
INTERCONNECTION AGREEMENT
FOR A SYSTEM
GREATER THAN 5 MW AND LESS THAN 10 MW

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INTERCONNECTION AGREEMENT
FOR A SYSTEM
GREATER THAN 5 MW AND LESS THAN 10 MW

EXHIBITS

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APPENDIX M
INTERCONNECTION AGREEMENT
FOR A SYSTEM
GREATER THAN 5 MW AND LESS THAN 10 MW

THIS INTERCONNECTION AGREEMENT (this “Agreement”) is made and entered into this ___ day of 2011, by and between Long Island Lighting Company doing business as LIPA (“LIPA”), a corporation organized under the laws of the State of New York and a wholly-owned subsidiary of Long Island Power Authority (“Authority”) which is a corporate municipal instrumentality and political subdivision of the State of New York, each with its headquarters at 333 Earle Ovington Boulevard, Uniondale, New York 11553 and [PARTY NAME] organized under the laws of the State of [] (“Generator”), with its offices at [PARTY ADDRESS]. LIPA and Generator may be jointly referred to in this Agreement as the “Parties,” or individually as a “Party.” T&D Manager is not a party to this Agreement and is executing this Agreement solely on behalf of and as agent for LIPA.

WHEREAS, LIPA owns electric facilities and is engaged in the generation, transmission, distribution, and sale of electric energy in the State of New York; and

WHEREAS, T&D Manager is LIPA’s agent, will administer this Agreement and shall be LIPA’s representative in all matters related to this Agreement, including all attached exhibits as applicable; and

WHEREAS, Generator intends to construct, own, operate, and maintain (or cause to be constructed, operated, and maintained) an electric power generation facility (the “Plant”) to be located at [ADDRESS]; and

WHEREAS, Generator desires to interconnect the Plant with LIPA’s System; and

WHEREAS, LIPA desires to interconnect LIPA’s System with the Plant;

NOW THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt, sufficiency, and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby covenant, promise, and agree as follows:

ARTICLE 1
CONSTRUCTION AND DEFINITIONS

1.1 Construction. Any references herein to this Agreement, or to any other agreement, shall include any exhibits, attachments, and addenda hereto and amendments thereto, as the same may be amended from time to time.

1.2 Definitions. Any term used in this Agreement and not defined herein shall have the meaning customarily attributed to such term by the electric utility industry in the State of New York. When used with initial capitalization, unless otherwise defined herein, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below:

APPENDIX M
INTERCONNECTION AGREEMENT
FOR A SYSTEM
GREATER THAN 5 MW AND LESS THAN 10 MW

“**Affiliate**” means any other entity directly or indirectly controlling or controlled by or under direct or indirect common control of a specified party. For purposes of this definition, “control” means the power to direct the management and policies of such entity or specified party, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. A voting interest of ten percent (10%) or more shall create a rebuttable presumption of control. The Parties acknowledge that the T&D Manager shall not be construed to be an Affiliate of LIPA as such term is defined and used herein.

“**Agreement**” shall have the meaning identified in the Preamble and shall include all exhibits, schedules, appendices, and other attachments hereto and amendments thereto that may be made from time to time pursuant to the terms of this Agreement.

“**Arbitrators**” shall have the meaning set forth in Section 10.4 of this Agreement.

“**Authority**” shall have the meaning set forth in the Preamble, including its successors and assigns as permitted hereunder.

“**Business Day**” means any day on which the Federal Reserve Member Banks in New York City are open for business, and shall extend from 8:00 a.m. until 5:00 p.m. local time for each Party’s principal place of business.

“**Commercial Operation Date**” means the date on which the Plant has successfully completed its Performance Test and all tests required in accordance with NYISO procedures to provide Output in the corresponding NYISO markets in accordance with the applicable rules promulgated by the NYISO, and is available and capable of delivering Output pursuant to the terms of this Agreement.

“**Confidential Information**” shall have the meaning set forth in Section 15.1 of this Agreement.

“**Cure Plan**” shall have the meaning set forth in Section 9.2(b)(ii) of this Agreement.

“**Date of Initial Interconnection**” means the date on which the Plant is first electrically interconnected to LIPA’s System, which is intended to occur on or before [DATE].

“**Demarcation Point**” means the point of electrical interconnection between Generator’s Interconnection Facilities and LIPA’s Interconnection Facilities, located at [ADDRESS], as set forth in Exhibit A hereto.

“**Disclosing Party**” shall have the meaning set forth in Section 15.1 of this Agreement.

“**Environmental Law**” means all former and current federal, state, local, and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives or orders (including consent orders) and Environmental Permits, in each case, relating to pollution or protection of the environment or natural resources, including laws relating to Releases

APPENDIX M
INTERCONNECTION AGREEMENT
FOR A SYSTEM
GREATER THAN 5 MW AND LESS THAN 10 MW

or threatened Releases, or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, arrangement for disposal, transport, recycling or handling of Hazardous Substances.

"Environmental Permits" means the permits, licenses, consents, approvals and other governmental authorizations, with respect to Environmental Laws relating primarily to the operation of the Plant.

"Event of Default" shall have the meaning set forth in Section 9.1 of this Agreement.

~~thereto.~~

APPENDIX M
INTERCONNECTION AGREEMENT
FOR A SYSTEM
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“**FERC**” means the Federal Energy Regulatory Commission or any successor agency thereto.

“**FOIL**” shall have the meaning set forth in Section 15.3 of this Agreement.

“**Force Majeure Event**” shall have the meaning set forth in Article 12 of this Agreement.

“**Generator**” shall have the meaning set forth in the Preamble, including its successors and assigns as permitted hereunder.

“**Generator’s Interconnection Facilities**” means all facilities and equipment identified on Exhibit A, that are located between the Plant and the Demarcation Point, including any modification, addition, upgrades or replacement of such facilities and equipment, necessary to Interconnect the Plant with LIPA’s System. Generator’s Interconnection Facilities are sole use facilities.

“**Good Utility Practice**” means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the State of New York during the term of this Agreement, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish the desired results at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to delineate acceptable practices, methods or acts generally accepted by a significant portion of the electric utility industry operating in the State of New York.

“**Hazardous Substance**” means (i) any petrochemical or petroleum products, crude oil or any fraction thereof, ash, radioactive materials, radon gas, asbestos in any form, urea formaldehyde foam insulation or polychlorinated biphenyls, (ii) any chemicals, materials, substances or wastes defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “contaminants” or “pollutants” or words of similar meaning and regulatory affect contained in any Environmental Law or (iii) any other chemical, material, substance or waste which is prohibited, limited or regulated by any Environmental Law.

“**Indemnified Party**” shall have the meaning set forth in Section 11.1 of this Agreement.

“**Indemnifying Party**” shall have the meaning set forth in Section 11.1 of this Agreement.

“**Interconnection**” means the electrical interconnection of the Plant with LIPA’s System.

“**Interconnection Facilities**” means Generator’s Interconnection Facilities, if any, and LIPA’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Plant and the Point of Attachment, including any modifications, additions, upgrades or replacements that are necessary to physically and electrically interconnect the Plant to LIPA’s System. Interconnection Facilities are sole use facilities and shall not include additions, modifications or upgrades to LIPA’s System.

“**Interest Rate**” shall have the meaning set forth in Section 3.4 of this Agreement.

“**Lenders**” means any Person, or agent or trustee of such Person, who provides financing for the Plant.

“**LIPA**” shall have the meaning set forth in the Preamble, including its successors and assigns as permitted hereunder.

“**LIPA’s System**” means the electric transmission and distribution system owned ~~and/or operated~~ by LIPA and consisting of all real and personal property, equipment, machinery, tools and materials, and other similar items relating to the transmission and distribution of electricity to LIPA’s customers.

“**LIPA’s Interconnection Facilities**” means all facilities and equipment identified on Exhibit A, that are located between the Demarcation Point and the Point of Attachment, including

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INTERCONNECTION AGREEMENT
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any modifications, additions, upgrades or replacements of such facilities and equipment. LIPA's Interconnection Facilities are sole use facilities and shall not include additions, modifications or upgrades to LIPA's System.

“Metering Devices” means all meters, metering equipment, data processing equipment, and associated equipment used to measure, record or transmit data relating to the provision and transmission of Output from LIPA's System to customers pursuant to the terms of this Agreement.

“NYCA” means the New York Control Area.

“NYISO” means the New York Independent System Operator or any successor thereto that administers the wholesale electricity markets in the State of New York substantially as a whole, including without limitation, any regional transmission organization so authorized by the FERC.

“Other Party Group” shall have the meaning set forth in Section 11.10. (e) of this Agreement.

“Output” means collectively, the capacity, energy, and ancillary services produced by the Plant.

“Party” or **“Parties”** shall have the meaning set forth in the Preamble, together with any successor or assign, as permitted hereunder, of either.

“Plant” shall have the meaning set forth in the Recitals, including the balance of plant equipment, fuel handling facilities, step-up transformer(s), output breakers, and necessary generation and transmission lines to connect to the Demarcation Point, and associated protective equipment.

“Performance Test” means the performance tests as more fully described in Exhibit J ~~(D)~~ hereto.

“Point of Attachment” means the point, as set forth in Exhibit J (A), where the Interconnection Facilities connect to LIPA's System.

“Project Site” means that parcel of land where the Plant is located and described in the attached Appendix A; and located in [ADDRESS].

“Receiving Party” shall have the meaning set forth in Section 15.1(a) of this Agreement.

“Records” shall have the meaning set forth in Section 16.3 of this Agreement.

“Release” means any actual or threatened release, spill, emission, emptying, escape, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment or within any building, structure, facility or fixture.

“RTO” means any regional transmission organization/independent transmission operator or organization, which is approved by the FERC pursuant to FERC Order No. 2000.

“Statute” shall have the meaning set forth in Section 16.3 of this Agreement.

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“**Summer Season**” means, after the Commercial Operation Date, each of the periods from June 1 through September 30 of any year during the term of this Agreement.

“**System Emergency**” means the existence of a physical or operational condition or the occurrence of an event which, at the time of such occurrence or event that: (i) in the judgment of the Party making the claim, is imminently likely to endanger life or property, or (ii) in the case of LIPA, impairs or will imminently impair the safety and/or reliability of LIPA’s System or LIPA’s Interconnection Facilities, or (iii) in the case of Generator, impairs or will imminently impair the safety and/or reliability of the Plant or Generator’s Interconnection Facilities. System restoration and black start are part of a System Emergency, provided that Generator is not obligated to possess black start capability.

“**System Pre-Emergency**” means the existence of a physical or operational condition or the occurrence of an event which, at the time of such occurrence or event, could reasonably be expected, if permitted to continue, to lead to a System Emergency.

“**T&D Manager**” means ~~the entity, or any successor or assignee thereof providing certain operation, maintenance and other services to LIPA related to LIPA’s System~~ PSEG Long Island LLC through its operating subsidiary Long Island Electric Utility Servco LLC, which has managerial responsibility for the day-to-day operation and maintenance of, and capital investment to, the electric transmission and distribution system owned by LIPA, pursuant to that Amended and Restated Management Operations Services Agreement, dated as of ~~January 1, 2006, December 31, 2013,~~ as amended from time to time (the “MSAOSA”) or any other similar agreement or arrangement ~~or any successor or assignee thereof providing certain operational, maintenance and other services to LIPA.~~

ARTICLE 2
TERM

This Agreement shall become effective (the “Effective Date”) upon execution by both Parties, and shall remain in full force and effect, subject to termination as provided herein, for a period of ten (10) years from the Effective Date or such other longer period as the Generator may request and shall be automatically renewed for each successive one-year period thereafter. Generator shall have the right to cease operation of the Plant and terminate this agreement upon thirty (30) days’ notice to LIPA. Either Party may terminate this Agreement in accordance with Article 9.

ARTICLE 3
BILLING AND PAYMENT

~~3.1-~~3.1. Billing Procedures. Within five (5) Business Days after the first (1st) day of each month, each Party shall prepare an invoice for any outstanding and due costs, fees or other payments owed it by the other Party pursuant to this Agreement or otherwise subject to reimbursement by Generator. Each invoice shall delineate the month in which such costs or services were incurred or provided, shall fully describe the costs or services incurred or rendered, and shall be itemized to reflect the incurrence of such costs and the provision of such services. Each Party shall pay the undisputed invoiced amount, if any, to the other Party on or before the

APPENDIX M
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twentieth (20) Business Day following receipt of the other Party's invoice. Payment of invoices by either Party shall not relieve the paying Party from any responsibilities or obligations it has under this Agreement, nor shall it constitute a waiver of any claims arising hereunder nor shall it prejudice either Party's right to question the correctness of such billing.

3.2 Billing Payment Addresses

- i. T&D Manager: ~~National Grid Electric Services LLC~~
PSEG Long Island
Power Asset Management (PAM)
175 East Old Country Road
Hicksville, New York 11801
Attention: Manager, ~~LIPA~~PSEG Long Island Power Asset
Management
Fax: (516) 545-6134

With a copy to LIPA:
Long Island Power Authority
333 Earle Ovington Boulevard, Suite 403
Uniondale, New York 11553
Attention: Vice President of Power Markets
Fax: (516) 222-9137

- ii. Generator:
[NAME]
[ADDRESS]
Attention:
Fax: _____

or such other and different addresses as may be designated in writing by the Parties.

3.3 Billing Disputes.

(a) Notice. A Party receiving any invoice from the other Party shall examine same to ensure that it has been calculated correctly, and shall promptly notify the billing Party of any errors therein which the receiving Party in good faith believes have been made, along with the facts providing the basis for such belief. The billing Party will promptly review such complaint and reply to the specific claims made by the receiving Party.

(b) Dispute Resolution. If the Parties are unable to settle the contested portion of any invoice, such dispute shall be settled in accordance with Article 10.

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(c) Obligation to Pay Uncontested Amounts. The existence of a dispute with regard to any payment due shall not relieve the indebted Party of any obligation to timely pay any uncontested amounts due under this Agreement or from fulfilling any other obligation under this Agreement.

(d) Payment of Disputed Amounts. Upon resolution of a dispute in respect to any disputed amount, a party shall pay interest on any unpaid amount determined to be owed to the other party from the date due under the original invoice until date of payment. Such interest shall be computed at the effective interest rate as established by Section 2880 of the Public Authorities Law of the State of New York, and any successor thereto (the "Interest Rate").

(e) Deadline for Disputing Amounts. Except in instances where it is demonstrated that fraud hindered the discovery of billing errors, any claims for adjustments must be made within two (2) years of when the invoice was issued.

3.4 Interest. If either Party fails to make any payment required by this Agreement when due, including contested portions of invoices, or if due to an incorrect invoice issued by a Party, the other Party may request an overpayment requiring a refund by the billing Party, such amount due shall bear interest at the Interest Rate for each day from the due date of the payment or the date on which the overpayment was made until the date of payment. Payments mailed on or before the due date shall not be charged interest for the period of mailing. If the due date of any payment falls on a Sunday or legal holiday, the next Business Day shall be the last day on which payment can be made without interest charges being assessed.

3.5 Survival. The provisions of this Article 3 shall survive termination, expiration, cancellation, suspension, or completion of this Agreement to the extent necessary to allow for final billing and payment.

ARTICLE 4
REGULATORY APPROVALS

4.1-4.1 Generator shall be responsible for obtaining and maintaining the effectiveness of all necessary governmental permits required for Generator to construct, operate maintain and replace Generator's Interconnection Facilities. LIPA shall be responsible for obtaining and maintaining the effectiveness of all necessary governmental permits required for LIPA to construct, operate, maintain, and replace LIPA's Interconnection Facilities.

ARTICLE 5
SALE OF ELECTRICITY

There shall be no sale of electricity to LIPA- under this Agreement.

ARTICLE 6
INSTALLATION, OPERATION, AND MAINTENANCE
OF THE INTERCONNECTION FACILITIES

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6.1 LIPA shall interconnect the Plant with LIPA's System at the Point of Attachment, permit the Plant to operate in parallel with LIPA's System, and shall provide all services reasonably necessary to achieve these purposes.

6.2 Generator shall be responsible, for (a) all costs of designing, engineering, procuring, constructing, installing, commissioning, testing, operating, maintaining, and replacing the Generator's Interconnection Facilities and for providing data acquisition and control interfaces to permit the safe and reliable operation of the Interconnection Facilities in accordance with Good Utility Practice and the ~~RTO~~/NYISO Tariff and Rules, and (b) all costs of designing, engineering, procuring, constructing, installing, commissioning, testing, operating, maintaining, and replacing LIPA's Interconnection Facilities. An estimate of the initial cost of LIPA's Interconnection Facilities is set forth in Exhibit E. Generator shall reimburse LIPA for all costs of designing, engineering, procuring, constructing, installing, commissioning, testing, and replacing LIPA's Interconnection Facilities. Generator shall reimburse LIPA on a monthly basis for maintenance costs of the Interconnection Facilities in accordance with the applicable Service Classification tariff in LIPA's retail electric tariff (presently Service Classification No.11). LIPA, through its T&D Manager, will invoice Generator for the foregoing costs.

6.3 Generator shall design, engineer, procure, construct, install, commission, test, operate, maintain, and replace Generator's Interconnection Facilities in conformance with: (a) the design specifications, construction standards, performance requirements, and operating standards specified in Appendices B, C, and D to this Agreement; (b) the testing procedures for the Generator's Interconnection Facilities, specified in Exhibit D to this Agreement; (c) all applicable laws, rules and regulations of federal, state and local governmental authorities that have jurisdiction over Generator with respect to the Generator's Interconnection Facilities; (d) Good Utility Practice.

6.4 Generator shall design, engineer, procure, construct, install, commission, test, operate, and maintain the Plant in accordance with: (a) the design specifications, construction standards, performance requirements, and operating standards specified in Appendices B, C, and D to this Agreement; (b) the testing procedures for the Plant, specified in Exhibit D to this Agreement; (c) all applicable laws, rules and regulations of federal, state, and local governmental authorities that have jurisdiction over Generator with respect to the Plant; and (d) Good Utility Practice.

6.5 Prior to the Date of Initial Interconnection, the Parties shall jointly develop detailed testing procedures for the Interconnection Facilities, to the extent any such procedures are not adequately specified as part of the applicable ~~RTO~~/NYISO Tariff and Rules or within Exhibit D.

6.6 Prior to the date of Initial Interconnection, the Parties shall also jointly develop a detailed set of coordinated operating instructions. The operating instructions shall be developed in accordance with this Agreement and any other binding agreement between the Parties in effect during operation of the Plant.

6.7 If applicable, LIPA shall undertake design of and performance of verification studies for the Plant.

6.8 In order for LIPA to make a timely assessment of Generator's compliance with the requirements of Section 6.4 of this Agreement, prior to the Date of Initial Interconnection, Generator will submit to LIPA for LIPA's review, engineering drawings of the Plant, including detailed one-line functional relaying drawings, three-line alternate current ("AC") schematics, and all AC and direct current control schematics associated with the Plant. Such engineering drawings shall be of sufficient scope and detail to permit LIPA to reasonably assess Generator's compliance with the design requirements of Section 6.4 of this Agreement. Generator will send final engineering drawings to LIPA at least one (1) month prior to the Date of Initial Interconnection. LIPA shall provide written approval of the final engineering drawings promptly after Generator's submission to LIPA and prior to the Date of Initial Interconnection, which written approval shall not be unreasonably withheld or delayed. The Plant shall not be interconnected with LIPA's System until the Generator's Interconnection Facilities and the Plant have been approved by the New York Board of Fire Underwriters (or other similar body having jurisdiction).

6.9 Generator shall have the right to install its own meters at the Plant and shall maintain them according to Good Utility Practice. Prior to the Commercial Operation Date, Generator shall install, to specifications provided by LIPA and at Generator's expense, adequate metering and

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communications equipment as described in Appendices A and B. Generator shall pay the monthly charges associated with such communication channel(s).

6.10 Except as otherwise provided herein, each Party shall maintain its equipment and facilities and perform its maintenance obligations that could reasonably be expected to affect the operations of the other Party, according to Good Utility Practice. Unless the Parties mutually agree to a different arrangement, neither Party shall be responsible for performing the maintenance of the other Party's equipment, regardless of the location of said equipment.

6.11 Each Party may request, pursuant to Good Utility Practice, that the other Party test, calibrate, verify or validate its telemetering, data acquisition, protective relay equipment, control equipment or systems, or any other equipment or software pursuant to Good Utility Practice or for the purpose of troubleshooting problems on interconnected facilities, consistent with the other Party's obligation to maintain its electric generation equipment and facilities. In the event that such testing reveals that no problems exist with the equipment or systems in question, the Party requesting such testing shall be responsible for all costs and expenses related to the requested test(s). Each Party shall be responsible for all costs to test, calibrate, verify or validate its own equipment or software at intervals required by NYISO or any successor RTO. Each Party shall supply the Party requesting the test, at no cost to such Party, with copies of the resulting inspection reports, installation and maintenance documents, test and calibration records, verification and validations of the telemetering, data acquisition, protective relay, or other equipment or software.

6.12 From time to time, modifications may be required of the Interconnection Facilities due to, but not limited to, general usage, unforeseen damage, operating requirements of the Plant, or operating requirements of LIPA's System. When such modifications are required, the Parties will jointly determine the reason for the modification. Generator shall be responsible for all costs associated with modifications to the Interconnection Facilities that are required to accommodate the interconnection of Generator's Plant. Any modifications to the Interconnection Facilities during the term of this Agreement must conform to the requirements of Exhibit B to this Agreement.

ARTICLE 7
ISOLATION RIGHTS

7.1 LIPA shall be responsible for installing such equipment or control system as determined by LIPA to allow for the disconnection of the Plant from LIPA's System. LIPA shall at all times during the term of this Agreement have access to the disconnect switch as indicated in Exhibit A to this Agreement, to electrically isolate the Plant from LIPA's System pursuant to Section 7.4.

7.2 LIPA shall design, operate, and maintain LIPA's Interconnection Facilities so such equipment or control system automatically disconnects the Plant from LIPA's System in the event of: (a) the occurrence of a fault on that portion of LIPA's System serving the Plant, in accordance with the requirements specified in this Agreement; (b) de-energization of the portion of LIPA's System that interconnects with the Plant; (c) an equipment failure or other condition occurring in the Interconnection Facilities or the Plant which creates or contributes to a System Emergency or System Pre-Emergency.

7.3 LIPA shall design, operate and maintain LIPA's Interconnection Facilities to fail in an open position, so that the Plant and LIPA's System will disconnect if there is any failure of a disconnect device on the Interconnection Facilities.

7.4 LIPA shall give advance notice to Generator of the need for disconnection of the Plant from LIPA's System, and coordinate with Generator on any such disconnection of the Plant, provided however, that LIPA may, in accordance with Good Utility Practice, disconnect the Plant without prior notice to Generator and maintain such disconnection if:

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(a) failing to disconnect the Plant from LIPA's System would create or contribute to a System Emergency or System Pre-Emergency;

(b) immediate maintenance operations are required on LIPA's System to prevent a System Emergency or System Pre-Emergency; or

(c) isolation is required to facilitate restoration of system outages or for safety considerations.

7.5 Whenever LIPA disconnects the Plant without prior notice to Generator, LIPA shall provide immediate oral notice, to be followed by written notice to Generator within one (1) day of such disconnection, which oral and written notice shall provide the reason, and, if possible, the expected duration of such disconnection.

7.6 LIPA may also request Generator to disconnect the Plant to perform non- immediate maintenance operations on LIPA's System that (a) are consistent with Good Utility Practice, including disconnecting the Plant in order to interconnect another generator to LIPA's System, and (b) require the Plant to be disconnected in order for LIPA to perform such maintenance on LIPA's System, provided that a minimum of twenty-four (24) hours of advance notice and an estimate of the duration of such disconnection are provided to Generator by LIPA. To the extent possible, LIPA will schedule all such maintenance operations of LIPA's System and LIPA's Interconnection Facilities at times that are mutually convenient for LIPA and Generator and in accordance with Good Utility Practice and taking into consideration Generator's schedule of planned outages.

7.7 Following any LIPA disconnection of the Plant, reconnection shall occur when:

(a) all existing System Emergency or System Pre-Emergency conditions have been corrected; or

(b) in the case of maintenance required on LIPA's System, such maintenance has been completed; and

(c) it is safe to do so in accordance with Good Utility Practice.

7.8 Generator shall give advance notice to LIPA of the need for disconnection of the Plant from LIPA's System (other than regularly planned disconnections as required under LIPA Tariff SC-13), and coordinate with LIPA on any such disconnection of the Plant, provided however, that Generator may disconnect the Plant without prior notice to LIPA and maintain such disconnection if:

(a) failing to disconnect the Plant from LIPA's System would create or contribute to a System Emergency or System Pre-Emergency;

(b) immediate maintenance operations are required to prevent a System Emergency or System Pre-Emergency; or

(c) isolation is required for safety considerations.

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7.9 Whenever Generator disconnects the Plant without prior notice to LIPA, Generator shall inform LIPA as quickly as possible of the time, reason, and, if possible, the expected duration of such disconnection.

when:

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7.10 Following any Generator disconnection of the Plant, reconnection shall occur when:

- (a)** all existing System Emergency or System Pre-Emergency conditions have been corrected; or
- (b)** in the case of maintenance, such maintenance has been completed; and
- (c)** it is safe to do so in accordance with Good Utility Practice.

ARTICLE 8
INSPECTION AND ACCESS RIGHTS

~~8.1~~ **8.1** Generator shall provide LIPA with access to the Interconnection Facilities located on the Project Site at reasonable times, including weekends, and upon reasonable prior notice. The notice condition does not apply in the case of a System Emergency, and LIPA shall at all times during the term of this Agreement have access to the disconnect switch, as indicated in Exhibit A to this Agreement, to electrically isolate the Plant from LIPA's System pursuant to Article 7.

8.2. While at the Project Site, all representatives of LIPA shall observe such safety precautions as may be required by law or by Generator, and shall conduct themselves in a manner that is consistent with Good Utility Practice and that will not interfere with the operation of the Plant or the Generator's Interconnection Facilities.

8.3 Neither Party shall construct any facilities or structures or engage in any activities that will interfere with the rights granted to the other Party under this Agreement or rights-of-way, licenses, or easements secured by and/or for the other Party.

8.4 The access rights granted hereunder shall be effective for the term of this Agreement and shall neither be revoked, nor shall either Party take any action that would impede, restrict, diminish, or terminate the rights of access or use granted by such access rights.

8.5 Each Party shall have the right to inspect or observe, at its own expense, the maintenance activities, equipment tests, installation, construction, or other modifications to the other Party's Interconnection Facilities and associated telecommunication facilities, as the case may be, which may reasonably be expected to adversely affect the observing Party's operations or liability. The Party desiring to inspect or observe shall notify the other Party in accordance with the notification procedures set forth in Article 13 of this Agreement. If the Party inspecting the equipment, systems, or facilities observes any deficiency or defects that may be reasonably be expected to adversely affect the operations of the observing Party's system or facilities, the observing Party shall notify the other Party, and the other Party shall make any corrections necessitated by Good Utility Practice

8.6 Subject to the provisions of Section 11.1, each Party shall be solely responsible for and shall assume all liability for the safety and supervision of its own employees, agents, representatives, and subcontractors. All work performed by either Party that reasonably could be expected to affect the operations of the other Party shall be performed in accordance with all applicable laws, rules, and regulations pertaining to the safety of persons or property, including,

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without limitation, compliance with the safety regulations and standards adopted under the Occupational Safety and Health Act of 1970, as amended from time to time, the National Electrical Safety Code, as amended from time to time, and Good Utility Practice.

ARTICLE 9
EVENTS OF DEFAULT; TERMINATION

9.1 Event of Default. The occurrence of one or more of the following events so long as the same is continuing shall constitute an “Event of Default” under this Agreement:

(a) Failure by either Party to substantially perform any material obligation under this Agreement, and which failure continues for a period of forty-five (45) days after notice thereof has been received by such Party from the non-defaulting Party; or

(b) Failure by either Party to pay any undisputed amount due under this Agreement which continues for a period of thirty (30) days after notice of such non-payment is delivered to the defaulting Party; or

(c) The dissolution or liquidation of a Party or the issuance of any order, judgment or decree by a court of competent jurisdiction under the bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction whether now or hereafter in effect adjudicating a Party bankrupt or insolvent or otherwise granting relief under any such law; or

(d) A Party petitions or applies to any tribunal for, or consents to the appointment of or taking possession by, a receiver, liquidator, custodian, trustee or similar official of such Party or of a substantial part of the assets of such Party; or any such petition or application is filed or any such proceedings are commenced against a Party and such Party by any act indicates its approval thereof, consent thereto or acquiescence therein or such petition or application remains undismissed for sixty (60) days; or

(e) A Party makes a general assignment for the benefit of its creditors or makes an admission in writing that it is unable to pay its debts generally as they become due; or

(f) The revocation or loss of any license, permit, or other governmental approval (i) materially affecting Generator²'s ability to operate the Plant or Generator²'s Interconnection Facilities, or (ii) materially affecting LIPA²'s ability to operate LIPA²'s Interconnection Facilities, provided that but for Generator²'s or LIPA²'s negligence, as the case may be, no such revocation or loss of such license, permit or other governmental approval would have ensued.

9.2 Notice and Opportunity to Cure Event of Default. Upon actual discovery of an Event of Default, a Party claiming the occurrence of such Event of Default must promptly provide the alleged defaulting Party with a Notice of Default and the defaulting Party shall have, in the case of failure to pay any undisputed amount, thirty (30) days and, in other defaults, forty- five (45) days to complete one of the following:

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(a) cure the Event of Default; or

(b) if such default reasonably requires additional time to cure then such defaulting Party will, from the date such Party receives the Notice of Default, have (i) such longer time as is reasonable under the circumstances, not to exceed the greater of one hundred and eighty (180) days or to the mid-point of the next Summer Season to complete such cure or (ii) if the defaulting Party provides a commercially reasonable cure plan acceptable to the other Party that requires more time than provided in Section 9.2 above (“Cure Plan”), then the defaulting Party shall be extended such additional time provided for in the Cure Plan to cure the Event of Default and the other Party shall have no right to terminate this Agreement, provided that the defaulting Party diligently pursues such Cure Plan; or

(c) undertake dispute resolution pursuant to Article 10.

9.3 Dispute of Claim of Event of Default. If, within thirty (30) days of the service of a Notice of Default pursuant to Section 9.2, the Party alleged to be in default disputes in writing that an Event of Default has occurred, either Party may seek resolution of such dispute pursuant to the terms of Article 10, and this Agreement shall not be terminated by the Party claiming the occurrence of the Event of Default prior to such resolution of such dispute pursuant to the procedures of Article 10.

9.4 Remedies. This Agreement may be terminated by the non-defaulting Party effective immediately upon the non-defaulting Party providing written notice to the defaulting Party of termination if: (a) the defaulting Party or its Lenders fail to cure the Event of Default within the cure periods provided under Section 9.2 and any action for dispute resolution under Article 10 with respect to the alleged Event of Default has been completed and not determined favorably to the allegedly defaulting party; or (b) through the dispute resolution process under Article 10, it is determined that an Event of Default has occurred and the defaulting Party, pursuant to terms of this Agreement has not cured or diligently endeavored to cure, the default, as the case may be. Upon termination, the non-defaulting Party shall be entitled to such damages as are available at law and equity, subject to Article 11 hereof. The termination of this Agreement under this Section 9.4 shall not discharge either Party from any obligations, which may have accrued under this Agreement prior to such termination.

ARTICLE 10
DISPUTE RESOLUTION

10.1 Any dispute arising out of, or relating to, this Agreement, with the exception of termination pursuant to Section 9.4 or a breach of a Party's indemnity obligations under Article 11 or a Party's obligations under Article 15 of this Agreement, shall be subject to the dispute resolution procedures specified in this Article 10 which shall constitute the sole and exclusive procedures for the resolution of such disputes.

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10.2 The Parties agree to use commercially reasonable efforts to settle promptly any disputes or claims arising out of or relating to this Agreement through negotiation conducted in good faith between executives of the Parties having authority to reach such a settlement. Either Party may by written notice to the other Party, refer any such dispute or claim for advice or resolution to mediation by a suitable mediator. The mediator shall be chosen by the mutual agreement of the Parties. If the Parties are unable to agree on a mediator, each Party shall designate a qualified mediator who, together with the mediator designated by the other, shall choose a single mediator for the particular dispute or claim. If the mediator chosen is unable, within thirty (30) days of such referral to reach a determination that is acceptable to the Parties, the matter shall be referred to arbitration as set forth below. All negotiation and mediation discussions pursuant to this Section 10.2 shall be confidential, subject to applicable law, and shall be treated as compromise and settlement negotiations for purposes of Federal Rule of Evidence 408 and applicable state rules of evidence.

10.3 Except for claims for temporary injunctive relief under Section 10.5, neither Party shall bring any action at law or in equity to enforce, interpret, or remedy any breach or default of this Agreement without first complying with the provisions of this Article 10; provided however, that if the Arbitrators (as defined below) fail to issue a decision within one hundred eighty (180) days after the commencement of arbitration under Section 10.4, then either Party may bring any action at law or in equity to seek enforcement, interpretation or remedy of any breach of this Agreement.

10.4 Any dispute subject to resolution under this Article 10, which has not been resolved by discussion or mediation within thirty (30) days from the date that either negotiations or mediation shall have commenced and which is not subject to the FERC's jurisdiction shall be settled by arbitration before three (3) independent and impartial arbitrators (the "Arbitrators") in accordance with the then current commercial arbitration rules of the American Arbitration Association, except to the extent that such rules are inconsistent with any provision of this Agreement, in which case the provisions of this Agreement shall be followed, and except that the arbitration under this Agreement shall not be administered by the American Arbitration Association without the express agreement of the Parties. The Arbitrators shall be (i) independent of the Parties and disinterested in the outcome of the dispute, (ii) persons otherwise experts in the electric utility industry, including bulk power markets and transmission systems, and (iii) qualified in the subject area of the issue in dispute. The Parties shall choose the Arbitrators within thirty (30) days, with each Party choosing one Arbitrator and those two Arbitrators choosing the third Arbitrator. Judgment on the award rendered by the Arbitrators may be entered in any court in the State of New York having jurisdiction thereof. If either Party refuses to participate in good faith in the negotiations or mediation proceedings described in Section 10.2, the other Party may initiate arbitration at any time after such refusal without waiting for the expiration of the applicable time period. Except as provided in Section 10.5 relating to provisional remedies, the Arbitrators shall decide all aspects of any dispute brought to them including attorney disqualification and the timeliness of the making of any claim.

10.5 Either Party may, without prejudice to any negotiation, mediation or arbitration procedures, proceed in the courts of the State of New York to obtain provisional judicial relief if,

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in such Party's sole discretion, such action is necessary to protect public safety, avoid imminent irreparable harm, provide uninterrupted electrical and other services, or preserve the status quo pending the conclusion of any dispute resolution procedures employed by the Parties or pendency of any action at law or in equity. Except for temporary injunctive relief under this Section, neither Party shall bring any action at law or in equity to enforce, interpret, or remedy any breach or default of this Agreement without first complying with the provisions of this Article; provided, however, that if the Arbitrators fail to issue a decision within one hundred eighty (180) days after the commencement of arbitration under Section 10.3, then either Party may bring any action at law or in equity to seek enforcement, interpretation or remedy of any breach of this Agreement.

10.6 The Arbitrators shall have no authority to award damages excluded under Article 11 or any other damages aside from the prevailing Party's actual, direct damages plus interest at the Interest Rate for each day commencing on the date such damages were incurred through date of payment. The Arbitrators shall not have the authority to make any ruling, finding, or award that does not conform to the terms and conditions of this Agreement. The Arbitrators' award shall be in writing and shall set forth the factual and legal bases for the award. The Parties to the arbitration shall each bear their own litigation expenses for the arbitration and shall evenly divide the common costs of the arbitration.

10.7 Unless otherwise agreed to in writing or prohibited by applicable law, the Parties shall continue to provide service, honor all commitments under this Agreement, and continue to make payments in accordance with this Agreement during the course of any dispute resolution under this Article and during the pendency of any action at law or in equity or any arbitration proceeding relating hereto.

10.8 All applicable statutes of limitation and defenses based upon the passage of time and similar contractual limitations shall be tolled while the procedures specified in this Article 10 are pending. The Parties will take such action, if any, required to effectuate such tolling. Without prejudice to the procedures specified in this Article 10, a Party may file a complaint for statute of limitations purposes, if in its sole judgment such action may be necessary to preserve its claims or defenses. Despite such action, the Parties will continue to participate in good faith in the procedures specified in this Article 10.

10.9 The Arbitrators shall have the discretion to order a pre-hearing exchange of information by the Parties, including, without limitation, the production of requested documents, the exchange of summaries of testimony of proposed witnesses, and the examination of the Parties by deposition. The Parties hereby agree to produce all such information as ordered by the Arbitrators and shall certify that they have provided all applicable information and that such information was true, accurate and complete.

10.10 The site of any arbitration brought pursuant to this Agreement shall be in a location in Nassau County, New York County or Suffolk County as is mutually agreed to by the Parties.

ARTICLE 11
INDEMNITY, LIMITATION OF LIABILITY; INSURANCE

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11.1 Indemnity. Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and hold the other Party and T&D Manager (the “Indemnified Party”) 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, the alleged violation of any Environmental Law, or the release or threatened release of any Hazardous Substance, demands, suits, recoveries, costs and expenses, court costs, attorneys’ fees, and all other obligations by or to third parties, arising out of or resulting from (a) the Indemnifying Party’s performance of its obligations, or its actions or inactions, under this Agreement, except as expressly provided otherwise herein, (b) the Indemnified Party’s actions or inactions in performing obligations on behalf of the Indemnifying Party in accordance with this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party or (c) the violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of any Hazardous Substance.

11.2 Indemnified Party. If an Indemnified Party is entitled to indemnification under this Article 11 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 11, 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.

11.3 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 11, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual loss, net of any insurance or other recovery, except that any insurance carrier shall be subrogated to the Indemnified Party’s interest to the extent of any insurance recovery paid to the Indemnified Party.

11.4 Indemnity Procedures. Promptly after receipt by an Indemnified Party 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 11 may apply, the Indemnified Party 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 and to the extent that such failure or delay is materially prejudicial to the Indemnifying Party.

11.5 Except as stated below, 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 Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party 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 Party or Indemnified Parties having such differing or additional legal defenses.

11.6 The Indemnified Party 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 Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in which event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, 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 Party, which shall not be unreasonably withheld, conditioned or delayed.

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11.7 LIPA Equipment Design and Review. Notwithstanding any other provisions of this Agreement, neither LIPA, ~~its~~ **or T&D Manager, or their** officers, trustees, employees, and agents nor those of ~~its parent~~ **their parents** shall be liable to Generator, or its contractors or subcontractors, for any claims, costs, expenses, losses, lawsuits, judgments, attorney's fees or damages arising out of LIPA's ~~or T&D Manager's~~ equipment design and review, except for instances arising out of LIPA's failure to act in accordance with Good Utility Practice, gross negligence or willful misconduct. Generator shall indemnify and hold LIPA and ~~its~~ **T&D Manager, and their** officers, trustees, employees, and agents, harmless from any claims, costs, expenses, losses, damages or judgments made against LIPA **and/or T&D Manager** or incurred by any of Generator's contractors or subcontractors except for instances arising out of LIPA's failure to act in accordance with Good Utility Practice, gross negligence or willful misconduct. This indemnification and hold harmless obligation shall be separate from and independent of any other obligations of Generator to indemnify and hold harmless LIPA and its officers, directors, employees, and agents.

11.8 Consequential Damages. Except for indemnity and defense of action obligations set forth in this Article 11, in no event shall either Party **or T&D Manager** 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 attorney's fees or litigation costs), including but not limited to loss of profit, revenue or opportunity, loss of the use of equipment or facilities, cost of capital, cost of temporary or substitute equipment, facilities, services or replacement power, down time costs; and claims of customers of either Party, connected with, or resulting from, performance or non-performance of this Agreement or any action undertaken in connection with, or related to this Agreement, including, without limitation, any such damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty or strict liability.

11.9 Survival. Each Party's indemnification and defense of action obligations under this Article for acts or occurrences prior to the expiration, termination, completion, suspension or cancellation of this Agreement shall continue in full force and effect regardless of whether this Agreement expires, terminates, or is suspended, completed or canceled. Except as noted above, such obligations shall not be limited in any way by any limitation on insurance, by the amount or types of damages, or by any compensation or benefits payable by the Parties, under workers' compensation acts, disability benefits acts or other employee acts, or otherwise.

11.10 Insurance. Prior to the commencement of this Agreement, Certificates of Insurance from Generator and LIPA and / or all of Generator's and LIPA's contractors / subcontractors, that perform activities on the Project Site relative to this Agreement, shall be furnished to Generator and LIPA, as the case may be. Each Party shall, at its own expense, maintain in force throughout the term of this Agreement, and until released by the other Party, the following minimum insurance coverage, with insurers authorized to do business in the State of New York. ~~For LIPA, insured as additional insureds~~ **The generator must have added T&D Manager, LIPA, and the Authority must be added to and insured as additional insureds** under the following coverages:

(a) Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Attachment is located.

(b) 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 (\$1,000,000.00) per occurrence/one million dollars (\$1,000,000.00) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

(c) 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 (\$1,000,000.00) per occurrence for bodily injury, including death, and property damage.

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(d) 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 (\$20,000,000.00) per occurrence/twenty million dollars (\$20,000,000.00) aggregate.

(e) The Commercial General Liability Insurance, Comprehensive Automobile Insurance, and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. For LIPA, Other Party Group shall include the Authority and T&D Manager and its affiliates. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition. Insurance as specified herein must be maintained at all times during the life of this Agreement. Each Party shall provide the other Party with renewal certificates if said insurance policies are to expire prior to the expiration or termination of this Agreement. Said certificates must be provided within ten (10) days after the renewal date. Insurance as specified herein must be maintained at all times throughout the term of this Agreement.

(f) 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 (1) insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

(g) The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and Excess Public Liability Insurance policies, shall be on an occurrence basis.

(h) 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 Agreement.

(i) Within ten (10) days following execution of this Agreement, 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) days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

(j) Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of this Article 11 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 this Article 11. 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 this Article 11. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party 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 this Article 11.

(k) 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 Agreement.

ARTICLE 12
FORCE MAJEURE

12.1 The term "Force Majeure Event" as used herein means those acts, omissions or circumstances which are outside of the affected Party's control and which could not be reasonably anticipated or avoided in accordance with Good Utility Practice, including without limitation any act of God, strikes or other labor disputes, acts of the public enemy, accidents, war (declared or otherwise), invasion, civil disturbance, riots, fires, storms, flood, ice, earthquakes, explosions, or action or inaction of a Governmental Authority (other than LIPA) that precludes the construction,

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interconnection or operation of the Plant. A Force Majeure Event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

12.2 If a Force Majeure Event causes either Party to be rendered wholly or partly unable to perform its obligations under this Agreement, except for the obligation to make payments under this Agreement when due, that Party shall be excused from performance or liability for damages to the other Party solely to the extent and during such period such Party's performance is affected.

12.3 Any Party claiming Force Majeure shall: (i) provide prompt oral notice followed by written notice to the other Party within three (3) Business Days of such Force Majeure Event giving a detailed written explanation of the event and estimate of its expected duration and probable effect on the performance of that Party's obligations hereunder, and (ii) use due diligence in accordance with Good Utility Practice to continue to perform its obligations under this Agreement to the extent unaffected by the Force Majeure Event and to remove promptly the condition that prevents performance and to mitigate the effects of the same, except that settlement of any strike or labor dispute shall be in the sole judgment of the affected Party.

12.4 No obligations of either Party which arose before the occurrence of the Force Majeure Event causing the suspension of performance are excused as a result of the occurrence.

ARTICLE 13
NOTICES

All notices shall be in writing and shall be deemed sufficiently given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, hand-delivered, sent by facsimile transmission (confirmed in writing) or sent by recognized overnight courier service, addressed as follows:

To LIPA:

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~~LIPA~~ PSEG Long Island
333 Earle Ovington Boulevard, Suite 403
Uniondale, New York 11553
Attention: Vice President of T&D Operations
Fax: (516) 222-9137

With a copy to:
Long Island Power Authority
333 Earle Ovington Boulevard, Suite 403
Uniondale, New York 11553
Attention: General Counsel
Fax: (516) 222-9137

To T&D Manager:

~~National Grid Electric Services LLC LIPA~~ PSEG Long Island Power Asset Management
(PAM)

175 East Old Country Road
Hicksville, New York 11801
Attention: Manager, Power Asset Management
Fax: (516) 545-6134

To Generator:

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[NAME]
[ADDRESS]
Attention: [NAME AND TITLE]
Fax: _____

or such other and different addresses as may be designated in writing by the Parties.

ARTICLE 14
ASSIGNMENT OR TRANSFER

Neither this Agreement nor any rights or obligations hereunder may be assigned or transferred, by either Party without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed; provided that this Agreement may be assigned to an Affiliate with the understanding that no such assignment shall relieve the assigning Party from its obligations hereunder; and further provided that the restrictions on assignment contained in this Article shall not in any way prevent either Party from pledging, mortgaging or assigning its rights hereunder as security for its indebtedness.) Except as otherwise provided in this Article, a Party shall only consent to an assignment by the assigning Party if, in the non-assigning Party's reasonable judgment, the assignee is fully capable of performing all of the assigning Party's obligations under this Agreement and possesses the technical capability, experience, and financial capability to perform in the manner required. At least thirty (30) days prior to the effective date of the proposed assignment, the assigning Party shall deliver to the non-assigning Party an assignment and assumption agreement, duly executed, in which the assignee unconditionally assumes all of its assignor's obligations to the non-assigning Party and agrees to be bound by all of the terms and conditions of this Agreement, and whereby the assignee makes certain additional representations and warranties as appropriate for assignee as contained in this Section. Any purported assignment of this Agreement not in accordance with this Article shall be of no force and effect. Provided however, that a proposed assignment, notice of which is provided less than thirty (30) days prior to its proposed effective date shall be effective thirty (30) days following such notice.

ARTICLE 15
CONFIDENTIALITY

15.1 Claim of Confidentiality.

(a) In connection with this Agreement, the Parties **and T&D Manager** may exchange information that is deemed to be confidential whether such information is provided in written, oral, electronic or other format ("Confidential Information"). The Party disclosing such Confidential Information is referred to herein as the "Disclosing Party" and the Party receiving such Confidential Information is referred to herein as the "Receiving Party." The Disclosing Party shall mark all written Confidential Information as "Confidential," "Proprietary" or the like and in the case of Confidential Information that is communicated orally, the Disclosing Party shall within thirty (30) days follow up such communication with a writing addressed to the Receiving Party generally describing the information and identifying it as Confidential Information. The Parties acknowledge that all information disclosed by Generator in connection with costs, pricing or operation of the Plant shall be treated as Confidential Information whether or not such information is marked or identified as Confidential Information. LIPA shall not disclose such Confidential Information without Generator's written consent, which may be withheld in Generator's sole discretion, unless LIPA is otherwise required by law to make such disclosure.

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(b) The Receiving Party shall protect the Confidential Information from disclosure to third parties consistent with the provisions of this Article 15 and subject to applicable law, provided however, a Receiving Party may disclose Confidential Information to its Affiliates, Lenders, employees, agents or representatives of such Receiving Party, where such Affiliate, Lender, employee, agent or representative expressly agrees to be bound by the terms of this Article 15 and provided further that the Receiving Party shall be liable for any breach by its Affiliates, Lenders, employees, agents or representatives.

(c) It is further understood and agreed that money damages would not be sufficient remedy for any breach of this Article 15, and that if a Party breaches this Article 15, the Party disclosing Confidential Information to such breaching Party shall be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach. The breaching Party agrees to waive any requirement for the posting of a bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Article 15 but shall be in addition to all other remedies available at law or equity. In the event of any legal action based upon or arising out of this Article 15, the prevailing Party in such action shall be entitled to recover reasonable attorney's fees and costs from the other Party.

15.2 Compliance with Law. If either Party is required by law to disclose Confidential Information of the other Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise), the Party required to make such disclosure will (i) notify the other Party and provide the other Party the opportunity to review the Confidential Information, and (ii) provide the other Party the opportunity to seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained or is not pursued within a reasonable period of time, the Party required to make disclosure or such Party's representatives will furnish only that portion of the Confidential Information that it is legally required to disclose and the Party required to make disclosure will request that confidential treatment be accorded the Confidential Information by relevant third parties.

15.3 Compliance with the Freedom of Information Law. If LIPA is requested by a third party to disclose Confidential Information pursuant to the Freedom of Information Law ("FOIL"), LIPA will (i) notify Generator of the request and provide Generator the opportunity to review the Confidential Information; (ii) provide Generator the opportunity to provide information regarding the need for confidential treatment; (iii) evaluate the third party's request for disclosure and Generator's request for confidential treatment; and (iv) determine if the Confidential Information is subject to disclosure under FOIL. If LIPA determines that the Confidential Information is subject to disclosure, it will provide prompt written notice of such determination to Generator so that Generator may seek a protective order or other appropriate remedy. If Generator does not obtain a protective order or no formal proceeding has been initiated by Generator within a reasonable period of time after LIPA provides notice to Generator of its intent to make public the Confidential Information, then LIPA may disclose such information with no liability or further obligation to Generator.

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15.4 Treatment of Otherwise Publicly Available Documents. Notwithstanding anything to the contrary in this Article, neither Party shall be required to hold confidential any information that (i) becomes publicly available other than through disclosure by the Receiving Party; (ii) is independently developed by the Receiving Party; or (iii) becomes available to the Receiving Party without restriction from a third party, provided that such third party is not bound by a confidentiality agreement with the Disclosing Party or its representatives. Should any person or entity seek to legally compel a Receiving Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise) to disclose any Confidential Information, the Receiving Party will provide the Disclosing Party prompt written notice so that the Disclosing Party may seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained, the Receiving Party or the Receiving Party's representative will furnish only that portion of the Confidential Information that it is legally required to disclose and the Receiving Party will request that confidential treatment be accorded the Confidential Information by relevant third parties.

15.5 Term of Confidentiality. The obligations set forth in this Article shall survive expiration or termination of this Agreement for a period of two years after expiration or termination of this Agreement.

ARTICLE 16
MISCELLANEOUS

16.1 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns.

16.2 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and which together shall constitute one and the same instrument.

16.3 Records. Each Party shall establish and maintain complete and accurate books, records, documents, accounts, and other evidence directly pertinent to performance under this Agreement (hereinafter, collectively, the "Records"). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The New York State Comptroller, the New York State Attorney General, and any other person or entity authorized to conduct an examination, as well as the New York State agency or agencies involved in this Agreement, shall have access to the Records during normal business hours at Generator's or LIPA's offices, as the case may be, within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the state, for the term specified above for the purposes of inspection, auditing, and copying. LIPA shall take reasonable steps to protect from public disclosure any of the Records that are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute"), provided that: (i) Generator shall timely inform LIPA, in writing, that said Records should not be disclosed; (ii) said Records shall be sufficiently identified; and (iii) designation of said Records as exempt under the Statute is reasonable. Nothing

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contained herein shall diminish, or in any way adversely affect, Generator's or LIPA's right to discovery in any pending or future litigation.

16.4 Amendments. This Agreement may not be amended, changed, modified or altered except in writing and signed by the Parties.

16.5 Severability. If any article, phrase, provision, or portion of this Agreement is, for any reason, held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, phrase, provision or portion so adjudged shall be deemed separate, distinct, and independent, and only deemed invalid in that particular instance, and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated, rendered illegal, unenforceable, or otherwise affected by such adjudication.

16.6 Prior Agreements Superseded. This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Parties relating to the subject matter hereof.

16.7 Survival. Provisions of this Agreement which by their nature would survive termination or expiration of the Agreement shall survive. Without limitation of the preceding sentence, applicable provisions of this Agreement shall continue in effect after expiration or termination of this Agreement as specifically provided herein and to the extent necessary to provide for final billings, billing adjustments, and payments pertaining to liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

16.8 Dispute Resolution. Any disputes arising under this Agreement shall be resolved in accordance with the procedures established in Article 10 of this Agreement.

16.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York notwithstanding its conflict of laws provisions.

16.10 Waiver. No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. If any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

16.11 Taxes. The Parties shall use reasonable efforts to administer this Agreement and implement the provisions thereof in accordance with their intent to minimize taxes.

16.12 Non-interference. Each Party agrees that it will not construct any facilities or structures at the Project Site or engage in any activity at the Project Site that will materially interfere with the rights granted to the other Party under this Agreement.

16.13 Further Assurances. Each of the Parties hereto shall execute and deliver any and all additional documents or instruments (including easements and other rights in land), in recordable form, and provide other assurances, obtain any additional permits, licenses, and approvals required, and shall do any and all acts and things reasonably necessary, to carry out the intent of the Parties hereto and to confirm the continued effectiveness of this Agreement.

16.14 Headings. The headings used for the articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement.

16.15 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes and replaces any prior or contemporaneous undertakings, commitments, or agreements, oral or written, as to its subject matter. This Agreement may be modified or amended only by an instrument in writing signed by authorized representatives of the Parties on or after the date hereof.

[Signature pages to follow on next page]

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

LONG ISLAND ELECTRIC UTILITY SERVCO LLC
Acting as agent for and behalf of
LONG ISLAND LIGHTING COMPANY d/b/a LIPA, **by and through its agent,**
~~NATIONAL GRID ELECTRIC SERVICES LLC~~

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

[PARTY NAME]

By: _____
_____ (Signature)

Name: _____

Title: _____

Date _____

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EXHIBIT A
SYSTEM ONE-LINE / POINT OF ATTACHMENT
AND INTERCONNECTION AND INTERCONNECTION
FACILITIES / DEMARCATION POINTS

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EXHIBIT B
INTERCONNECTION AND METERING STANDARDS

Interconnection Guide

The Interconnection Facilities shall be subject to the interconnection standards provided in the “Requirements for Generating Facility Interconnection to the LIPA Transmission System.”

Metering Standards

Metering pursuant to the terms of this Agreement shall be subject to the “Requirements for Generating Facility Interconnection to the LIPA Transmission System.”

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~~EXHIBIT C~~

EXHIBIT C
FACILITY DESIGN AND VERIFICATION STUDIES

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EXHIBIT D
COMMISSIONING, STARTUP, AND MAINTENANCE
PROCEDURES FOR INTERCONNECTION FACILITIES

Introduction

Testing of all protective devices shall be performed on the Generator's Interconnection Facilities prior to the final functional testing of the interconnection scheme. The testing shall be performed by Generator. Relay and operational tests shall be performed in accordance with NPCC Document A-4, "Minimum Maintenance Criteria for Protective Systems." A certified relay test report shall be furnished to LIPA/T&D Manager within two weeks after completion of all testing. Generator shall notify LIPA/T&D Manager at least seven (7) business days in advance of the protective device testing to provide an opportunity for LIPA/T&D Manager to be present during the testing.

Submitted documentation of the operational relay testing shall include graphic or digital recordings of actual current and voltage levels obtained during the test(s). Each relay test shall include a calibration check and an actual trip of the circuit breaker from the relay being tested.

A log of all relay target indications resulting from automatic circuit breaker operations shall be maintained. The relay target information is utilized to verify cause of the failure and to determine if relays operated as expected to isolate the Generator's Interconnection Facilities from LIPA's transmission system. This data shall be reviewed periodically, and upon request, shall be made available for Generator's inspection.

Operational Testing

Detailed and coordinated operational test procedures shall be developed jointly by LIPA/T&D Manager and Generator. These test procedures must include relay settings, continuity of relay circuits, breaker trip and close coils (AC and DC circuits), insulation impedances of protective circuits and current and voltage transformers.

To the maximum degree practicable, the components used in protection systems shall be of proven quality, as demonstrated either by actual experience or by stringent tests under simulated operating conditions, to ensure that the reliability of the protection system shall not be degraded or reduced.

The test procedures must demonstrate that:

- (a) All relays operate from all possible sources of trip signals or voltage.
- (b) All relays trip the desired breaker(s).
- (c) The Generator's Interconnection Facilities will be isolated for complete loss of the Facility.
- (d) The ratio and polarity of relay and instrument transformers are correct.
- (e) The phase angle characteristics of directional and other relays are correct.
- (f) Relays have been tested at pick-up and three multiples of minimum pick-ups (e.g., three, five, and eight times).

All relays must be field verified and bench tested to meet the following tolerance criteria:

Test Parameter	Tolerance of Specified Settings
----------------	---------------------------------

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Current	+/- 5%
Voltage	+/- 5%
Time	+/- 5%
Frequency	+0.05 hertz
Phase Angle	+/- 3 degrees

The actual operational tests shall be performed after all equipment is installed and repeated every two years thereafter. Certified test results shall be submitted to LIPA/T&D Manager. Periodic inspections of AC and DC control power for all circuit breaker, reference single-line diagrams, relay protection diagrams, and coordination test data must accompany test reports.

LIPA/T&D Manager shall be notified by Generator at least seven (7) business days prior to the operational tests.

Maintenance

All equipment associated with the Generator's Interconnection Facilities shall be maintained in accordance with LIPA's then-current maintenance procedures and Good Utility Practice.

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EXHIBIT E
INTERCONNECTION COST ESTIMATE

The current interconnection estimate is [INSERT DOLLAR AMOUNT]

The illustration above represents an estimate of reimbursable cost. Upon execution of this Agreement, estimated cost will be progress billed in three (3) equal installments. Estimated costs are subject to a final reconciliation which will be invoiced upon completion of all work and final accounting of all costs.

