Original Service Agreement No. 6313
Effective Date: December 21, 2021

(PJM Queue #AE2-297)

INTERCONNECTION CONSTRUCTION SERVICE AGREEMENT
Among
PJM INTERCONNECTION, L.L.C.
And
BELLFLOWER SOLAR 1, LLC
And
AEP INDIANA MICHIGAN TRANSMISSION COMPANY, INC.

Original Service Agreement No. 6313

INTERCONNECTION CONSTRUCTION SERVICE AGREEMENT
By and Among
PJM Interconnection, L.L.C.
And
Bellflower Solar 1, LLC
And
AEP Indiana Michigan Transmission Company, Inc.

(PJM Queue Position #AE2-297)

1.0 Parties. This Interconnection Construction Service Agreement ("CSA") including the Schedules and Appendices attached hereto and incorporated herein, is entered into by and between PJM Interconnection, L.L.C. ("Transmission Provider" or "PJM") and the following Interconnection Customer and Interconnected Transmission Owner:

Interconnection Customer:

Bellflower Solar 1, LLC

Interconnected Transmission Owner:

AEP Indiana Michigan Transmission Company, Inc. (also referred to as "AEP")

All capitalized terms herein shall have the meanings set forth in the appended definitions of such terms as stated in Part I of the Tariff.

2.0 Authority. This CSA is entered into pursuant to Part VI of the Tariff. The standard terms and conditions for construction are attached at Appendix 2 to this CSA and are hereby specifically incorporated as provisions of this agreement. Transmission Provider, the Interconnection Customer and the Interconnected Transmission Owner agree to and assume all of their respective rights and obligations as set forth in the standard terms and conditions for construction in Appendix 2 to this CSA. Further, Interconnection Customer and the Interconnected Transmission Owner each agrees to and assumes all of the rights and obligations of a Constructing Entity with respect to the facilities that each of them is responsible for constructing, as set forth in this CSA.

3.0 Customer Facility. This CSA specifically relates to the following Customer Facility at the following location:

a. Name of Customer Facility:

Bellflower Solar 1

b. Location of Customer Facility:

Henry County, Indiana
Latitude: 39.7976500 , Longitude: -85.4046850

4.0 Effective Date and Term.

4.1 Effective Date. This CSA shall become effective on the later of (i) the date the agreement has been executed by all Construction Parties, or (ii) the date of Interconnection Customer's delivery of Security to the Transmission Provider, provided, however, that if the CSA is filed with the FERC unexecuted, the Effective Date shall be the date specified by the FERC. The Interconnected Transmission Owner shall have no obligation to begin construction of the Transmission Owner Interconnection Facilities prior to the Effective Date. Construction shall commence as provided in the Schedule of Work set forth in Schedule J to this CSA.

4.2 Term. This CSA shall continue in full force and effect from the Effective Date until the termination thereof pursuant to Section 14 of Appendix 2 to this CSA.

4.3 Survival. This CSA shall continue in effect after termination to the extent necessary to provide for final billings and payments, including billings and payments pursuant to Section 9 and/or Section 14 of Appendix 2 to this CSA, and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while the CSA was in effect.

5.0 Construction Responsibility for

a. Customer Interconnection Facilities. Interconnection Customer is responsible for designing and constructing the Customer Interconnection Facilities described on the attached Schedule G to this CSA.

b. Construction of Transmission Owner Interconnection Facilities.

1. The Transmission Owner Interconnection Facilities regarding which Interconnected Transmission Owner shall be the Constructing Entity are described on the attached Schedule C to this CSA.

2. Election of Construction Option. Specify below whether the Constructing Entities have mutually agreed to construction of the Transmission Owner Interconnection Facilities that will be built by the Interconnected Transmission Owner pursuant to the Standard Option or the Negotiated Contract Option. (See Section 3.2 of the Appendix 2 to this CSA.)

__X__Standard Option.

_____ Negotiated Contract Option.

If the parties have mutually agreed to use the Negotiated Contract Option, the permitted, negotiated terms on which they have agreed and which are not already set forth as part of the Scope of Work and/or Schedule of Work attached to this CSA as Schedules I and J, respectively, shall be as set forth in Schedule H attached to this CSA.

3. Exercise of Option to Build. Has Interconnection Customer timely exercised the Option to Build in accordance with Section 3.2.3 of Appendix 2 to this CSA with respect to some or all of the Transmission Owner Interconnection Facilities?

__X___ Yes

_____ No

If Yes is indicated, Interconnection Customer shall build, in accordance with and subject to the conditions and limitations set forth in Section 3.2.3 of Appendix 2 to this CSA, those portions of the Transmission Owner Interconnection Facilities described on Schedule D attached to this CSA.

6.0 [Reserved].

7.0 Scope of Work. The Scope of Work for all construction pursuant to this CSA shall be as set forth in the attached Schedule I, provided, however, that the scope of work is subject to change in accordance with Transmission Provider's scope change process for interconnection projects as set forth in the PJM Manuals.

8.0 Schedule of Work. The Schedule of Work for all construction pursuant to this CSA shall be as set forth in the attached Schedule J, provided, however, that such schedule is subject to change in accordance with Section 3.3 of Appendix 2 to this CSA.

9.0 [Reserved.]

10.0 Notices. Any notice or request made to or by any party regarding this CSA shall be made in accordance with the standard terms and conditions for construction set forth in Appendix 2 to this CSA to the representatives of the other parties, as indicated below:

Transmission Provider:

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Interconnection Customer:
Bellflower Solar 1, LLC
Attn: Legal Notices
400 Montgomery, Eighth Floor
San Francisco, CA. 94104

Email: legalnoticesus@lightsourcebp.com

Interconnected Transmission Owner:
AEP Indiana Michigan Transmission Company, Inc.
c/o Robert Pennybaker, Director – System Interconnections
American Electric Power Service Corporation
212 E 6th St. – 4th Floor
Tulsa, OK 74119
Email: rlpennybaker@aep.com

With copies to:

John W. Seidensticker, Senior Counsel
American Electric Power Service Corporation
1 Riverside Plaza – 29th Floor
Columbus, OH 43215
Email: jwseidensticker@aep.com

11.0 Waiver. No waiver by any party of one or more defaults by another in performance of any of the provisions of this CSA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.

12.0 Amendment. This CSA or any part thereof, may not be amended, modified, assigned, or waived other than by a writing signed by all parties.

13.0 Incorporation of Other Documents. All portions of the Tariff and the Operating Agreement pertinent to the subject of this CSA and not otherwise made a part hereof are hereby incorporated herein and made a part hereof.

14.0 Addendum of Interconnection Customer's Agreement to Conform with IRS Safe Harbor Provisions for Non-Taxable Status. To the extent required, in accordance with Section 2.4.1 of Appendix 2 to this CSA, Schedule L to this CSA shall set forth the Interconnection Customer's agreement to conform with the IRS safe harbor provisions for non-taxable status.

15.0 Addendum of Non-Standard Terms and Conditions for Construction Service. Subject to FERC approval, the parties agree that the terms and conditions set forth in the attached Schedule M are hereby incorporated by reference, and made a part of, this CSA. In the event of any conflict between a provision of Schedule M that FERC has accepted and any provision of the standard terms and conditions set forth in Appendix 2 to this CSA that relates to the same subject matter, the pertinent provision of Schedule M shall control.

16.0 Addendum of Interconnection Requirements for all Wind or Non-synchronous Generation Facilities. To the extent required, Schedule N to this CSA sets forth interconnection requirements for all wind and non-synchronous generation facilities and is hereby incorporated by reference and made a part of this CSA.

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

IN WITNESS WHEREOF, the parties have caused this Interconnection Construction Service Agreement to be executed by their respective authorized officials.

(PJM Queue Position #AE2-297)

Transmission Provider: PJM Interconnection, L.L.C.:

By: */s/ Jason Shoemaker*	Manager, Interconnection Projects	12/21/2021
Name	Title	Date

Printed name of signer: Jason Shoemaker

Interconnection Customer: **Bellflower Solar 1, LLC**

By: */s/ Kevin Christy*	Vice President	12/13/2021
Name	Title	Date

Printed name of signer: Kevin Christy

Interconnected Transmission Owner: **AEP Indiana Michigan Transmission Company, Inc.**

By: */s/ Robert W. Bradish*	Vice President	12/21/2021
Name	Title	Date

Printed name of signer: Robert W. Bradish

APPENDICES:

- **APPENDIX 1 - DEFINITIONS**
- **APPENDIX 2 - STANDARD CONSTRUCTION TERMS AND CONDITIONS**

SCHEDULES:

- **SCHEDULE A - SITE PLAN**
- **SCHEDULE B - SINGLE-LINE DIAGRAM OF INTERCONNECTION FACILITIES**
- **SCHEDULE C - TRANSMISSION OWNER INTERCONNECTION FACILITIES TO BE BUILT BY INTERCONNECTED TRANSMISSION OWNER**
- **SCHEDULE D - TRANSMISSION OWNER INTERCONNECTION FACILITIES TO BE BUILT BY INTERCONNECTION CUSTOMER PURSUANT TO OPTION TO BUILD**
- **SCHEDULE E – [Reserved]**
- **SCHEDULE F – [Reserved]**
- **SCHEDULE G - CUSTOMER INTERCONNECTION FACILITIES**
- **SCHEDULE H - NEGOTIATED CONTRACT OPTION TERMS**
- **SCHEDULE I - SCOPE OF WORK**
- **SCHEDULE J - SCHEDULE OF WORK**
- **SCHEDULE K - APPLICABLE TECHNICAL REQUIREMENTS AND STANDARDS**
- **SCHEDULE L - INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS**
- **SCHEDULE M - SCHEDULE OF NON-STANDARD TERMS AND CONDITIONS**
- **SCHEDULE N - INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY**

APPENDIX 1

DEFINITIONS

From the PJM Tariff accepted for filing by the Commission as of the effective date of this agreement

Unless the context otherwise specifies or requires, capitalized terms used in this Agreement shall have the respective meanings set forth below. Unless otherwise specified, all references herein to sections, Schedules or Appendices are to sections, Schedules or Appendices of this Agreement.

Abnormal Condition:

"Abnormal Condition" shall mean any condition on the Interconnection Facilities which, determined in accordance with Good Utility Practice, is: (i) outside normal operating parameters such that facilities are operating outside their normal ratings or that reasonable operating limits have been exceeded; and (ii) could reasonably be expected to materially and adversely affect the safe and reliable operation of the Interconnection Facilities; but which, in any case, could reasonably be expected to result in an Emergency Condition. Any condition or situation that results from lack of sufficient generating capacity to meet load requirements or that results solely from economic conditions shall not, standing alone, constitute an Abnormal Condition.

Affected System:

"Affected System" shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by a proposed interconnection or on which a proposed interconnection or addition of facilities or upgrades may require modifications or upgrades to the Transmission System.

Affiliate:

"Affiliate" shall mean any two or more entities, one of which Controls the other or that are under common Control. "Control," as that term is used in this definition, shall mean the possession, directly or indirectly, of the power to direct the management or policies of an entity. Ownership of publicly-traded equity securities of another entity shall not result in Control or affiliation for purposes of the Tariff or Operating Agreement if the securities are held as an investment, the holder owns (in its name or via intermediaries) less than 10 percent (10%) of the outstanding securities of the entity, the holder does not have representation on the entity's board of directors (or equivalent managing entity) or vice versa, and the holder does not in fact exercise influence over day-to-day management decisions. Unless the contrary is demonstrated to the satisfaction of the Members Committee, Control shall be presumed to arise from the ownership of or the power to vote, directly or indirectly, ten percent or more of the voting securities of such entity.

Ancillary Services:

"Ancillary Services" shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations:

"Applicable Laws and Regulations" shall mean all duly promulgated applicable federal, State

and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority having jurisdiction over the relevant parties, their respective facilities, and/or the respective services they provide.

Applicable Regional Entity:

"Applicable Regional Entity" shall mean the Regional Entity for the region in which a Network Customer, Transmission Customer, New Service Customer, or Transmission Owner operates.

Applicable Standards:

"Applicable Standards" shall mean the requirements and guidelines of NERC, the Applicable Regional Entity, and the Control Area in which the Customer Facility is electrically located; the PJM Manuals; and Applicable Technical Requirements and Standards.

Applicable Technical Requirements and Standards:

"Applicable Technical Requirements and Standards" shall mean those certain technical requirements and standards applicable to interconnections of generation and/or transmission facilities with the facilities of an Interconnected Transmission Owner or, as the case may be and to the extent applicable, of an Electric Distributor, as published by Transmission Provider in a PJM Manual provided, however, that, with respect to any generation facilities with maximum generating capacity of 2 MW or less *(synchronous) or 5 MW or less (inverter-based)* for which the Interconnection Customer executes a Construction Service Agreement or Interconnection Service Agreement on or after March 19, 2005, "Applicable Technical Requirements and Standards" shall refer to the "PJM Small Generator Interconnection Applicable Technical Requirements and Standards." All Applicable Technical Requirements and Standards shall be publicly available through postings on Transmission Provider's internet website.

Attachment Facilities:

"Attachment Facilities" shall mean the facilities necessary to physically connect a Customer Facility to the Transmission System or interconnected distribution facilities.

Behind The Meter Generation:

"Behind The Meter Generation" shall refer to a generation unit that delivers energy to load without using the Transmission System or any distribution facilities (unless the entity that owns or leases the distribution facilities has consented to such use of the distribution facilities and such consent has been demonstrated to the satisfaction of the Office of the Interconnection); provided, however, that Behind The Meter Generation does not include (i) at any time, any portion of such generating unit's capacity that is designated as a Generation Capacity Resource; or (ii) in an hour, any portion of the output of such generating unit that is sold to another entity for consumption at another electrical location or into the PJM Interchange Energy Market.

Breach:

"Breach" shall mean the failure of a party to perform or observe any material term or condition of Tariff, Part IV or Tariff, Part VI, or any agreement entered into thereunder as described in the relevant provisions of such agreement.

Breaching Party:

"Breaching Party" shall mean a party that is in Breach of Tariff, Part IV or Tariff, Part VI and/or an agreement entered into thereunder.

Business Day:

"Business Day" shall mean a day in which the Federal Reserve System is open for business and is not a scheduled PJM holiday.

Cancellation Costs:

"Cancellation Costs" shall mean costs and liabilities incurred in connection with: (a) cancellation of supplier and contractor written orders and agreements entered into to design, construct and install Attachment Facilities, Direct Assignment Facilities and/or Customer-Funded Upgrades, and/or (b) completion of some or all of the required Attachment Facilities, Direct Assignment Facilities and/or Customer-Funded Upgrades, or specific unfinished portions and/or removal of any or all of such facilities which have been installed, to the extent required for the Transmission Provider and/or Transmission Owner(s) to perform their respective obligations under Tariff, Part IV and/or Part VI.

Capacity:

"Capacity" shall mean the installed capacity requirement of the Reliability Assurance Agreement or similar such requirements as may be established.

Capacity Interconnection Rights:

"Capacity Interconnection Rights" shall mean the rights to input generation as a Generation Capacity Resource into the Transmission System at the Point of Interconnection where the generating facilities connect to the Transmission System.

Capacity Resource:

"Capacity Resource" shall have the meaning provided in the Reliability Assurance Agreement.

Commencement Date:

"Commencement Date" shall mean the date on which Interconnection Service commences in accordance with an Interconnection Service Agreement.

Confidential Information:

"Confidential Information" shall mean any confidential, proprietary, or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy, or compilation relating to the present or planned business of a New Service Customer, Transmission Owner, or other Interconnection Party or Construction Party, which is designated as confidential by the party supplying the information, whether conveyed verbally, electronically, in writing, through inspection, or otherwise, and shall include, without limitation, all information relating to the producing party's technology, research and development, business affairs and pricing, and any information supplied by any New Service Customer, Transmission Owner, or other Interconnection Party or Construction Party to another such party prior to the execution of an Interconnection Service Agreement or a Construction Service Agreement.

Consolidated Transmission Owners Agreement, PJM Transmission Owners Agreement or Transmission Owners Agreement:

"Consolidated Transmission Owners Agreement," "PJM Transmission Owners Agreement" or "Transmission Owners Agreement" shall mean the certain Consolidated Transmission Owners Agreement dated as of December 15, 2005, by and among the Transmission Owners and by and between the Transmission Owners and PJM Interconnection, L.L.C. on file with the Commission, as amended from time to time.

Constructing Entity:

"Constructing Entity" shall mean either the Transmission Owner or the New Services Customer, depending on which entity has the construction responsibility pursuant to Tariff, Part VI and the applicable Construction Service Agreement; this term shall also be used to refer to an Interconnection Customer with respect to the construction of the Customer Interconnection Facilities.

Construction Party:

"Construction Party" shall mean a party to a Construction Service Agreement. "Construction Parties" shall mean all of the Parties to a Construction Service Agreement.

Construction Service Agreement:

"Construction Service Agreement" shall mean either an Interconnection Construction Service Agreement or an Upgrade Construction Service Agreement.

Contingent Facilities:

"Contingent Facilities" shall mean those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent and, if delayed or not built, could cause a need for restudies of the Interconnection

Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Control Area:

"Control Area" shall mean an electric power system or combination of electric power systems bounded by interconnection metering and telemetry to which a common automatic generation control scheme is applied in order to:

(1) match the power output of the generators within the electric power system(s) and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

(2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

(3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and

(4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Controllable A.C. Merchant Transmission Facilities:

"Controllable A.C. Merchant Transmission Facilities" shall mean transmission facilities that (1) employ technology which Transmission Provider reviews and verifies will permit control of the amount and/or direction of power flow on such facilities to such extent as to effectively enable the controllable facilities to be operated as if they were direct current transmission facilities, and (2) that are interconnected with the Transmission System pursuant to Tariff, Part IV and Part VI.

Costs:

As used in Tariff, Part IV, Part VI and related attachments, "Costs" shall mean costs and expenses, as estimated or calculated, as applicable, including, but not limited to, capital expenditures, if applicable, and overhead, return, and the costs of financing and taxes and any Incidental Expenses.

Customer Facility:

"Customer Facility" shall mean Generation Facilities or Merchant Transmission Facilities interconnected with or added to the Transmission System pursuant to an Interconnection Request under Subpart A of Tariff, Part IV.

Customer Interconnection Facilities:

"Customer Interconnection Facilities" shall mean all facilities and equipment owned and/or controlled, operated and maintained by Interconnection Customer on Interconnection Customer's side of the Point of Interconnection identified in the appropriate appendices to the Interconnection Service Agreement and to the Interconnection Construction Service Agreement, including any modifications, additions, or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Customer Facility with the Transmission System.

Default:

As used in the Interconnection Service Agreement and Construction Service Agreement, "Default" shall mean the failure of a Breaching Party to cure its Breach in accordance with the applicable provisions of an Interconnection Service Agreement or Construction Service Agreement.

Emergency Condition:

"Emergency Condition" shall mean a condition or situation (i) that in the judgment of any Interconnection Party is imminently likely to endanger life or property; or (ii) that in the judgment of the Interconnected Transmission Owner or Transmission Provider is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Transmission System, the Interconnection Facilities, or the transmission systems or distribution systems to which the Transmission System is directly or indirectly connected; or (iii) that in the judgment of Interconnection Customer is imminently likely (as determined in a non-discriminatory manner) to cause damage to the Customer Facility or to the Customer Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions, provided that a Generation Interconnection Customer is not obligated by an Interconnection Service Agreement to possess black start capability. Any condition or situation that results from lack of sufficient generating capacity to meet load requirements or that results solely from economic conditions shall not constitute an Emergency Condition, unless one or more of the enumerated conditions or situations identified in this definition also exists.

Energy Resource:

"Energy Resource" shall mean a Generating Facility that is not a Capacity Resource.

Energy Storage Resource:

"Energy Storage Resource" shall mean a resource capable of receiving electric energy from the grid and storing it for later injection to the grid that participates in the PJM Energy, Capacity and/or Ancillary Services markets as a Market Participant.

Facilities Study:

"Facilities Study" shall be an engineering study conducted by the Transmission Provider (in

coordination with the affected Transmission Owner(s)) to: (1) determine the required modifications to the Transmission Provider's Transmission System necessary to implement the conclusions of the System Impact Study; and (2) complete any additional studies or analyses documented in the System Impact Study or required by PJM Manuals, and determine the required modifications to the Transmission Provider's Transmission System based on the conclusions of such additional studies. The Facilities Study shall include the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service or to accommodate a New Service Request. As used in the Interconnection Service Agreement or Construction Service Agreement, Facilities Study shall mean that certain Facilities Study conducted by Transmission Provider (or at its direction) to determine the design and specification of the Customer Funded Upgrades necessary to accommodate the New Service Customer's New Service Request in accordance with Tariff, Part VI, section 207.

Federal Power Act:

"Federal Power Act" shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a, et seq.

FERC or Commission:

"FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any successor federal agency, commission or department exercising jurisdiction over the Tariff, Operating Agreement and Reliability Assurance Agreement.

Generating Facilities:

"Generating Facilities" shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generation Interconnection Customer:

"Generation Interconnection Customer" shall mean an entity that submits an Interconnection Request to interconnect a new generation facility or to increase the capacity of an existing generation facility interconnected with the Transmission System in the PJM Region.

Generation Interconnection Request:

"Generation Interconnection Request" shall mean a request by a Generation Interconnection Customer pursuant to Tariff, Part IV, subpart A, to interconnect a generating unit with the Transmission System or to increase the capacity of a generating unit interconnected with the Transmission System in the PJM Region.

Good Utility Practice:

"Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period,

or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather is intended to include acceptable practices, methods, or acts generally accepted in the region; including those practices required by Federal Power Act, section 215(a)(4).

Governmental Authority:

"Governmental Authority" shall mean any federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority having jurisdiction over any Interconnection Party or Construction Party or regarding any matter relating to an Interconnection Service Agreement or Construction Service Agreement, as applicable.

Hazardous Substances:

"Hazardous Substance" shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Incremental Auction Revenue Rights:

"Incremental Auction Revenue Rights" shall mean the additional Auction Revenue Rights, not previously feasible, created by the addition of Incremental Rights-Eligible Required Transmission Enhancements, Merchant Transmission Facilities, or of one or more Customer-Funded Upgrades.

Incremental Available Transfer Capability Revenue Rights:

"Incremental Available Transfer Capability Revenue Rights" shall mean the rights to revenues that are derived from incremental Available Transfer Capability created by the addition of Merchant Transmission Facilities or of one of more Customer-Funded Upgrades.

Incremental Capacity Transfer Right:

"Incremental Capacity Transfer Right" shall mean a Capacity Transfer Right allocated to a Generation Interconnection Customer or Transmission Interconnection Customer obligated to fund a transmission facility or upgrade, to the extent such upgrade or facility increases the transmission import capability into a Locational Deliverability Area, or a Capacity Transfer

Right allocated to a Responsible Customer in accordance with Tariff, Schedule 12A.

Incremental Deliverability Rights (IDRs):

"Incremental Deliverability Rights" or "IDRs" shall mean the rights to the incremental ability, resulting from the addition of Merchant Transmission Facilities, to inject energy and capacity at a point on the Transmission System, such that the injection satisfies the deliverability requirements of a Capacity Resource. Incremental Deliverability Rights may be obtained by a generator or a Generation Interconnection Customer, pursuant to an IDR Transfer Agreement, to satisfy, in part, the deliverability requirements necessary to obtain Capacity Interconnection Rights.

Initial Operation:

"Initial Operation" shall mean the commencement of operation of the Customer Facility and Customer Interconnection Facilities after satisfaction of the conditions of Tariff, Attachment O-Appendix 2, section 1.4 (an Interconnection Service Agreement).

Interconnected Entity:

"Interconnected Entity" shall mean either the Interconnection Customer or the Interconnected Transmission Owner; Interconnected Entities shall mean both of them.

Interconnected Transmission Owner:

"Interconnected Transmission Owner" shall mean the Transmission Owner to whose transmission facilities or distribution facilities Customer Interconnection Facilities are, or as the case may be, a Customer Facility is, being directly connected. When used in an Interconnection Construction Service Agreement, the term may refer to a Transmission Owner whose facilities must be upgraded pursuant to the Facilities Study, but whose facilities are not directly interconnected with those of the Interconnection Customer.

Interconnection Construction Service Agreement:

"Interconnection Construction Service Agreement" shall mean the agreement entered into by an Interconnection Customer, Interconnected Transmission Owner and the Transmission Provider pursuant to Tariff, Part VI, Subpart B and in the form set forth in Tariff, Attachment P, relating to construction of Attachment Facilities, Network Upgrades, and/or Local Upgrades and coordination of the construction and interconnection of an associated Customer Facility. A separate Interconnection Construction Service Agreement will be executed with each Transmission Owner that is responsible for construction of any Attachment Facilities, Network Upgrades, or Local Upgrades associated with interconnection of a Customer Facility.

Interconnection Customer:

"Interconnection Customer" shall mean a Generation Interconnection Customer and/or a

Transmission Interconnection Customer.

Interconnection Facilities:

"Interconnection Facilities" shall mean the Transmission Owner Interconnection Facilities and the Customer Interconnection Facilities.

Interconnection Party:

"Interconnection Party" shall mean a Transmission Provider, Interconnection Customer, or the Interconnected Transmission Owner. Interconnection Parties shall mean all of them.

Interconnection Request:

"Interconnection Request" shall mean a Generation Interconnection Request, a Transmission Interconnection Request and/or an IDR Transfer Agreement.

Interconnection Service:

"Interconnection Service" shall mean the physical and electrical interconnection of the Customer Facility with the Transmission System pursuant to the terms of Tariff, Part IV and Tariff, Part VI and the Interconnection Service Agreement entered into pursuant thereto by Interconnection Customer, the Interconnected Transmission Owner and Transmission Provider.

Interconnection Service Agreement:

"Interconnection Service Agreement" shall mean an agreement among the Transmission Provider, an Interconnection Customer and an Interconnected Transmission Owner regarding interconnection under Tariff, Part IV and Tariff, Part VI.

List of Approved Contractors:

"List of Approved Contractors" shall mean a list developed by each Transmission Owner and published in a PJM Manual of (a) contractors that the Transmission Owner considers to be qualified to install or construct new facilities and/or upgrades or modifications to existing facilities on the Transmission Owner's system, provided that such contractors may include, but need not be limited to, contractors that, in addition to providing construction services, also provide design and/or other construction-related services, and (b) manufacturers or vendors of major transmission-related equipment (e.g., high-voltage transformers, transmission line, circuit breakers) whose products the Transmission Owner considers acceptable for installation and use on its system.

Load Serving Entity (LSE):

"Load Serving Entity" or "LSE" shall have the meaning specified in the Reliability Assurance Agreement.

Local Upgrades:

"Local Upgrades" shall mean modifications or additions of facilities to abate any local thermal loading, voltage, short circuit, stability or similar engineering problem caused by the interconnection and delivery of generation to the Transmission System. Local Upgrades shall include:

(i) Direct Connection Local Upgrades which are Local Upgrades that only serve the Customer Interconnection Facility and have no impact or potential impact on the Transmission System until the final tie-in is complete; and

(ii) Non-Direct Connection Local Upgrades which are parallel flow Local Upgrades that are not Direct Connection Local Upgrades.

Material Modification:

"Material Modification" shall mean any modification to an Interconnection Request that has a material adverse effect on the cost or timing of Interconnection Studies related to, or any Network Upgrades or Local Upgrades needed to accommodate, any Interconnection Request with a later Queue Position.

Maximum Facility Output:

"Maximum Facility Output" shall mean the maximum (not nominal) net electrical power output in megawatts, specified in the Interconnection Service Agreement, after supply of any parasitic or host facility loads, that a Generation Interconnection Customer's Customer Facility is expected to produce, provided that the specified Maximum Facility Output shall not exceed the output of the proposed Customer Facility that Transmission Provider utilized in the System Impact Study.

Maximum State of Charge:

"Maximum State of Charge" shall mean the maximum State of Charge that should not be exceeded, measured in units of megawatt-hours.

Merchant A.C. Transmission Facilities:

"Merchant A.C. Transmission Facility" shall mean Merchant Transmission Facilities that are alternating current (A.C.) transmission facilities, other than those that are Controllable A.C. Merchant Transmission Facilities.

Merchant D.C. Transmission Facilities:

"Merchant D.C. Transmission Facilities" shall mean direct current (D.C.) transmission facilities that are interconnected with the Transmission System pursuant to Tariff, Part IV and Tariff, Part

VI.

Merchant Network Upgrades:

"Merchant Network Upgrades" shall mean additions to, or modifications or replacements of, physical facilities of the Interconnected Transmission Owner that, on the date of the pertinent Transmission Interconnection Customer's Upgrade Request, are part of the Transmission System or are included in the Regional Transmission Expansion Plan.

Merchant Transmission Facilities:

"Merchant Transmission Facilities" shall mean A.C. or D.C. transmission facilities that are interconnected with or added to the Transmission System pursuant to Tariff, Part IV and Tariff, Part VI and that are so identified in Tariff, Attachment T, provided, however, that Merchant Transmission Facilities shall not include (i) any Customer Interconnection Facilities, (ii) any physical facilities of the Transmission System that were in existence on or before March 20, 2003 ; (iii) any expansions or enhancements of the Transmission System that are not identified as Merchant Transmission Facilities in the Regional Transmission Expansion Plan and Tariff, Attachment T, or (iv) any transmission facilities that are included in the rate base of a public utility and on which a regulated return is earned.

Merchant Transmission Provider:

"Merchant Transmission Provider" shall mean an Interconnection Customer that (1) owns, controls, or controls the rights to use the transmission capability of, Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that connect the Transmission System with another control area, (2) has elected to receive Transmission Injection Rights and Transmission Withdrawal Rights associated with such facility pursuant to Tariff, Part IV, section 36, and (3) makes (or will make) the transmission capability of such facilities available for use by third parties under terms and conditions approved by the Commission and stated in the Tariff, consistent with Tariff, Part IV, section 38.

Metering Equipment:

"Metering Equipment" shall mean all metering equipment installed at the metering points designated in the appropriate appendix to an Interconnection Service Agreement.

Minimum State of Charge:

"Minimum State of Charge" shall mean the minimum State of Charge that should be maintained in units of megawatt-hours.

NERC:

"NERC" shall mean the North American Electric Reliability Corporation or any successor thereto.

Network Upgrades:

"Network Upgrades" shall mean modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System. Network Upgrades shall include:

(i) **Direct Connection Network Upgrades** which are Network Upgrades that are not part of an Affected System; only serve the Customer Interconnection Facility; and have no impact or potential impact on the Transmission System until the final tie-in is complete. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Direct Connection Network Upgrades and identify them in the Interconnection Construction Service Agreement, Schedule D. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Direct Connection Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Direcct Connection Network Upgrade within 15 days of its determination.

(ii) **Non-Direct Connection Network Upgrades** which are parallel flow Network Upgrades that are not Direct Connection Network Upgrades.

New Service Request:

"New Service Request" shall mean an Interconnection Request, a Completed Application, or an Upgrade Request.

New Services Queue:

"New Services Queue" shall mean all Interconnection Requests, Completed Applications, and Upgrade Requests that are received within each six-month period ending on March 31 and September 30 of each year shall collectively comprise a New Services Queue.

Nominal Rated Capability:

"Nominal Rated Capability" shall mean the nominal maximum rated capability in megawatts of a Transmission Interconnection Customer's Customer Facility or the nominal increase in transmission capability in megawatts of the Transmission System resulting from the interconnection or addition of a Transmission Interconnection Customer's Customer Facility, as determined in accordance with pertinent Applicable Standards and specified in the Interconnection Service Agreement.

Operating Agreement of the PJM Interconnection, L.L.C., Operating Agreement or PJM Operating Agreement:

"Operating Agreement of the PJM Interconnection, L.L.C.," "Operating Agreement" or "PJM Operating Agreement" shall mean the Amended and Restated Operating Agreement of PJM

Interconnection, L.L.C. dated as of April 1, 1997 and as amended and restated as of June 2, 1997, including all Schedules, Exhibits, Appendices, addenda or supplements hereto, as amended from time to time thereafter, among the Members of the PJM Interconnection, L.L.C., on file with the Commission.

Option to Build:

"Option to Build" shall mean the option of the New Service Customer to build certain Customer-Funded Upgrades, as set forth in, and subject to the terms of, the Construction Service Agreement.

Part I:

"Part I" shall mean the Tariff Definitions and Common Service Provisions contained in Tariff, Part I, sections 1 through 12A.

Part II:

"Part II" shall mean Tariff, Part II, sections 13 through 27A pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part III:

"Part III" shall mean Tariff, Part III, sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part IV:

"Part IV" shall mean Tariff, Part IV, sections 36 through 112C pertaining to generation or merchant transmission interconnection to the Transmission System in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part VI:

"Part VI" shall mean Tariff, Part VI, sections 200 through 237 pertaining to the queuing, study, and agreements relating to New Service Requests, and the rights associated with Customer-Funded Upgrades in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Parties:

"Parties" shall mean the Transmission Provider, as administrator of the Tariff, and the Transmission Customer receiving service under the Tariff. PJMSettlement shall be the

Counterparty to Transmission Customers.

PJM:

"PJM" shall mean PJM Interconnection, L.L.C., including the Office of the Interconnection as referenced in the PJM Operating Agreement. When such term is being used in the RAA it shall also include the PJM Board.

PJM Manuals:

"PJM Manuals" shall mean the instructions, rules, procedures and guidelines established by the Office of the Interconnection for the operation, planning, and accounting requirements of the PJM Region and the PJM Interchange Energy Market.

PJM Region:

"PJM Region" shall have the meaning specified in the Operating Agreement.

PJM Tariff, Tariff, O.A.T.T., OATT or PJM Open Access Transmission Tariff:

"PJM Tariff," "Tariff," "O.A.T.T.," "OATT," or "PJM Open Access Transmission Tariff" shall mean that certain PJM Open Access Transmission Tariff, including any schedules, appendices or exhibits attached thereto, on file with FERC and as amended from time to time thereafter.

Point of Interconnection:

"Point of Interconnection" shall mean the point or points where the Customer Interconnection Facilities interconnect with the Transmission Owner Interconnection Facilities or the Transmission System.

Project Finance Entity:

"Project Finance Entity" shall mean: (a) a holder, trustee or agent for holders, of any component of Project Financing; or (b) any purchaser of capacity and/or energy produced by the Customer Facility to which Interconnection Customer has granted a mortgage or other lien as security for some or all of Interconnection Customer's obligations under the corresponding power purchase agreement.

Provisional Interconnection Service:

"Provisional Interconnection Service" shall mean interconnection service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Interconnection Service Agreement and, if applicable, the Tariff.

Queue Position:

"Queue Position" shall mean the priority assigned to an Interconnection Request, a Completed Application, or an Upgrade Request pursuant to applicable provisions of Tariff, Part VI.

Reasonable Efforts:

"Reasonable Efforts" shall mean, with respect to any action required to be made, attempted, or taken by an Interconnection Party or by a Construction Party under Tariff, Part IV or Tariff, Part VI, an Interconnection Service Agreement, or a Construction Service Agreement, such efforts as are timely and consistent with Good Utility Practice and with efforts that such party would undertake for the protection of its own interests.

Regional Entity:

"Regional Entity" shall have the same meaning specified in the Operating Agreement.

Regional Transmission Expansion Plan:

"Regional Transmission Expansion Plan" shall mean the plan prepared by the Office of the Interconnection pursuant to Operating Agreement, Schedule 6 for the enhancement and expansion of the Transmission System in order to meet the demands for firm transmission service in the PJM Region.

Reliability Assurance Agreement or PJM Reliability Assurance Agreement:

"Reliability Assurance Agreement" or "PJM Reliability Assurance Agreement" shall mean that certain Reliability Assurance Agreement Among Load Serving Entities in the PJM Region, on file with FERC as PJM Interconnection L.L.C. Rate Schedule FERC No. 44, and as amended from time to time thereafter.

Schedule of Work:

"Schedule of Work" shall mean that schedule attached to the Interconnection Construction Service Agreement setting forth the timing of work to be performed by the Constructing Entity pursuant to the Interconnection Construction Service Agreement, based upon the Facilities Study and subject to modification, as required, in accordance with Transmission Provider's scope change process for interconnection projects set forth in the PJM Manuals.

Scope of Work:

"Scope of Work" shall mean that scope of the work attached as a schedule to the Interconnection Construction Service Agreement and to be performed by the Constructing Entity(ies) pursuant to the Interconnection Construction Service Agreement, provided that such Scope of Work may be modified, as required, in accordance with Transmission Provider's scope change process for interconnection projects set forth in the PJM Manuals.

Secondary Systems:

"Secondary Systems" shall mean control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers.

Security:

"Security" shall mean the security provided by the New Service Customer pursuant to Tariff, section 212.4 or Tariff, Part VI, section 213.4 to secure the New Service Customer's responsibility for Costs under the Interconnection Service Agreement or Upgrade Construction Service Agreement and Tariff, Part VI, section 217.

Service Agreement:

"Service Agreement" shall mean the initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

Site:

"Site" shall mean all of the real property, including but not limited to any leased real property and easements, on which the Customer Facility is situated and/or on which the Customer Interconnection Facilities are to be located.

State:

"State" shall mean the District of Columbia and any State or Commonwealth of the United States.

State of Charge:

"State of Charge" shall mean the operating parameter that represents the quantity of physical energy stored (measured in units of megawatt-hours) in an Energy Storage Resource Model Participant in proportion to its maximum State of Charge capability. State of Charge is quantified as defined in the PJM Manuals.

Station Power:

"Station Power" shall mean energy used for operating the electric equipment on the site of a generation facility located in the PJM Region or for the heating, lighting, air-conditioning and office equipment needs of buildings on the site of such a generation facility that are used in the operation, maintenance, or repair of the facility. Station Power does not include any energy (i) used to power synchronous condensers; (ii) used for pumping at a pumped storage facility; (iii) used in association with restoration or black start service; or (iv) that is Direct Charging Energy.

Surplus Interconnection Customer:

"Surplus Interconnection Customer" shall mean either an Interconnection Customer whose Generating Facility is already interconnected to the PJM Transmission System or one of its affiliates, or an unaffiliated entity that submits a Surplus Interconnection Request to utilize Surplus Interconnection Service within the Transmission System in the PJM Region. A Surplus Interconnection Customer is not a New Service Customer.

Surplus Interconnection Request:

"Surplus Interconnection Request" shall mean a request submitted by a Surplus Interconnection Customer, pursuant to Tariff, Attachment RR, to utilize Surplus Interconnection Service within the Transmission System in the PJM Region. A Surplus Interconnection Request is not a New Service Request.

Surplus Interconnection Service:

"Surplus Interconnection Service" shall mean any unneeded portion of Interconnection Service established in an Interconnection Service Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Switching and Tagging Rules:

"Switching and Tagging Rules" shall mean the switching and tagging procedures of Interconnected Transmission Owners and Interconnection Customer as they may be amended from time to time.

System Impact Study:

"System Impact Study" shall mean an assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a Completed Application, an Interconnection Request or an Upgrade Request, (ii) whether any additional costs may be incurred in order to provide such transmission service or to accommodate an Interconnection Request, and (iii) with respect to an Interconnection Request, an estimated date that an Interconnection Customer's Customer Facility can be interconnected with the Transmission System and an estimate of the Interconnection Customer's cost responsibility for the interconnection; and (iv) with respect to an Upgrade Request, the estimated cost of the requested system upgrades or expansion, or of the cost of the system upgrades or expansion, necessary to provide the requested incremental rights.

System Protection Facilities:

"System Protection Facilities" shall refer to the equipment required to protect (i) the Transmission System, other delivery systems and/or other generating systems connected to the Transmission System from faults or other electrical disturbance occurring at or on the Customer Facility, and (ii)

the Customer Facility from faults or other electrical system disturbance occurring on the Transmission System or on other delivery systems and/or other generating systems to which the Transmission System is directly or indirectly connected. System Protection Facilities shall include such protective and regulating devices as are identified in the Applicable Technical Requirements and Standards or that are required by Applicable Laws and Regulations or other Applicable Standards, or as are otherwise necessary to protect personnel and equipment and to minimize deleterious effects to the Transmission System arising from the Customer Facility.

Transmission Facilities:

"Transmission Facilities" shall have the meaning set forth in the Operating Agreement.

Transmission Injection Rights:

"Transmission Injection Rights" shall mean Capacity Transmission Injection Rights and Energy Transmission Injection Rights.

Transmission Interconnection Customer:

"Transmission Interconnection Customer" shall mean an entity that submits an Interconnection Request to interconnect or add Merchant Transmission Facilities to the Transmission System or to increase the capacity of Merchant Transmission Facilities interconnected with the Transmission System in the PJM Region or an entity that submits an Upgrade Request for Merchant Network Upgrades (including accelerating the construction of any transmission enhancement or expansion, other than Merchant Transmission Facilities, that is included in the Regional Transmission Expansion Plan prepared pursuant to Operating Agreement, Schedule 6).

Transmission Owner:

"Transmission Owner" shall mean a Member that owns or leases with rights equivalent to ownership Transmission Facilities and is a signatory to the PJM Transmission Owners Agreement. Taking transmission service shall not be sufficient to qualify a Member as a Transmission Owner.

Transmission Owner Attachment Facilities:

"Transmission Owner Attachment Facilities" shall mean that portion of the Transmission Owner Interconnection Facilities comprised of all Attachment Facilities on the Interconnected Transmission Owner's side of the Point of Interconnection.

Transmission Owner Interconnection Facilities:

"Transmission Owner Interconnection Facilities" shall mean all Interconnection Facilities that are not Customer Interconnection Facilities and that, after the transfer under Tariff, Attachment P, Appendix 2, section 5.5 to the Interconnected Transmission Owner of title to any Transmission Owner Interconnection Facilities that the Interconnection Customer constructed,

are owned, controlled, operated and maintained by the Interconnected Transmission Owner on the Interconnected Transmission Owner's side of the Point of Interconnection identified in appendices to the Interconnection Service Agreement and to the Interconnection Construction Service Agreement, including any modifications, additions or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Customer Facility with the Transmission System or interconnected distribution facilities.

Transmission Provider:

The "Transmission Provider" shall be the Office of the Interconnection for all purposes, provided that the Transmission Owners will have the responsibility for the following specified activities:

(a) The Office of the Interconnection shall direct the operation and coordinate the maintenance of the Transmission System, except that the Transmission Owners will continue to direct the operation and maintenance of those transmission facilities that are not listed in the PJM Designated Facilities List contained in the PJM Manual on Transmission Operations;

(b) Each Transmission Owner shall physically operate and maintain all of the facilities that it owns; and

(c) When studies conducted by the Office of the Interconnection indicate that enhancements or modifications to the Transmission System are necessary, the Transmission Owners shall have the responsibility, in accordance with the applicable terms of the Tariff, Operating Agreement and/or the Consolidated Transmission Owners Agreement to construct, own, and finance the needed facilities or enhancements or modifications to facilities.

Transmission Service:

"Transmission Service" shall mean Point-To-Point Transmission Service provided under Tariff, Part II on a firm and non-firm basis.

Transmission System:

"Transmission System" shall mean the facilities controlled or operated by the Transmission Provider within the PJM Region that are used to provide transmission service under Tariff, Part II and Part III.

Transmission Withdrawal Rights:

"Transmission Withdrawal Rights" shall mean Firm Transmission Withdrawal Rights and Non-Firm Transmission Withdrawal Rights.

APPENDIX 2

STANDARD CONSTRUCTION TERMS AND CONDITIONS

Preamble

The construction of any Interconnection Facilities required to interconnect a Customer Facility with the Transmission System shall be in accordance with the following Standard Construction Terms and Conditions.

1 Facilitation by Transmission Provider

Transmission Provider shall keep itself apprised of the status of the Constructing Entities' construction-related activities and, upon request of either of them, Transmission Provider shall meet with the Constructing Entities separately or together to assist them in resolving issues between them regarding their respective activities, rights and obligations under this Appendix 2 to this CSA. Each Constructing Entity shall cooperate in good faith with the other Construction Parties in Transmission Provider's efforts to facilitate resolution of disputes.

2 Construction Obligations

2.1 Interconnection Customer Obligations

2.1.1 Generally:

Interconnection Customer shall, at its sole cost and expense, design, procure, construct, own and install the Customer Facility and the Customer Interconnection Facilities in accordance with this Appendix 2 to this CSA, Applicable Standards, Applicable Laws and Regulations, Good Utility Practice, the Scope of Work and the Facilities Study (to the extent that design of the Customer Interconnection Facilities is included therein), provided, however, that, in the event and to the extent that the Customer Facility is comprised of or includes Merchant Network Upgrades, subject to the terms of Section 3.2.3 of this Appendix 2, the Interconnected Transmission Owner, shall design, procure, construct and install such Merchant Network Upgrades.

2.1.2 Interconnection Customer Drawings:

On or before the applicable date specified in the Milestones of the Interconnection Service Agreement, Interconnection Customer shall submit to the Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities. Interconnected Transmission Owner and Transmission Provider shall review the drawings to assess the consistency of Interconnection Customer's design of the Customer Interconnection Facilities with the design that was analyzed in the planning model as described in PJM Manuals. After consulting with the Interconnected Transmission Owner, Transmission Provider shall provide comments on the drawings to Interconnection Customer within forty-five (45) days after its receipt thereof, after which time any drawings not subject to comment shall be deemed to be approved. All drawings provided hereunder shall be deemed to be Confidential Information.

2.1.3 Effect of Review:

Interconnected Transmission Owner's and Transmission Provider's reviews of Interconnection Customer's initial drawings of the Customer Interconnection Facilities shall not be construed as confirming, endorsing or providing a warranty as to the fitness, safety, durability or reliability of such facilities or the design thereof. At its sole cost and expense, Interconnection Customer shall make such changes to the design of the Customer Interconnection Facilities as may reasonably be required by Transmission Provider, in consultation with the Interconnected Transmission Owner, to ensure that the Customer Interconnection Facilities meet Applicable Standards and, to the extent that design of the Customer Interconnection Facilities is included in the Facilities Study, to ensure that such facilities conform with the Facilities Study.

2.2 Transmission Owner Interconnection Facilities

2.2.1 Generally:

All Transmission Owner Interconnection Facilities necessary for the interconnection of the Customer Facility shall be designed, procured, installed and constructed in accordance with this Appendix 2, Applicable Standards, Applicable Laws and Regulations, Good Utility Practice, the Facilities Study and the Scope of Work under the Interconnection Construction Service Agreement(s).

2.2.2 Cost Responsibility:

Responsibility for the Costs of the Transmission Owner Interconnection Facilities shall be assigned in accordance with Section 217 of the Tariff, as applicable, and shall be stated in the Interconnection Service Agreement.

2.2.3 Construction Responsibility:

Except as otherwise permitted under, or as otherwise agreed upon by the Interconnection Customer and the Interconnected Transmission Owner pursuant to, Section 3 of this Appendix 2, the Interconnected Transmission Owner shall be responsible for the design, procurement, construction and installation of the Transmission Owner Interconnection Facilities. In the event that there are multiple Interconnected Transmission Owners, the Transmission Provider shall determine how to allocate the construction responsibility among them unless they have reached agreement among themselves on how to proceed.

2.2.4 Ownership of Transmission Owner Interconnection Facilities:

The Interconnected Transmission Owner shall own all Transmission Owner Interconnection Facilities that it builds. In addition, the Interconnection Customer will convey to the Interconnected Transmission Owner, as provided in Section 5.5 of this Appendix 2, title to all Transmission Owner Interconnection Facilities built by the Interconnection Customer pursuant to the terms of Section 3.2 of this Appendix 2. Nothing in this section shall affect the interconnection rights otherwise available to a Transmission Interconnection Customer under Subpart C of Part VI of the Tariff.

2.2A Scope of Applicable Technical Requirements and Standards:

Applicable Technical Requirements and Standards shall apply to the design, procurement, construction and installation of the Interconnection Facilities and Merchant A.C. Transmission Facilities only to the extent that the provisions thereof relate to the design, procurement, construction and/or installation of such facilities. Such provisions relating to the design, procurement, construction and/or installation of facilities shall be appended to the Interconnection Construction Service Agreement. The Interconnection Parties shall mutually agree upon, or in the absence of such agreement, Transmission Provider shall determine, which provisions of the Applicable Technical Requirements and Standards should be identified in the Interconnection Construction Service Agreement. In the event of any conflict between the provisions of the Applicable Technical Requirements and Standards that are appended to this Interconnection Construction Service Agreement and any later-modified provisions that are stated in the pertinent PJM Manual, the provisions appended to this Interconnection Construction Service Agreement shall control.

2.3 Construction By Interconnection Customer

2.3.1 Construction Prior to Execution of Interconnection Construction Service Agreement:

If the Interconnection Customer procures materials for, and/or commences construction of, the Customer Interconnection Facilities, any Transmission Owner Interconnection Facilities that it has elected to construct by exercising the Option to Build under Section 3.2.3 of this Appendix 2, or for any subsequent modification thereto, prior to the execution of the Interconnection Construction Service Agreement or, if the Interconnection Construction Service Agreement has been executed, before the Interconnected Transmission Owner and Transmission Provider have accepted the Interconnection Customer's initial design, or any subsequent modification to the design, of such Interconnection Facilities, such procurement and/or construction shall be at the Interconnection Customer's sole risk, cost and expense.

2.3.2 Monitoring and Inspection:

The Interconnected Transmission Owner may monitor construction and installation of Interconnection Facilities that the Interconnection Customer is constructing. Upon reasonable notice, authorized personnel of the Interconnected Transmission Owner may inspect any or all of such Interconnection Facilities to assess their conformity with Applicable Standards.

2.3.3 Notice of Completion:

The Interconnection Customer shall notify the Transmission Provider and the Interconnected Transmission Owner in writing when it has completed construction of (i) the Customer Facility; (ii) the Customer Interconnection Facilities; and (iii) any Transmission Owner Interconnection Facilities for which it has exercised the Option to Build under Section 3 of this Appendix 2.

2.4 Tax Liability

2.4.1 Safe Harbor Provisions:

This Section 2.4.1 is applicable only to Generation Interconnection Customers. Provided that Interconnection Customer agrees to conform to all requirements of the Internal Revenue Service ("IRS") (e.g., the "safe harbor" provisions of IRS Notices 2001-82 and 88-129) that would confer nontaxable status on some or all of the transfer of property, including money, by Interconnection Customer to the Interconnected Transmission Owner for payment of the Costs of construction of the Transmission Owner Interconnection Facilities, the Interconnected Transmission Owner, based on such agreement and on current law, shall treat such transfer of property to it as nontaxable income and, except as provided in Section 2.4.2 of this Appendix 2, shall not include income taxes in the Costs of Transmission Owner Interconnection Facilities that are payable by Interconnection Customer under this Appendix 2. Interconnection Customer shall document its agreement to conform to IRS requirements for such non-taxable status in the Interconnection Service Agreement, the Interconnection Construction Service Agreement, and/or the Interim Interconnection Service Agreement.

2.4.2 Tax Indemnity:

Interconnection Customer shall indemnify the Interconnected Transmission Owner for any costs that Interconnected Transmission Owner incurs in the event that the IRS and/or a state department of revenue (State) determines that the property, including money, transferred by Interconnection Customer to the Interconnected Transmission Owner with respect to the construction of the Transmission Owner Interconnection Facilities is taxable income to the Interconnected Transmission Owner. Interconnection Customer shall pay to the Interconnected Transmission Owner, on demand, the amount of any income taxes that the IRS or a State assesses to the Interconnected Transmission Owner in connection with such transfer of property and/or money, plus any applicable interest and/or penalty charged to the Interconnected Transmission Owner. In the event that the Interconnected Transmission Owner chooses to contest such assessment, either at the request of Interconnection Customer or on its own behalf, and prevails in reducing or eliminating the tax, interest and/or penalty assessed against it, the Interconnected Transmission Owner shall refund to Interconnection Customer the excess of its demand payment made to the Interconnected Transmission Owner over the amount of the tax, interest and penalty for which the Interconnected Transmission Owner is finally determined to be liable. Interconnection Customer's tax indemnification obligation under this section shall survive any termination of the Interconnection Construction Service Agreement.

2.4.3 Taxes Other Than Income Taxes:

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, the Interconnected Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Interconnected Transmission Owner for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this Interconnection Construction Service Agreement, or Part VI of the Tariff. Interconnection Customer shall pay to the Interconnected Transmission Owner on a periodic basis, as invoiced by the Interconnected Transmission Owner, the Interconnected Transmission Owner's documented reasonable costs of prosecuting such

appeal, protest, abatement, or other contest. Interconnection Customer and the Interconnected Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to the Interconnected Transmission Owner for such contested taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by the Interconnected Transmission Owner.

2.4.4 Income Tax Gross-Up

2.4.4.1 Additional Security:

In the event that Interconnection Customer does not provide the safe harbor documentation required under Section 2.4.1 of this Appendix 2 prior to execution of the Interconnection Construction Service Agreement, within 15 days after such execution, Transmission Provider shall notify Interconnection Customer in writing of the amount of additional Security that Interconnection Customer must provide. The amount of Security that a Transmission Interconnection Customer must provide initially shall include any amounts described as additional Security under this Section 2.4.4 regarding income tax gross-up.

2.4.4.2 Amount:

The required additional Security shall be in an amount equal to the amount necessary to gross up fully for currently applicable federal and state income taxes the estimated Costs of Local Upgrades and Network Upgrades for which Interconnection Customer previously provided Security. Accordingly, the additional Security shall equal the amount necessary to increase the total Security provided to the amount that would be sufficient to permit the Interconnected Transmission Owner to receive and retain, after the payment of all applicable income taxes ("Current Taxes") and taking into account the present value of future tax deductions for depreciation that would be available as a result of the anticipated payments or property transfers (the "Present Value Depreciation Amount"), an amount equal to the estimated Costs of Local Upgrades and Network Upgrades for which Interconnection Customer is responsible under the Interconnection Service Agreement. For this purpose, Current Taxes shall be computed based on the composite federal and state income tax rates applicable to the Interconnected Transmission Owner at the time the additional Security is received, determined using the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting the Interconnected Transmission Owner's anticipated tax depreciation deductions associated with such payments or property transfers by its current weighted average cost of capital.

2.4.4.3 Time for Payment:

Interconnection Customer must provide the additional Security, in a form and with terms as required by Section 212.4, within 15 days after its receipt of Transmission Provider's notice under this section. The requirement for additional Security under this section shall be treated as a milestone included in the Interconnection Service Agreement pursuant to Section 212.5.

2.4.5 Tax Status:

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Interconnection Construction Service Agreement or the Tariff is intended to adversely affect any Interconnected Transmission Owner's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

2.5 Safety

2.5.1 General:

Each Construction Party shall perform all work hereunder that may reasonably be expected to affect any other Construction Party in accordance with Good Utility Practice, Applicable Standards and Applicable Laws and Regulations pertaining to the safety of persons or property. A Construction Party performing work within an area controlled by another Construction Party must abide by the safety rules applicable to the area.

2.5.2 Environmental Releases:

Each Construction Party shall notify each other Construction Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Customer Facility or the Interconnection Facilities, any of which may reasonably be expected to affect another Construction Party. The notifying Construction Party shall (i) provide the notice as soon as possible, (ii) make a good faith effort to provide the notice within twenty-four hours after the Construction Party becomes aware of the occurrence, and (iii) promptly furnish to each other Construction Party copies of any publicly available reports filed with any governmental agencies addressing such events.

2.6 Construction-Related Access Rights:

The Interconnected Transmission Owner and the Interconnection Customer herein grant each other at no charge such rights of access to areas that it owns or otherwise controls as may be necessary for performance of their respective obligations, and exercise of their respective rights, pursuant to this Appendix 2, provided that either of them performing the construction will abide by the safety, security and work rules applicable to the area where construction activity is occurring.

2.7 Coordination Among Construction Parties:

The Transmission Provider, the Interconnection Customer, and all Interconnected Transmission Owners shall communicate and coordinate their activities as necessary to satisfy their obligations under this Interconnection Construction Service Agreement.

3 Schedule Of Work

3.1 Construction by Interconnection Customer:

The Interconnection Customer shall use Reasonable Efforts to design, procure, construct and install the Customer Interconnection Facilities and any Transmission Owner Interconnection Facilities that it elects to build by exercise of the Option to Build (defined in Section 3.2.3.1 below) in accordance with the Schedule of Work.

3.2 Construction by Interconnected Transmission Owner

3.2.1 Standard Option:

The Interconnected Transmission Owner shall use Reasonable Efforts to design, procure, construct and install the Transmission Owner Interconnection Facilities that it is responsible for constructing in accordance with the Schedule of Work.

3.2.1.1 Construction Sequencing:

In general, the sequence of the proposed dates of Initial Operation of Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

3.2.2 Negotiated Contract Option:

As an alternative to the Standard Option set forth in Section 3.2.1 of this Appendix 2, the Interconnected Transmission Owner and the Interconnection Customer may mutually agree to a Negotiated Contract Option for the Interconnected Transmission Owner's design, procurement, construction and installation of the Transmission Owner Interconnection Facilities. Under the Negotiated Contract Option, the Interconnection Customer and the Interconnected Transmission Owner may agree to terms different from those included in the Standard Option of Section 3.2.1 above and the corresponding standard terms set forth in the applicable provisions of Part VI of the Tariff and this Appendix 2. Under the Negotiated Contract Option, negotiated terms may include the work schedule applicable to the Interconnected Transmission Owner's construction activities and changes to same (Section 3.3 of this Appendix 2); payment provisions, including the schedule of payments; incentives, penalties and/or liquidated damages related to timely completion of construction (Section 3.2.1 of this Appendix 2); use of third party contractors; and responsibility for Costs, but only as between the Interconnection Customer and the Interconnected Transmission Owner that are parties to this Interconnection Construction Service Agreement; no other Interconnection Customer's responsibility for Costs may be affected (Section 217 of the Tariff). No other terms of the Tariff or this Appendix 2 shall be subject to modification under the Negotiated Contract Option. The terms and conditions of the Tariff that may be negotiated pursuant to the Negotiated Contract Option shall not be affected by use of the Negotiated Contract Option except as and to the extent that they are modified by the parties' agreement pursuant to such option. All terms agreed upon pursuant to the Negotiated Contract Option shall be stated in full in an appendix to this Interconnection Construction Service Agreement.

3.2.3 Option to Build

3.2.3.1 Option:

Interconnection Customer shall have the option, ("Option to Build") to assume responsibility for the design, procurement, and construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades on the dates specified in Schedule J (Schedule of Work) of this Agreement. Transmission Provider and Interconnection Customer must agree as to what constitutes Direct Connection Network Upgrades and identify such Direct Connection Network Upgrades in Schedule D (Option to Build) of this Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Direct Connection Network Upgrade, the Transmission Provider must provide the Interconnection Customer with a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Direct Connection Network Upgrade within fifteen (15) days of its determination. Except for Direct Connection Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option. In order to exercise this Option to Build, Interconnection Customer must provide Transmission Provider and the Interconnected Transmission Owner with written notice of Interconnection Customer's election to exercise the option no later than thirty (30) days from the date the Interconnection Customer receives the results of the Facilities Study (or, if no Facilities Study was required, completion of the System Impact Study). Interconnection Customer may not elect Option to Build after such date.

3.2.3.2 General Conditions Applicable to Option:

In addition to the other terms and conditions applicable to the construction of facilities under this Appendix 2, the Option to Build is subject to the following conditions:

(a) If the Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades:

(i) Interconnection Customer shall engineer, procure equipment, and construct Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Owner;

(ii) Interconnection Customer's engineering, procurement and construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades shall comply with all requirements of law to which Interconnected Transmission Owner shall be subject in the engineering, procurement or construction of Interconnected Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades;

(iii) Interconnected Transmission Owner shall review and approve engineering design, equipment acceptance tests, and the construction of Interconnected Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades;

(iv) Prior to commencement of construction, Interconnection Customer shall provide to Interconnected Transmission Owner a schedule for construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades and shall promptly respond to requests for information from Transmission Owner;

(v) At any time during construction, Interconnected Transmission Owner shall have the right to gain unrestricted access to Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades and to conduct inspections of the same;

(vi) At any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades not meet the standards and specifications provided by Interconnection Transmission Owner, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades;

*(*vii*) Interconnection Customer shall indemnify Interconnected Transmission Owner and Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Owner Interconnection Facilities* that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades *under the terms and procedures applicable to Sections 12.1, 12.2, 12.3, and 12.4 of this Appendix 2.*

(viii) Interconnection Customer shall transfer control of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades to Interconnected Transmission Owner;

(ix) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Owner Attachment Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades to Interconnected Transmission Owner;

(x) Interconnected Transmission Owner shall approve and accept for operation and maintenance Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades to the extent engineered, procured, and constructed in accordance with this ICSA, Appendix 2, section 3.2.3.2;

(xi) Interconnection Customer shall deliver to Transmission Owner "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades are built to the standards and specifications required by Transmission Provider; and

(xii) If Interconnection Customer exercises the Option to Build pursuant to section 3.2.3.1, Interconnection Customer shall pay Interconnected Transmission Owner the agreed upon amount of $681,393 for Interconnected Transmission Owner to execute the responsibilities enumerated to Interconnected Transmission Owner under section 3.2.3.2. Interconnected Transmission Owner shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Interconnection Service Agreement, Tariff, Attachment O, Appendix 2, section 11.2.2.

(b) In addition to the General Conditions applicable to Option to Build set forth in section 3.2.3.2(a) above, the following conditions also apply:

(i) The Interconnection Customer must obtain or arrange to obtain all necessary permits and authorizations for the construction and installation of the Transmission Owner Interconnection Facilities that it is building, provided, however, that when the Interconnected Transmission Owner's assistance is required, the Interconnected Transmission Owner shall assist the Interconnection Customer in obtaining such necessary permits or authorizations with efforts similar in nature and extent to those that the Interconnected Transmission Owner typically undertakes in acquiring permits and authorizations for construction of facilities on its own behalf;

(ii) The Interconnection Customer must obtain all necessary land rights for the construction and installation of the Transmission Owner Interconnection Facilities that it is building, provided, however, that upon Interconnection Customer's reasonable request, the Interconnected Transmission Owner shall assist the Interconnection Customer in acquiring such land rights with efforts similar in nature and extent to those that the Interconnected Transmission Owner typically undertakes in acquiring land rights for construction of facilities on its own behalf;

(iii) Notwithstanding anything stated herein, each Interconnected Transmission Owner shall have the exclusive right and obligation to perform the line attachments (tie-in work), and to calibrate remote terminal units and relay settings, required for the interconnection to such Interconnected Transmission Owner's existing facilities of any Transmission Owner Interconnection Facilities that the Interconnection Customer builds;

(iv) The Transmission Owner Interconnection Facilities built by the Interconnection Customer shall be successfully inspected, tested and energized pursuant to Sections 3.8 and 3.9 of this Appendix 2; and

3.2.3.3 Additional Conditions Regarding Network Facilities:

To the extent that the Interconnection Customer utilizes the Option to Build for design, procurement, construction and/or installation of (a) any Transmission Owner Interconnection Facilities that are Direct Connection Network Upgrades to Transmission System facilities that are in existence or under construction by or on behalf of the Interconnected Transmission Owner on the date that the Interconnection Customer solicits bids under Section 3.2.3.7 below, or (b) Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades that are to be located on land or in right-of-way owned

or controlled by the Interconnected Transmission Owner, and in addition to the other terms and conditions applicable to the design, procurement, construction and/or installation of facilities under this Appendix 2, all work shall comply with the following further conditions:

(i) All work performed by or on behalf of the Interconnection Customer shall be conducted by contractors, and using equipment manufacturers or vendors, that are listed on the Interconnected Transmission Owner's List of Approved Contractors;

(ii) The Interconnected Transmission Owner shall have full site control of, and reasonable access to, its property at all times for purposes of tagging or operation, maintenance, repair or construction of modifications to, its existing facilities and/or for performing all tie-ins of Interconnection Facilities built by or for the Interconnection Customer; and for acceptance testing of any equipment that will be owned and/or operated by the Interconnected Transmission Owner;

(iii) The Interconnected Transmission Owner shall have the right to have a reasonable number of appropriate representatives present for all work done on its property/facilities or regarding the Transmission Owner Attachment Facilities and Direct Connection Network Upgrades and the right to stop, or to order corrective measures with respect to, any such work that reasonably could be expected to have an adverse effect on reliability, safety or security of persons or of property of the Interconnected Transmission Owner or any portion of the Transmission System, provided that, unless circumstances do not reasonably permit such consultations, the Interconnected Transmission Owner shall consult with the Interconnection Customer and with Transmission Provider before directing that work be stopped or ordering any corrective measures;

(iv) The Interconnection Customer and its contractors, employees and agents shall comply with the Interconnected Transmission Owner's safety, security and work rules, environmental guidelines and training requirements applicable to the area(s) where construction activity is occurring and shall provide all reasonably required documentation to the Interconnected Transmission Owner, provided that the Interconnected Transmission Owner previously has provided its safety, security and work rules and training requirements applicable to work on its facilities to Transmission Provider and the Interconnection Customer within 20 Business Days after a request therefor made by Interconnection Customer following its receipt of the Facilities Study;

(v) The Interconnection Customer shall be responsible for controlling the performance of its contractors, employees and agents; and

(vi) All activities performed by or on behalf of the Interconnection Customer pursuant to its exercise of the Option to Build shall be subject to compliance with Applicable Laws and Regulations, including those governing union staffing and bargaining unit obligations, and Applicable Standards.

3.2.3.4 Administration of Conditions:

To the extent that the Interconnected Transmission Owner exercises any discretion in the application of any of the conditions stated in Sections 3.2.3.2 and 3.2.3.3 of this Appendix 2, it

shall apply each such condition in a manner that is reasonable and not unduly discriminatory and it shall not unreasonably withhold, condition, or delay any approval or authorization that the Interconnection Customer may require for the purpose of complying with any of those conditions.

3.2.3.5 Approved Contractors:

(a) Each Transmission Owner shall develop and shall provide to Transmission Provider a List of Approved Contractors. Each Transmission Owner shall include on its List of Approved Contractors no fewer than three contractors and no fewer than three manufacturers or vendors of major transmission-related equipment, unless a Transmission Owner demonstrates to Transmission Provider's reasonable satisfaction that it is feasible only to include a lesser number of construction contractors, or manufacturers or vendors, on its List of Approved Contractors. Transmission Provider shall publish each Transmission Owner's List of Approved Contractors in a PJM Manual and shall make such manual available on its internet website.

(b) Upon request of an Interconnection Customer, a Transmission Owner shall add to its List of Approved Contractors (1) any design or construction contractor regarding which the Interconnection Customer provides such information as the Transmission Owner may reasonably require which demonstrates to the Transmission Owner's reasonable satisfaction that the candidate contractor is qualified to design, or to install and/or construct new facilities or upgrades or modifications to existing facilities on the Transmission Owner's system, or (2) any manufacturer or vendor of major transmission-related equipment (e.g., high-voltage transformers, transmission line, circuit breakers) regarding which the Interconnection Customer provides such information as the Transmission Owner may reasonably require which demonstrates to the Transmission Owner's reasonable satisfaction that the candidate entity's major transmission-related equipment is acceptable for installation and use on the Transmission Owner's system. No Transmission Owner shall unreasonably withhold, condition, or delay its acceptance of a contractor, manufacturer, or vendor proposed for addition to its List of Approved Contractors.

3.2.3.6 Construction by Multiple Interconnection Customers:

In the event that there are multiple Interconnection Customers that wish to exercise an Option to Build with respect to Interconnection Facilities of the types described in Section 3.2.3.3 to this Appendix 2, the Transmission Provider shall determine how to allocate the construction responsibility among them unless they reach agreement among themselves on how to proceed.

3.2.3.7 Option Procedures:

(a) Within 10 days after notifying Transmission Provider and the Interconnected Transmission Owner of its election to exercise the Option to Build, Interconnection Customer shall solicit bids from one or more Approved Contractors named on the Interconnected Transmission Owner's List of Approved Contractors to procure equipment for, and/or to design, construct and/or install, the Transmission Owner Interconnection Facilities that the Interconnection Customer seeks to build under the Option to Build on terms (i) that will meet the Interconnection Customer's proposed schedule; (ii) that, if the Interconnection Customer seeks to have an Approved Contractor construct or install Transmission Owner Attachment Facilities and Direct Connection Network

Upgrades, will satisfy all of the conditions on construction specified in Sections 3.2.3.2 and 3.2.3.3 of this Appendix 2; and (iii) that will satisfy the obligations of a Constructing Entity (other than those relating to responsibility for the costs of facilities) under this Appendix 2.

(b) Any additional costs arising from the bidding process or from the final bid of the successful Approved Contractor shall be the sole responsibility of the Interconnection Customer.

(c) Upon receipt of a qualifying bid acceptable to it, the Interconnection Customer shall contract with the Approved Contractor that submitted the qualifying bid. Such contract shall meet the standards stated in paragraph (a) of this section.

(d) In the absence of a qualifying bid acceptable to the Interconnection Customer in response to its solicitation, the Interconnected Transmission Owner(s) shall be responsible for the design, procurement, construction and installation of the Transmission Owner Interconnection Facilities in accordance with the Standard Option described in Section 3.2.1 of this Appendix 2.

3.2.3.8 Interconnection Customer Drawings:

Interconnection Customer shall submit to the Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Transmission Owner Interconnection Facilities that Interconnection Customer arranges to build under this Option to Build. The Interconnected Transmission Owner shall review and approve the initial drawings and engineering design of the Transmission Owner Interconnection Facilities to be constructed under the Option to Build. The Interconnected Transmission Owner shall review the drawings to assess the consistency of Interconnection Customer's design of the pertinent Transmission Owner Interconnection Facilities with Applicable Standards and the Facilities Study. Interconnected Transmission Owner, with facilitation and oversight by Transmission Provider, shall provide comments on such drawings to Interconnection Customer within sixty days after its receipt thereof, after which time any drawings not subject to comment shall be deemed to be approved. All drawings provided hereunder shall be deemed to be Confidential Information.

3.2.3.9 Effect of Review:

Interconnected Transmission Owner's review of Interconnection Customer's initial drawings of the Transmission Owner Interconnection Facilities that the Interconnection Customer is building shall not be construed as confirming, endorsing or providing a warranty as to the fitness, safety, durability or reliability of such facilities or the design thereof. At its sole cost and expense, Interconnection Customer shall make such changes to the design of the pertinent Transmission Owner Interconnection Facilities as may reasonably be required by Transmission Provider, in consultation with the Interconnected Transmission Owner, to ensure that the Transmission Owner Interconnection Facilities that Interconnection Customer is building meet Applicable Standards and conform with the Facilities Study.

3.3 Revisions to Schedule of Work:

The Schedule of Work shall be revised as required in accordance with Transmission Provider's scope change process for interconnection projects set forth in the PJM Manuals, or otherwise by mutual agreement of the Construction Parties, which agreement shall not be unreasonably withheld, conditioned or delayed.

3.4 Suspension:

The following provision applies to Interconnection Requests which have entered the New Services Queue prior to February 1, 2011:

Interconnection Customer shall have the right, upon written notice to Transmission Provider and Interconnected Transmission Owner, to suspend at any time all work by Interconnected Transmission Owner associated with the construction and installation of the Transmission Owner Interconnection Facilities required under an Interconnection Service Agreement or Interconnection Construction Service Agreement, with the condition that, notwithstanding such suspension, the Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. This suspension right permits the Interconnection Customer to request one or more suspensions of work for a cumulative period of up to three years. Interconnection Customer's notice of suspension shall include an estimated duration of the suspension and other information related to the suspension.

The following provision applies to Interconnection Requests which have entered the New Services Queue on or after February 1, 2011:

Interconnection Customer shall have the right, upon written notice to Transmission Provider and Interconnected Transmission Owner, to suspend at any time all work by Interconnected Transmission Owner associated with the construction and installation of the Transmission Owner Interconnection Facilities required under an Interconnection Service Agreement or Interconnection Construction Service Agreement, with the condition that, notwithstanding such suspension, the Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. This suspension right permits the Interconnection Customer to request one or more suspensions of work for a cumulative period of up to (i) three years if the Transmission Provider determines that such suspension would not be deemed a Material Modification, or (ii) one year if the Transmission Provider determines that such suspension would be deemed a Material Modification. Interconnection Customer's notice of suspension shall include an estimated duration of the suspension and other information related to the suspension.

3.4.1 Costs:

In the event of a suspension under this section, Interconnection Customer shall be responsible for all reasonable and necessary Cancellation Costs which Interconnected Transmission Owner or Transmission Provider (i) has incurred pursuant to the Interconnection Service Agreement or Interconnection Construction Service Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during

such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and/or labor contracts which Interconnected Transmission Owner or Transmission Provider cannot reasonably avoid; provided, however, that prior to cancelling or suspending any such material, equipment or labor contract, Interconnected Transmission Owner or Transmission Provider, as the case may be, shall obtain Interconnection Customer's authorization to do so. Transmission Provider shall invoice Interconnection Customer pursuant to Section 9 of this Appendix 2 for Cancellation Costs for which the customer is liable under this section. Interconnected Transmission Owner and Transmission Provider shall use due diligence to minimize Cancellation Costs in the event of a suspension of work.

3.4.2 Duration of Suspension:

In the event Interconnection Customer suspends work by Interconnected Transmission Owner required under an Interconnection Service Agreement or Interconnection Construction Service Agreement pursuant to this Section 3.4, and has not requested Transmission Provider and the Interconnected Transmission Owner to recommence the work required under the applicable agreement(s) on or before the expiration of the time period allowed under this Section 3.4 following commencement of such suspension, the Interconnection Construction Service Agreement and the Interconnection Service Agreement for the Interconnection Request for which Interconnection Customer suspended work shall be deemed terminated as of the end of such suspension time period. The suspension time shall begin on the date the suspension is requested, or on the date of Interconnection Customer's written notice of suspension to Transmission Provider, if no effective date was specified.

3.5 Right to Complete Transmission Owner Interconnection Facilities:

In the event that, at any time prior to successful Stage Two energization of the Transmission Owner Interconnection Facilities pursuant to Section 3.9 of Appendix 2, the Interconnection Customer terminates its obligations under this Appendix 2 pursuant to Section 14.1.2 below due to a Default by the Interconnected Transmission Owner, the Interconnection Customer may elect to complete the design, procurement, construction and installation of the Transmission Owner Interconnection Facilities. The Interconnection Customer shall notify the Interconnected Transmission Owner and Transmission Provider in writing of its election to complete the Transmission Owner Interconnection Facilities within 10 days after the date of Interconnection Customer's notice of termination pursuant to Section 14.1.2 of this Appendix 2. In the event that the Interconnection Customer elects to complete the Transmission Owner Interconnection Facilities, it shall do so in accordance with the terms and conditions of the Option to Build under Section 3.2.3 of this Appendix 2 and shall be responsible for paying all costs of completing the Transmission Owner Interconnection Facilities incurred after the date of its notice of election to complete the facilities. Interconnection Customer may take possession of, and may use in completing the Transmission Owner Interconnection Facilities, any materials and supplies and equipment (other than equipment and facilities that already have been installed or constructed) acquired by the Interconnected Transmission Owner for construction, and included in the Costs, of the Transmission Owner Interconnection Facilities, provided that Interconnection Customer shall pay Transmission Provider, for the benefit of the Interconnected Transmission Owner and upon presentation by Interconnected Transmission Owner of reasonable and appropriate documentation thereof, any

amounts expended by the Interconnected Transmission Owner for such materials, supplies and equipment that Interconnection Customer has not already paid. Title to all Transmission Owner Interconnection Facilities constructed by Interconnection Customer under this Section 3.5 shall be transferred to the Interconnected Transmission Owner in accordance with Section 5.5 of this Appendix 2.

3.6 Suspension of Work Upon Default:

Upon the occurrence of a Default by Interconnection Customer as defined in Section 13 of this Appendix 2, the Transmission Provider or the Interconnected Transmission Owner may by written notice to Interconnection Customer suspend further work associated with the construction and installation of the Transmission Owner Interconnection Facilities that the Interconnected Transmission Owner is responsible for constructing. Such suspension shall not constitute a waiver of any termination rights under this Interconnection Construction Service Agreement. In the event of a suspension by Transmission Provider or Interconnected Transmission Owner, the Interconnection Customer shall be responsible for the Costs incurred in connection with any suspension hereunder in accordance with Section 14.3 of this Appendix 2.

3.7 Construction Reports:

Each Constructing Entity shall issue reports to each other Construction Party on a monthly basis, and at such other times as reasonably requested, regarding the status of the construction and installation of the Interconnection Facilities. Each Construction Party shall promptly identify, and shall notify each other Construction Party of, any event that the Construction Party reasonably expects may delay completion, or may significantly increase the cost, of the Interconnection Facilities. Should a Construction Party report such an event, Transmission Provider shall, within fifteen days of such notification, convene a technical meeting of the Construction Parties to evaluate schedule alternatives.

3.8 Inspection and Testing of Completed Facilities

3.8.1 Coordination:

Interconnection Customer and the Interconnected Transmission Owner shall coordinate the timing and schedule of all inspection and testing of the Interconnection Facilities.

3.8.2 Inspection and Testing:

Each Constructing Entity shall cause inspection and testing of the Interconnection Facilities that it constructs in accordance with the provisions of this section. The Construction Parties acknowledge and agree that inspection and testing of facilities may be undertaken as facilities are completed and need not await completion of all of the facilities that a Constructing Entity is building.

3.8.2.1 Of Interconnection Customer-Built Facilities:

Upon the completion of the construction and installation, but prior to energization, of any Interconnection Facilities constructed by the Interconnection Customer and related portions of the Customer Facility, the Interconnection Customer shall have the same inspected and/or tested by an authorized electric inspection agency or qualified third party reasonably acceptable to the Interconnected Transmission Owner to assess whether the facilities substantially comply with Applicable Standards. Said inspection and testing shall be held on a mutually agreed-upon date, and the Interconnected Transmission Owner and Transmission Provider shall have the right to attend and observe, and to obtain the written results of, such testing.

3.8.2.2 Of Interconnected Transmission Owner-Built Facilities:

Upon the completion of the construction and installation, but prior to energization, of any Interconnection Facilities constructed by the Interconnected Transmission Owner, the Interconnected Transmission Owner shall have the same inspected and/or tested by qualified personnel or a qualified contractor to assess whether the facilities substantially comply with Applicable Standards. Subject to Applicable Laws and Regulations, said inspection and testing shall be held on a mutually agreed-upon date, and the Interconnection Customer and Transmission Provider shall have the right to attend and observe, and to obtain the written results of, such testing.

3.8.3 Review of Inspection and Testing by Interconnected Transmission Owner:

In the event that the written report, or the observation of either Constructing Entity or Transmission Provider, of the inspection and/or testing pursuant to Section 3.8.2 of this Appendix 2 reasonably leads the Transmission Provider or Interconnected Transmission Owner to believe that the inspection and/or testing of some or all of the Interconnection Facilities built by the Interconnection Customer was inadequate or otherwise deficient, the Interconnected Transmission Owner may, within 20 days after its receipt of the results of inspection or testing and upon reasonable notice to the Interconnection Customer, perform its own inspection and/or testing of such Interconnection Facilities to determine whether the facilities are acceptable for energization, which determination shall not be unreasonably delayed, withheld or conditioned.

3.8.4 Notification and Correction of Defects

3.8.4.1 If the Interconnected Transmission Owner, based on inspection or testing pursuant to Section 3.8.2 or 3.8.3 of this Appendix 2, identifies any defects or failures to comply with Applicable Standards in the Interconnection Facilities constructed by the Interconnection Customer, the Interconnected Transmission Owner shall notify the Interconnection Customer and Transmission Provider of any identified defects or failures within 20 days after the Interconnected Transmission Owner's receipt of the results of such inspection or testing. The Interconnection Customer shall take appropriate actions to correct any such defects or failure at its sole cost and expense, and shall obtain the Interconnected Transmission Owner's acceptance of the corrections, which acceptance shall not be unreasonably delayed, withheld or conditioned. Such acceptance does not modify and shall not limit the Interconnection Customer's indemnification obligations set forth in Appendix 2, section 3.2.3.2(e).

3.8.4.2 In the event that inspection and/or testing of any Transmission Owner Interconnection Facilities built by the Interconnected Transmission Owner identifies any defects or failures to comply with Applicable Standards in such facilities, Interconnected Transmission Owner shall take appropriate action to correct any such defects or failures within 20 days after it learns thereof. In the event that such a defect or failure cannot reasonably be corrected within such 20-day period, Interconnected Transmission Owner shall commence the necessary correction within that time and shall thereafter diligently pursue it to completion.

3.8.5 Notification of Results:

Within 10 days after satisfactory inspection and/or testing of Interconnection Facilities built by the Interconnection Customer (including, if applicable, inspection and/or testing after correction of defects or failures), the Interconnected Transmission Owner shall confirm in writing to the Interconnection Customer and Transmission Provider that the successfully inspected and tested facilities are acceptable for energization.

3.9 Energization of Completed Facilities

(A) Unless otherwise provided in the Schedule of Work, energization of the Interconnection Facilities related to interconnection of a Generation Interconnection Customer and, when applicable as determined by Transmission Provider, of the Interconnection Facilities related to interconnection of a Transmission Interconnection Customer, shall occur in two stages. Stage One energization shall consist of energization of the Customer Interconnection Facilities and of the Transmission Owner Attachment Facilities and will occur prior to initial energization of the Customer Facility. Stage Two energization shall consist of (1) initial synchronization to the Transmission System of any completed generator(s) at the Customer Facility of a Generation Interconnection Customer, or of applicable facilities, as determined by the Transmission Provider, associated with Merchant Transmission Facilities of a Transmission Interconnection Customer, and (2) energization of the remainder of the Transmission Owner Interconnection Facilities. Stage Two energization shall be completed prior to Initial Operation of the Customer Facility.

(B) In the case of Interconnection Facilities related to interconnection of a Transmission Interconnection Customer for which the Transmission Provider determines that two-stage energization is inapplicable, energization shall occur in a single stage, consisting of energization of the Interconnection Facilities and the Customer Facility. Such a single-stage energization shall be regarded as Stage Two energization for the purposes of the remaining provisions of this Section 3.9 and of Section 5.5 of this Appendix 2.

3.9.1

Stage One energization of the Interconnection Facilities may not occur prior to the satisfaction of the following additional conditions:

(a) The Interconnection Customer shall have delivered to the Interconnected Transmission Owner and Transmission Provider a writing transferring to the Interconnected Transmission Owner and Transmission Provider operational control over any Transmission Owner Attachment Facilities that Interconnection Customer has constructed; and

(b) The Interconnection Customer shall have provided a mark-up of construction drawings to the Interconnected Transmission Owner to show the "as-built" condition of all Transmission Owner Attachment Facilities that Interconnection Customer has constructed.

3.9.2 As soon as practicable after the satisfaction of the conditions for Stage One energization specified in Sections 3.8 and 3.9.1 of this Appendix 2, the Interconnected Transmission Owner and the Interconnection Customer shall coordinate and undertake the Stage One energization of facilities.

3.9.3 Stage Two energization of the Interconnection Facilities may not occur prior to the satisfaction of the following additional conditions:

(a) The Interconnection Customer shall have delivered to the Interconnected Transmission Owner and Transmission Provider a writing transferring to the Interconnected Transmission Owner and Transmission Provider operational control over any Transmission Owner Interconnection Facilities that Interconnection Customer has constructed and operational control of which it has not previously transferred pursuant to Section 3.9.1 of this Appendix 2; and

(b) The Interconnection Customer shall have provided a mark-up of construction drawings to the Interconnected Transmission Owner to show the "as-built" condition of all Transmission Owner Interconnection Facilities that Interconnection Customer has constructed and which were not included in the Stage One energization, but are included in the Stage Two energization.

(c) Telemetering systems shall be operational and shall be providing Transmission Provider and the Interconnected Transmission Owner with telemetered data as specified pursuant to Section 8.5.2 of Appendix 2 to the Interconnection Service Agreement.

3.9.4 As soon as practicable after the satisfaction of the conditions for Stage Two energization specified in Sections 3.8 and 3.9.3 of this Appendix 2, the Interconnected Transmission Owner and the Interconnection Customer shall coordinate and undertake the Stage Two energization of facilities.

3.9.5 To the extent defects in any Interconnection Facilities are identified during the energization process, the energization will not be deemed successful. In that event, the Constructing Entity shall take action to correct such defects in any Interconnection Facilities that it built as promptly as practical after the defects are identified. The affected Constructing Entity shall so notify the other Construction Parties when it has corrected any such defects, and the Constructing Entities shall recommence efforts, within 10 days thereafter, to energize the appropriate Interconnection Facilities in accordance with Section 3.9; provided that the Interconnected Transmission Owner may, in the reasonable exercise of its discretion and with the approval of Transmission Provider, require that further inspection and testing be performed in accordance with Section 3.8 of this Appendix 2.

3.10 Interconnected Transmission Owner's Acceptance of Facilities Constructed by Interconnection Customer:

Within five days after determining that Interconnection Facilities have been successfully energized, the Interconnected Transmission Owner shall issue a written notice to the Interconnection Customer accepting the Interconnection Facilities built by the Interconnection Customer that were successfully energized. Such acceptance shall not be construed as confirming, endorsing or providing a warranty by the Interconnected Transmission Owner as to the design, installation, construction, fitness, safety, durability or reliability of any Interconnection Facilities built by the Interconnection Customer, or their compliance with Applicable Standards.

4 Transmission Outages

4.1 Outages; Coordination:

The Construction Parties acknowledge and agree that certain outages of transmission facilities owned by the Interconnected Transmission Owner, as more specifically detailed in the Scope of Work, may be necessary in order to complete the process of constructing and installing all Interconnection Facilities. The Construction Parties further acknowledge and agree that any such outages shall be coordinated by and through the Transmission Provider.

5 Land Rights; Transfer of Title

5.1 Grant of Easements and Other Land Rights:

Interconnection Customer at its sole cost and expense, shall grant such easements and other land rights to the Interconnected Transmission Owner over the Site at such times and in such a manner as the Interconnected Transmission Owner may reasonably require to perform its obligations under this Appendix 2 and/or to perform its operation and maintenance obligations under the Interconnection Service Agreement.

5.2 Construction of Facilities on Interconnection Customer Property:

To the extent that the Interconnected Transmission Owner is required to construct and install any Transmission Owner Interconnection Facilities on land owned by the Interconnection Customer, the Interconnection Customer, at its sole cost and expense, shall legally transfer to the Interconnected Transmission Owner all easements and other land rights required pursuant to Section 5.1 above prior to the commencement of such construction and installation.

5.3 Third Parties:

If any of the easements and other land rights described in Section 5.1 above must be obtained from a third party, the Interconnected Transmission Owner's obligation for completing its construction responsibilities in accordance with the Schedule of Work, to the extent of the facilities that it is responsible for constructing for which such easements and land rights are necessary, shall be subject to Interconnection Customer's acquisition of such easements and other land rights at such

times and in such manner as the Interconnected Transmission Owner may reasonably require to perform its obligations under this Appendix 2, and/or to perform its operation and maintenance obligations under the Interconnection Service Agreement, provided, however, that upon Interconnection Customer's request, the Interconnected Transmission Owner shall assist the Interconnection Customer in acquiring such land rights with efforts similar in nature and extent to those that the Interconnected Transmission Owner typically undertakes in acquiring land rights for construction of facilities on its own behalf. The terms of easements and land rights acquired by Interconnection Customer shall not unreasonably impede the Interconnected Transmission Owner's timely completion of construction of the affected facilities.

5.4 Documentation:

Interconnection Customer shall prepare, execute and file such documentation as the Interconnected Transmission Owner may reasonably require to memorialize any easements and other land rights granted pursuant to this Section 5. Documentation of such easements and other land rights, and any associated filings, shall be in a form acceptable to the Interconnected Transmission Owner.

5.5 Transfer of Title to Certain Facilities Constructed By Interconnection Customer:

Within thirty (30) days after the Interconnection Customer's receipt of notice of acceptance under Section 3.10 of this Appendix 2 following Stage Two energization of the Interconnection Facilities, the Interconnection Customer shall deliver to the Interconnected Transmission Owner, for the Interconnected Transmission Owner's review and approval, all of the documents and filings necessary to transfer to the Interconnected Transmission Owner title to any Transmission Owner Interconnection Facilities constructed by the Interconnection Customer, and to convey to the Interconnected Transmission Owner any easements and other land rights to be granted by Interconnection Customer in accordance with Section 5.1 above that have not then already been conveyed. The Interconnected Transmission Owner shall review and approve such documentation, such approval not to be unreasonably withheld, delayed, or conditioned. Within 30 days after its receipt of the Interconnected Transmission Owner's written notice of approval of the documentation, the Interconnection Customer, in coordination and consultation with the Interconnected Transmission Owner, shall make any necessary filings at the FERC or other governmental agencies for regulatory approval of the transfer of title. Within twenty (20) days after the issuance of the last order granting a necessary regulatory approval becomes final (i.e., is no longer subject to rehearing), the Interconnection Customer shall execute all necessary documentation and shall make all necessary filings to record and perfect the Interconnected Transmission Owner's title in such facilities and in the easements and other land rights to be conveyed to the Interconnected Transmission Owner. Prior to such transfer to the Interconnected Transmission Owner of title to the Transmission Owner Interconnection Facilities built by the Interconnection Customer, the risk of loss or damages to, or in connection with, such facilities shall remain with the Interconnection Customer. Transfer of title to facilities under this section shall not affect the Interconnection Customer's receipt or use of the interconnection rights related to Network Upgrades and/or Local Upgrades for which it otherwise may be eligible as provided in Subpart C of Part VI of the Tariff.

5.6 Liens:

The Interconnection Customer shall take all reasonable steps to ensure that, at the time of transfer of title in the Transmission Owner Interconnection Facilities built by the Interconnection Customer to the Interconnected Transmission Owner, those facilities shall be free and clear of any and all liens and encumbrances, including mechanics' liens. To the extent that the Interconnection Customer cannot reasonably clear a lien or encumbrance prior to the time for transferring title to the Interconnected Transmission Owner, Interconnection Customer shall nevertheless convey title subject to the lien or encumbrance and shall indemnify, defend and hold harmless the Interconnected Transmission Owner against any and all claims, costs, damages, liabilities and expenses (including without limitation reasonable attorneys' fees) which may be brought or imposed against or incurred by Interconnected Transmission Owner by reason of any such lien or encumbrance or its discharge.

6 Warranties

6.1 Interconnection Customer Warranty:

The Interconnection Customer shall warrant that its work (or the work of any subcontractor that it retains) in constructing and installing the Transmission Owner Interconnection Facilities that it builds is free from defects in workmanship and design and shall conform to the requirements of this Interconnection Construction Service Agreement for one (1) year (the "Interconnection Customer Warranty Period") commencing upon the date title is transferred to Interconnected Transmission Owner in accordance with Section 5.5 of this Appendix 2. The Interconnection Customer shall, at its sole expense and promptly after notification by the Interconnected Transmission Owner, correct or replace defective work in accordance with Applicable Technical Requirements and Standards, during the Interconnection Customer Warranty Period. The warranty period for such corrected or replaced work shall be the unused portion of the Interconnection Customer Warranty Period remaining as of the date of notice of the defect. The Interconnection Customer Warranty Period shall resume upon acceptance of such corrected or replaced work. All Costs incurred by Interconnected Transmission Owner as a result of such defective work shall be reimbursed to the Interconnected Transmission Owner by the Interconnection Customer on demand; provided that the Interconnected Transmission Owner submits the demand to the Interconnection Customer within the Interconnection Customer Warranty Period and provides reasonable documentation of the claimed costs. The Interconnected Transmission Owner's acceptance, inspection and testing, or a third party's inspection or testing, of such facilities pursuant to Section 3.8 of this Appendix 2 shall not be construed to limit in any way the warranty obligations of the Interconnection Customer, and this provision does not modify and shall not limit the Interconnection Customer's indemnification obligations set forth in Appendix 2, section 3.2.3.2(e).

6.2 Manufacturer Warranties:

Prior to the transfer to the Interconnected Transmission Owner of title to the Transmission Owner Interconnection Facilities built by the Interconnection Customer, the Interconnection Customer shall produce documentation satisfactory to the Interconnected Transmission Owner evidencing the transfer to the Interconnected Transmission Owner of all manufacturer warranties for

equipment and/or materials purchased by the Interconnection Customer for use and/or installation as part of the Transmission Owner Interconnection Facilities built by the Interconnection Customer.

7 [Reserved.]

8 [Reserved.]

9 Security, Billing And Payments

The following provisions shall apply with respect to charges for the Costs of the Interconnected Transmission Owner for which the Interconnection Customer is responsible.

9.1 Adjustments to Security:

The Security provided by Interconnection Customer at or before execution of the Interconnection Service Agreement (a) shall be reduced as portions of the work are completed, and/or (b) shall be increased or decreased as required to reflect adjustments to Interconnection Customer's cost responsibility, as determined in accordance with Section 217, to correspond with changes in the Scope of Work developed in accordance with Transmission Provider's scope change process for interconnection projects set forth in the PJM Manuals.

9.2 Invoice:

The Interconnected Transmission Owner shall provide Transmission Provider a quarterly statement of the Interconnected Transmission Owner's scheduled expenditures during the next three months for, as applicable, (a) the design, engineering and construction of, and/or for other charges related to, construction of the Interconnection Facilities for which the Interconnected Transmission Owner is responsible under this Interconnection Construction Service Agreement, or (b) in the event that the Interconnection Customer exercises the Option to Build pursuant to Section 3.2.3.1 of this Appendix 2, Interconnected Transmission Owner's oversight costs (i.e. costs incurred by the Interconnected Transmission Owner when engaging in oversight activities to satisfy itself that the Interconnection Customer is complying with the Interconnected Transmission Owner's standards and specifications for the construction of facilities) associated with the Interconnection Customer's building Transmission Owner Attachment Facilities and Direct Connection Network Upgrades, including but not limited to Costs for tie-in work and Cancellation Costs. Interconnected Transmission Owner's oversight costs shall be consistent with Tariff, Attachment P, Appendix 2, section 3.2.3.2(a)(12). Transmission Provider shall bill Interconnection Customer on behalf of the Interconnected Transmission Owner, for the Interconnected Transmission Owner's expected Costs during the subsequent three months. Interconnection Customer shall pay each bill within twenty (20) days after receipt thereof. Upon receipt of each of Interconnection Customer's payments of such bills, Transmission Provider shall reimburse the Interconnected Transmission Owner. Interconnection Customer may request that the Transmission Provider provide a quarterly cost reconciliation. Such a quarterly cost reconciliation will have a one-quarter lag, e.g., reconciliation of costs for the first calendar quarter of work will be provided at the start of the third calendar quarter of work, provided, however, that

Section 9.3 of this Appendix 2 shall govern the timing of the final cost reconciliation upon completion of the work.

9.3 Final Invoice:

Within 120 days after the Interconnected Transmission Owner completes construction and installation of the Interconnection Facilities for which the Interconnected Transmission Owner is responsible under this Interconnection Construction Service Agreement, Transmission Provider shall provide Interconnection Customer with an accounting of, and the appropriate Construction Party shall make any payment to the other that is necessary to resolve, any difference between (a) Interconnection Customer's responsibility under the Tariff for the actual Cost of such facilities, and (b) Interconnection Customer's previous aggregate payments to Transmission Provider for the Costs of such facilities. Notwithstanding the foregoing, however, Transmission Provider shall not be obligated to make any payment to either the Interconnection Customer or the Interconnected Transmission Owner that the preceding sentence requires it to make unless and until the Transmission Provider has received the payment that it is required to refund from the Construction Party owing the payment.

9.4 Disputes:

In the event of a billing dispute between any of the Construction Parties, Transmission Provider and the Interconnected Transmission Owner shall continue to perform their respective obligations pursuant to this Interconnection Construction Service Agreement so long as (a) Interconnection Customer continues to make all payments not in dispute, and (b) the Security held by the Transmission Provider while the dispute is pending exceeds the amount in dispute, or (c) Interconnection Customer pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet any of these requirements, then Transmission Provider shall so inform the other Construction Parties and Transmission Provider or the Interconnected Transmission Owner may provide notice to Interconnection Customer of a Breach pursuant to Section 13 of this Appendix 2.

9.5 Interest:

Interest on any unpaid, delinquent amounts shall be calculated in accordance with the methodology specified for interest on refunds in the FERC's regulations at 18 C.F.R. Section 35.19a(a)(2)(iii) and shall apply from the due date of the bill to the date of payment.

9.6 No Waiver:

Payment of an invoice shall not relieve Interconnection Customer from any other responsibilities or obligations it has under this Interconnection Construction Service Agreement, nor shall such payment constitute a waiver of any claims arising hereunder.

10 Assignment

10.1 Assignment with Prior Consent:

Except as provided in Section 10.2 below, no Construction Party shall assign its rights or delegate its duties, or any part of such rights or duties, under the Interconnection Construction Service Agreement without the written consent of the other Construction Parties, which consent shall not be unreasonably withheld, conditioned or delayed. Any such assignment or delegation made without such written consent shall be null and void. A Construction Party may make an assignment in connection with the sale, merger, or transfer of a substantial portion or all of its properties, including the Interconnection Facilities which it will own upon completion of construction and the transfer of title required by Section 5 of this Appendix 2, so long as the assignee in such a sale, merger, or transfer assumes in writing all rights, duties and obligations arising under this Interconnection Construction Service Agreement. In addition, the Interconnected Transmission Owner shall be entitled, subject to Applicable Laws and Regulations, to assign the Interconnection Construction Service Agreement to any Affiliate or successor that owns and operates all or a substantial portion of the Interconnected Transmission Owner's transmission facilities.

10.2 Assignment Without Prior Consent

10.2.1 Assignment to Owners:

Interconnection Customer may assign the Interconnection Construction Service Agreement without the Interconnected Transmission Owner's or Transmission Provider's prior consent to any Affiliate or person that purchases or otherwise acquires, directly or indirectly, all or substantially all of the Customer Facility and the Customer Interconnection Facilities, provided that prior to the effective date of any such assignment, the assignee shall demonstrate that, as of the effective date of the assignment, the assignee has the technical competence to comply with the requirements of this Appendix 2 and assumes in a writing provided to the Interconnected Transmission Owner and Transmission Provider all rights, duties, and obligations of Interconnection Customer arising under this Appendix 2. However, any assignment described herein shall not relieve or discharge the Interconnection Customer from any of its obligations hereunder absent the written consent of the Interconnected Transmission Owner, such consent not to be unreasonably withheld, conditioned or delayed.

10.2.2 Assignment to Lenders:

Interconnection Customer may, without the consent of the Transmission Provider or the Interconnected Transmission Owner, assign the Interconnection Construction Service Agreement to any Project Finance Entity(ies), provided that such assignment shall not alter or diminish Interconnection Customer's duties and obligations under this Interconnection Construction Service Agreement. If Interconnection Customer provides the Interconnected Transmission Owner with notice of an assignment to any Project Finance Entity(ies) and identifies such Project Finance Entities as contacts for notice purposes pursuant to Section 20 of this Appendix 2, the Transmission Provider or Interconnected Transmission Owner shall provide notice and reasonable opportunity for such entity(ies) to cure any Breach under this Appendix 2 in accordance with this Appendix 2. Transmission Provider or Interconnected Transmission Owner shall, if requested by such lenders, provide such customary and reasonable documents, including consents to assignment, as may be

reasonably requested with respect to the assignment and status of the Interconnection Construction Service Agreement, provided that such documents do not alter or diminish the rights of the Transmission Provider or Interconnected Transmission Owner under this Appendix 2, except with respect to providing notice of Breach to a Project Finance Entity. Upon presentation of the Transmission Provider's and/or the Interconnected Transmission Owner's invoice therefor, Interconnection Customer shall pay the Transmission Provider and/or the Interconnected Transmission Owner's reasonable documented cost of providing such documents and certificates. Any assignment described herein shall not relieve or discharge the Interconnection Customer from any of its obligations hereunder absent the written consent of the Interconnected Transmission Owner and Transmission Provider.

10.3 Successors and Assigns:

This Interconnection Construction Service Agreement and all of its provisions are binding upon, and inure to the benefit of, the Construction Parties and their respective successors and permitted assigns.

11 Insurance

11.1 Required Coverages For Generation Resources Of More Than 20 Megawatts or Merchant Transmission Facilities:

Each Constructing Entity shall maintain, at its own expense, insurance as described in paragraphs (a) through (e) below. All insurance shall be procured from insurance companies rated "A-," VII or better by AM Best and authorized to do business in a state or states in which the Interconnection Facilities will be located. Failure to maintain required insurance shall be a Breach of the Interconnection Construction Service Agreement.

(a) Workers Compensation Insurance with statutory limits, as required by the state and/or jurisdiction in which the work is to be performed, and employer's liability insurance with limits of not less than one million dollars ($1,000,000).

(b) Commercial General Liability Insurance and/or Excess Liability Insurance covering liability arising out of premises, operations, personal injury, advertising , products and completed operations coverage, independent contractors coverage, liability assumed under an insured contract, coverage for pollution to the extent normally available and punitive damages to the extent allowable under applicable law, with limits of not less than one million dollars ($1,000,000) per occurrence/one million dollars ($1,000,000) general aggregate/one million dollars ($1,000,000) products and completed operations aggregate.

(c) Business/Commercial 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 not less than one million dollars ($1,000,000) each accident for bodily injury, including death, and property damage.

(d) Excess and/or Umbrella Liability Insurance with a limit of liability of twenty million dollars ($20,000,000) per occurrence. These limits apply in excess of the employer's liability, commercial general liability and business/commercial automobile liability coverages described above. This requirement can be met alone or via a combination of primary, excess and/or umbrella insurance.

(e) Professional Liability, including Contractors Legal Liability, providing errors, omissions and/or malpractice coverage. Coverage shall be provided for the Constructing Entity's duties, responsibilities and performance outlined in this Interconnection Construction Service Agreement, with limits of liability as follows:

$10,000,000 each occurrence
$10,000,000 aggregate

An Interconnected Entity may meet the Professional Liability Insurance requirements by requiring third-party contractors, designers, or engineers, or other parties that are responsible for design work associated with the transmission facilities or Interconnection Facilities necessary for the interconnection to procure professional liability insurance in the amounts and upon the terms prescribed by this section 11.1(e), and providing evidence of such insurance to the other Interconnected Entity. Such insurance shall be procured from companies rated "A-," VII or better by AM Best and authorized to do business in a state or states in which the Interconnection Facilities are located. Nothing in this section relieves the Interconnected Entity from complying with the insurance requirements. In the event that the policies of the designers, engineers, or other parties used to satisfy the Interconnected Entity's insurance obligations under this section become invalid for any reason, including but not limited to, (i) the policy(ies) lapsing or otherwise terminating or expiring; (ii) the coverage limits of such policy(ies) are decreased; or (iii) the policy(ies) do not comply with the terms and conditions of the Tariff; Interconnected Entity shall be required to procure insurance sufficient to meet the requirements of this section, such that there is no lapse in insurance coverage. Notwithstanding the foregoing, in the event an Interconnected Entity will not design or construct or cause to design or construct any new transmission facilities or Interconnection Facilities, Transmission Provider, in its discretion, may waive the requirement that an Interconnected Entity maintain the Professional Liability Insurance pursuant to this section.

11.1A. Required Coverages For Generation Resources Of 20 Megawatts Or Less:

Each Constructing Entity shall maintain the types of insurance as described in section 11.1 paragraphs (a) through (e) above in an amount sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. Additional insurance may be required by the Interconnection Customer, as a function of owning and operating a Generating Facility. All insurance shall be procured from insurance companies rated "A-," VII or better by AM Best and authorized to do business in a state or states in which the Interconnection Facilities are located. Failure to maintain required insurance shall be a Breach of the Interconnection Construction Service Agreement.

11.2 Additional Insureds:

The Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability policies procured by each Constructing Entity (the "Insuring Constructing Entity") shall include each other Construction Party (the "Insured Construction Party"), its officers, agents and employees as additional insureds, providing all standard coverages and covering liability of the Insured Construction Party arising out of bodily injury and/or property damage (including loss of use) in any way connected with the operations, performance, or lack of performance under this Interconnection Construction Service Agreement.

11.3 Other Required Terms:

The above-mentioned insurance policies (except workers' compensation) shall provide the following:

(a) Each policy shall contain provisions that specify that it is primary and non contributory for any liability arising out of that party's negligence and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Insuring Constructing Entity shall be responsible for its respective deductibles or retentions.

(b) If any coverage is written on a Claims First Made Basis, continuous coverage shall be maintained or an extended discovery period will be exercised for a period of not less than two (2) years after termination of the Interconnection Construction Service Agreement.

(c) Provide for a waiver of all rights of subrogation which the Insuring Constructing Entity's insurance carrier might exercise against the Insured Construction Party.

11.3A No Limitation of Liability:

The requirements contained herein as to the types and limits of all insurance to be maintained by the Constructing Entities are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Construction Parties under the Interconnection Construction Service Agreement.

11.4 Self-Insurance:

Notwithstanding the foregoing, each Constructing Entity may self-insure to meet the minimum insurance requirements of this Section 11 to the extent it maintains a self-insurance program; provided that such Constructing Entity's senior secured debt is rated at investment grade or better by Standard & Poor's and its self-insurance program meets the minimum insurance requirements of this Section 11. For any period of time that a Constructing Entity's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, it shall comply with the insurance requirements applicable to it under this Section 11. In the event that a Constructing Entity is permitted to self-insure pursuant to this section, it shall notify the

other Construction Parties 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 Section 11.5.

11.5 Notices; Certificates of Insurance:

Prior to the commencement of work pursuant to this Agreement, the Constructing Entities agree to furnish each other Construction Party with certificates of insurance evidencing the insurance coverage obtained in accordance with this Section 11. All certificates of insurance shall indicate that the certificate holder is included as an additional insured under the Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability coverages, and that this insurance is primary with a waiver of subrogation in favor of the other Interconnected Entities. All policies of insurance shall provide for thirty days prior written notice of cancellation or material adverse change. If the policies of insurance do not or cannot be endorsed to provide thirty days prior written notice of cancellation or material adverse change, each Construction Entity shall provide the other Construction Entities with thirty days prior written notice of cancellation or material adverse change to any of the insurance required in this agreement.

11.6 Subcontractor Insurance:

In accord with Good Utility Practice, each Constructing Entity shall require each of its subcontractors to maintain and provide evidence of insurance coverage of types, and in amounts, commensurate with the risks associated with the services provided by the subcontractor. Bonding of contractors or subcontractors shall be at the hiring Constructing Entity's discretion, but regardless of bonding, the hiring principal shall be responsible for the performance or non-performance of any contractor or subcontractor it hires.

11.7 Reporting Incidents:

The Construction Parties shall 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 the Interconnection Construction Service Agreement.

12 Indemnity

12.1 Indemnity:

Each Constructing Entity shall indemnify and hold harmless the other Construction Parties, and the other Construction Parties' officers, shareholders, stakeholders, members, managers, representatives, directors, agents and employees, and Affiliates, from and against any and all loss, liability, damage, cost or expense to third parties, including damage and liability for bodily injury to or death of persons, or damage to property of persons (including reasonable attorneys' fees and expenses, litigation costs, consultant fees, investigation fees, sums paid in settlements of claims, penalties or fines imposed under Applicable Laws and Regulations, and any such fees and expenses incurred in enforcing this indemnity or collecting any sums due hereunder) (collectively, "Loss") to the extent arising out of, in connection with or resulting from (i) the indemnifying

Constructing Entity's breach of any of the representations or warranties made in, or failure of the indemnifying Constructing Entity or any of its subcontractors to perform any of its obligations under, this Appendix 2, or (ii) the negligence or willful misconduct of the indemnifying Constructing Entity or its contractors; provided, however, that neither Constructing Entity shall have any indemnification obligations under this Section 12.1 in respect of any Loss to the extent the Loss results from the negligence or willful misconduct of the Construction Party seeking indemnity.

12.2 Indemnity Procedures:

Promptly after receipt by a Person entitled to indemnity ("Indemnified Person") of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 12.1 above may apply, the Indemnified Person shall notify the indemnifying Constructing Entity of such fact. Any failure of or delay in such notification shall not affect a Constructing Entity's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Constructing Entity. The Indemnified Person shall cooperate with the indemnifying Constructing Entity with respect to the matter for which indemnification is claimed. The indemnifying Constructing Entity shall have the right to assume the defense thereof with counsel designated by such indemnifying Constructing Entity and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the indemnifying Constructing Entity and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the indemnifying Constructing Entity, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the indemnifying Constructing Entity shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses. The Indemnified Person shall be entitled, at its expense, to participate in any action, suit or proceeding, the defense of which has been assumed by the indemnifying Constructing Entity. Notwithstanding the foregoing, the indemnifying Constructing Entity (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the indemnifying Constructing Entity, in such event the indemnifying Constructing Entity shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be unreasonably withheld, conditioned or delayed.

12.3 Indemnified Person:

If an Indemnified Person is entitled to indemnification under this Section 12 as a result of a claim by a third party, and the indemnifying Constructing Entity fails, after notice and reasonable opportunity to proceed under Section 12.2, to assume the defense of such claim, such Indemnified Person may at the expense of the indemnifying Constructing Entity contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

12.4 Amount Owing:

If an indemnifying Constructing Entity is obligated to indemnify and hold any Indemnified Person harmless under this Section 12, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

12.5 Limitation on Damages:

Except as otherwise provided in this Section 12, the liability of a Construction Party under this Appendix 2 shall be limited to direct actual damages, and all other damages at law are waived. Under no circumstances shall any Construction Party or its Affiliates, directors, officers, employees and agents, or any of them, be liable to another Construction Party, whether in tort, contract or other basis in law or equity for any special, indirect, punitive, exemplary or consequential damages, including lost profits. The limitations on damages specified in this Section 12.5 are without regard to the cause or causes related thereto, including the negligence of any Construction Party, whether such negligence be sole, joint or concurrent, or active or passive. This limitation on damages shall not affect any Construction Party's rights to obtain equitable relief as otherwise provided in this Appendix 2. The provisions of this Section 12.5 shall survive the termination or expiration of the Interconnection Construction Service Agreement.

12.6 Limitation of Liability in Event of Breach:

A Construction Party ("Breaching Party") shall have no liability hereunder to any other Construction Party, and each other Construction Party hereby releases the Breaching Party, for all claims or damages it incurs that are associated with any interruption in the availability of the Customer Facility, the Interconnection Facilities, Transmission System or Construction Service or damages to a Construction Party's facilities, except to the extent such interruption or damage is caused by the Breaching Party's gross negligence or willful misconduct in the performance of its obligations under this Interconnection Construction Service Agreement.

12.7 Limited Liability in Emergency Conditions:

Except as otherwise provided in the Tariff or the Operating Agreement, no Construction Party shall be liable to any other Construction Party for any action that it takes in responding to an Emergency Condition, so long as such action is made in good faith, is consistent with Good Utility Practice and is not contrary to the directives of the Transmission Provider or the Interconnected Transmission Owner with respect to such Emergency Condition. Notwithstanding the above, Interconnection Customer shall be liable in the event that it fails to comply with any instructions of Transmission Provider or the Interconnected Transmission Owner related to an Emergency Condition.

13 Breach, Cure And Default

13.1 Breach:

A Breach of the Interconnection Construction Service Agreement shall include:

(a) The failure to pay any amount when due;

(b) The failure to comply with any material term or condition of this Interconnection Construction Service Agreement including but not limited to any material breach of a representation, warranty or covenant (other than in Sections 13.1(a) and (c)-(e) hereof) made in this Appendix 2;

(c) Assignment of the Interconnection Construction Service Agreement in a manner inconsistent with the terms of this Appendix 2;

(d) Failure of a Constructing Entity to provide access rights, or a Constructing Entity's attempt to revoke or terminate access rights, that are provided under this Appendix 2; or

(e) Failure of any Construction Party to provide information or data required to be provided to another Construction Party under this Appendix 2 for such other Construction Party to satisfy its obligations under this Interconnection Construction Service Agreement.

13.2 Notice of Breach:

A Construction Party not in Breach of this Interconnection Construction Service Agreement shall give written notice of an event of Breach to the Breaching Construction Party, to the third Construction Party, and to any other persons that the Breaching Construction Party identifies in writing to the other Construction Parties in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach. In the event of a Breach by Interconnection Customer, Transmission Provider and the Interconnected Transmission Owner agree to provide notice of such Breach, at the same time and in the same manner as its or their notice to Interconnection Customer, to any Project Finance Entity, provided that the Interconnection Customer has provided Transmission Provider and the Interconnected Transmission Owner with notice of an assignment to such Project Finance Entity(ies) and has identified such Project Finance Entities as contacts for notice purposes pursuant to Section 20 of this Appendix 2.

13.3 Cure and Default:

A Construction Party that commits a Breach and does not take steps to cure the Breach pursuant to this Section 13.3 is in Default of this Interconnection Construction Service Agreement.

13.3.1 Cure of Breach:

The Breaching Construction Party (a) may cure the Breach within thirty days from the receipt of such notice; or, (b) if the Breach cannot be cured within thirty days, may commence in good faith all steps that are reasonable and appropriate to cure the Breach within such thirty day time period and thereafter diligently pursue such action to completion.

13.4 Right to Compel Performance:

Upon the occurrence of an event of Default, a non-Defaulting Construction Party shall be entitled to (a) commence an action to require the Defaulting Construction Party to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof, (b) withhold payments, (c) suspend performance hereunder, and (d) exercise such other rights and remedies as it may have in equity or at law.

13.5 Remedies Cumulative:

Subject to Section 19.1 of this Appendix 2, no remedy conferred by any provision of this Appendix 2 is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

14 Termination

14.1 Termination

14.1.1 Upon Completion of Construction:

14.1.1.1 Conforming Interconnection Construction Service Agreements

If this Interconnection Construction Service Agreement is conforming and, therefore, is only reported to the Commission on PJM's Electric Quarterly Report, it shall terminate upon the date Transmission Provider receives written notice, in a form acceptable to Transmission Provider, from Interconnected Transmission Owner that the following conditions have occurred: (i) completion of construction of all Interconnection Facilities; (ii) if Interconnection Customer exercised the Option to Build, transfer of title under Tariff, Attachment P, Appendix 2, section 5.5; (iii) final payment of all Costs due and owing under this Interconnection Construction Service Agreement; and (iv) if Interconnection Customer exercised the Option to Build, delivery to Interconnected Transmission Owner of final "as-built" drawings of any Interconnection Facilities built by Interconnection Customer in accordance with Tariff, Attachment P, Appendix 2, section 3.2.3.2(a)(xi).

14.1.1.2 Non-Conforming Interconnection Construction Service Agreements

If this Interconnection Construction Service Agreement is non-conforming and, therefore, has been filed with and accepted by the Commission, it shall terminate upon (a) Transmission Provider receiving written notice, in a form acceptable to Transmission Provider, from Interconnected Transmission Owner that the following conditions have occurred: (i) completion of construction of all Interconnection Facilities; (ii) if Interconnection Customer exercised the Option to Build, transfer of title under Tariff, Attachment P, Appendix 2, section 5.5; (iii) final payment of all Costs due and owing under this Interconnection Construction Service Agreement; and (iv) if Interconnection Customer exercised the Option to Build, delivery to Interconnected Transmission

Owner of final "as-built" drawings of any Interconnection Facilities built by Interconnection Customer in accordance with Tariff, Attachment P, Appendix 2, section 3.2.3.2(a)(xi); and (b) the effective date of Transmission Provider's cancellation of the Interconnection Construction Service Agreement in accordance with Commission rules and regulations. Transmission Provider shall serve the Interconnected Transmission Owner and Interconnection Customer with a copy of the notice of cancellation of any Interconnection Construction Service Agreement in accordance with Commission rules and regulations.

14.1.2 Upon Default By Either Constructing Entity:

Either Constructing Entity may terminate its obligations hereunder in the event of a Default by the other Constructing Entity as defined in Tariff, Attachment P, Appendix 2, section 13.3.

14.1.3 By Interconnection Customer:

Subject to its payment of Cancellation Costs as explained in Tariff, Attachment P, Appendix 2, section 14.3, Interconnection Customer may be relieved of its obligations hereunder upon sixty (60) days written notice to Transmission Provider and Interconnected Transmission Owner.

14.2 [Reserved.]

14.3 Cancellation By Interconnection Customer

14.3.1 Applicability:

The following provisions shall survive and shall apply in the event that Interconnection Customer terminates the Interconnection Construction Service Agreement pursuant to this Section 14.1.3.

14.3.1.1 Cancellation Cost Responsibility:

Upon the cancellation of the Interconnection Construction Service Agreement by the Interconnection Customer, the Interconnection Customer shall be liable to pay to the Interconnected Transmission Owner or Transmission Provider all Cancellation Costs in connection with Construction Service for the Interconnection Customer pursuant to this Interconnection Construction Service Agreement, including Section 14.3.1.2 of this Appendix 2. In the event the Interconnected Transmission Owner incurs Cancellation Costs, it shall provide the Transmission Provider, with a copy to the Interconnection Customer, with a written demand for payment and with reasonable documentation of such Cancellation Costs. The Interconnection Customer shall pay the Transmission Provider each bill for Cancellation Costs within thirty (30) days after, as applicable, the Interconnected Transmission Owner's or Transmission Provider's presentation to the Interconnection Customer of written demand therefor, provided that such demand includes reasonable documentation of the Cancellation Costs that the invoicing party seeks to collect. Upon receipt of each of Interconnection Customer's payments of such bills of the Interconnected Transmission Owner, Transmission Provider shall reimburse the Interconnected Transmission Owner for Cancellation Costs incurred by the latter.

14.3.1.2 Disposition of Facilities Upon Cancellation:

Upon cancellation of the Interconnection Construction Service Agreement by an Interconnection Customer, Transmission Provider, after consulting with the Interconnected Transmission Owner, may, at the sole cost and expense of the Interconnection Customer, authorize the Interconnected Transmission Owner to (a) cancel supplier and contractor orders and agreements entered into by the Interconnected Transmission Owner to design, construct, install, operate, maintain and own the Transmission Owner Interconnection Facilities, provided, however, that Interconnection Customer shall have the right to choose to take delivery of any equipment ordered by the Interconnected Transmission Owner for which Transmission Provider otherwise would authorize cancellation of the purchase order; or (b) remove any Transmission Owner Interconnection Facilities built by the Interconnected Transmission Owner or any Transmission Owner Interconnection Facilities (only after title to the subject facilities has been transferred to the Interconnected Transmission Owner) built by the Interconnection Customer; or (c) partially or entirely complete the Transmission Owner Interconnection Facilities as necessary to preserve the integrity or reliability of the Transmission System, provided that Interconnection Customer shall be entitled to receive any rights associated with such facilities and upgrades as determined in accordance with Part VI of the Tariff; or (d) undo any of the changes to the Transmission System that were made pursuant to this Interconnection Construction Service Agreement. To the extent that the Interconnection Customer has fully paid for equipment that is unused upon cancellation or which is removed pursuant to subsection (b) above, the Interconnection Customer shall have the right to take back title to such equipment; alternatively, in the event that the Interconnection Customer does not wish to take back title, the Interconnected Transmission Owner may elect to pay the Interconnection Customer a mutually agreed amount to acquire and own such equipment.

14.3.2 Termination Upon Default:

In the event that Interconnection Customer exercises its right to terminate under Section 14.1.2 of this Appendix 2, and notwithstanding any other provision of this Interconnection Construction Service Agreement, the Interconnection Customer shall be liable for payment of the Interconnected Transmission Owner's Costs incurred up to the date of Interconnection Customer's notice of termination pursuant to Section 14.1.2 and the costs of completion of some or all of the Transmission Owner Interconnection Facilities or specific unfinished portions thereof, and/or removal of any or all of such facilities which have been installed, to the extent that Transmission Provider determines such completion or removal to be required for the Transmission Provider and/or Interconnected Transmission Owner to perform their respective obligations under Part VI of the Tariff or this Interconnection Construction Service Agreement, provided, however, that Interconnection Customer's payment of such costs shall be without prejudice to any remedies that otherwise may be available to it under this Appendix 2 for the Default of the Interconnected Transmission Owner.

14.4 Survival of Rights:

The obligations of the Construction Parties hereunder with respect to payments, Cancellation Costs, warranties, liability and indemnification shall survive termination to the extent necessary to provide for the determination and enforcement of said obligations arising from acts or events that

occurred while the Interconnection Construction Service Agreement was in effect. In addition, applicable provisions of this Interconnection Construction Service Agreement will continue in effect after expiration, cancellation or termination to the extent necessary to provide for final billings, payments, and billing adjustments.

15 Force Majeure

15.1 Notice:

A Construction Party that is unable to carry out an obligation imposed on it by this Appendix 2 due to Force Majeure shall notify each other Construction Party in writing or by telephone within a reasonable time after the occurrence of the cause relied on.

15.2 Duration of Force Majeure:

A Construction Party shall not be responsible for any non-performance or considered in Breach or Default under this Appendix 2, for any non-performance, any interruption or failure of service, deficiency in the quality or quantity of service, or any other failure to perform any obligation hereunder to the extent that such failure or deficiency is due to Force Majeure. A Construction Party shall be excused from whatever performance is affected only for the duration of the Force Majeure and while the Construction Party exercises Reasonable Efforts to alleviate such situation. As soon as the non-performing Construction Party is able to resume performance of its obligations excused because of the occurrence of Force Majeure, such Construction Party shall resume performance and give prompt notice thereof to each other Construction Party.

15.3 Obligation to Make Payments:

Any Construction Party's obligation to make payments for services shall not be suspended by Force Majeure.

15.4 Definition of Force Majeure:

For the purposes of this section, an event of force majeure shall mean any cause beyond the control of the affected Interconnection Party or Construction Party, including but not restricted to, acts of God, flood, drought, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, acts of public enemy, explosions, orders, regulations or restrictions imposed by governmental, military, or lawfully established civilian authorities, which, in any of the foregoing cases, by exercise of due diligence such party could not reasonably have been expected to avoid, and which, by the exercise of due diligence, it has been unable to overcome. Force majeure does not include (i) a failure of performance that is due to an affected party’s own negligence or intentional wrongdoing; (ii) any removable or remediable causes (other than settlement of a strike or labor dispute) which an affected party fails to remove or remedy within a reasonable time; or (iii) economic hardship of an affected party.

16 Subcontractors

16.1 Use of Subcontractors:

Nothing in this Appendix 2 shall prevent the Construction Parties from utilizing the services of subcontractors as they deem appropriate to perform their respective obligations hereunder, provided, however, that each Construction Party shall require its subcontractors to comply with all applicable terms and conditions of this Appendix 2 in providing such services.

16.2 Responsibility of Principal:

The creation of any subcontract relationship shall not relieve the hiring Construction Party of any of its obligations under this Appendix 2. Each Construction Party shall be fully responsible to each other Construction Party for the acts and/or omissions of any subcontractor it hires as if no subcontract had been made.

16.3 Indemnification by Subcontractors:

To the fullest extent permitted by law, a Construction Party that uses a subcontractor to carry out any of the Construction Party's obligations under this Appendix 2 shall require each of its subcontractors to indemnify, hold harmless and defend each other Construction Party, its representatives and assigns from and against any and all claims and/or liability for damage to property, injury to or death of any person, including the employees of any Construction Party or of any Affiliate of any Construction Party, or any other liability incurred by another Construction Party or any of its Affiliates, including all expenses, legal or otherwise, to the extent caused by any act or omission, negligent or otherwise, by such subcontractor and/or its officers, directors, employees, agents and assigns, that arises out of or is connected with the design, procurement, construction or installation of the facilities of either Constructing Entity described in this Appendix 2; provided, however, that no Construction Party or Affiliate thereof shall be entitled to indemnity under this Section 16.3 in respect of any injury, loss, or damage to the extent that such loss, injury, or damage results from the negligence or willful misconduct of the Construction Party or Affiliate seeking indemnity.

16.4 Subcontractors Not Beneficiaries:

No subcontractor is intended to be, or shall be deemed to be, a third-party beneficiary of the Interconnection Construction Service Agreement.

17 Confidentiality:

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Construction Party providing the information orally informs the Construction Party receiving the information that the information is confidential. If requested by any Construction Party, the disclosing Construction Party shall provide in writing the basis for asserting that the information referred to in this section warrants confidential treatment, and the requesting Construction Party may disclose such writing to an appropriate Governmental Authority. Any Construction Party

shall be responsible for the costs associated with affording confidential treatment to its information.

17.1 Term:

During the term of the Interconnection Construction Service Agreement, and for a period of three (3) years after the expiration or termination of the Interconnection Construction Service Agreement, except as otherwise provided in this Section 17, each Construction Party shall hold in confidence, and shall not disclose to any person, Confidential Information provided to it by any other Construction Party.

17.2 Scope:

Confidential Information shall not include information that the receiving Construction Party can demonstrate: (i) is generally available to the public other than as a result of a disclosure by the receiving Construction Party; (ii) was in the lawful possession of the receiving Construction Party on a non-confidential basis before receiving it from the disclosing Construction Party; (iii) was supplied to the receiving Construction Party without restriction by a third party, who, to the knowledge of the receiving Construction Party, after due inquiry, was under no obligation to the disclosing Construction Party to keep such information confidential; (iv) was independently developed by the receiving Construction Party without reference to Confidential Information of the disclosing Construction Party; (v) is, or becomes, publicly known, through no wrongful act or omission of the receiving Construction Party or breach of this Appendix 2; or (vi) is required, in accordance with Section 17.7 of this Appendix 2, to be disclosed to any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Interconnection Construction Service Agreement. Information designated as Confidential Information shall no longer be deemed confidential if the Construction Party that designated the information as confidential notifies the other Construction Parties that it no longer is confidential.

17.3 Release of Confidential Information:

No Construction Party shall disclose Confidential Information of another Construction Party to any other person, except to its Affiliates (limited by the Commission's Standard of Conduct requirements), subcontractors, employees, consultants or to parties who may be or considering providing financing to or equity participation in Interconnection Customer on a need-to-know basis in connection with the Interconnection Construction Service Agreement, unless such person has first been advised of the confidentiality provisions of this Section 17 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Construction Party that provides Confidential Information of another Construction Party to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 17.

17.4 Rights:

Each Construction Party retains all rights, title, and interest in the Confidential Information that it discloses to any other Construction Party. A Construction Party's disclosure to another

Construction Party of Confidential Information shall not be deemed a waiver by either Construction Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

17.5 No Warranties:

By providing Confidential Information, no Construction Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Construction Party obligates itself to provide any particular information or Confidential Information to any other Construction Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

17.6 Standard of Care:

Each Construction Party shall use at least the same standard of care to protect Confidential Information it receives as the Construction Party uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Construction Party may use Confidential Information solely to fulfill its obligations to the other Construction Parties under this Interconnection Construction Service Agreement or to comply with Applicable Laws and Regulations.

17.7 Order of Disclosure:

If a Governmental Authority with the right, power, and apparent authority to do so requests or requires a Construction Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Construction Party shall provide the Construction Party that provided the information with prompt prior notice of such request(s) or requirement(s) so that the providing Construction Party may seek an appropriate protective order, or waive compliance with the terms of this Interconnection Construction Service Agreement. Notwithstanding the absence of a protective order, or agreement, or waiver, the Construction Party subjected to the request or order may disclose such Confidential Information which, in the opinion of its counsel, the Construction Party is legally compelled to disclose. Each Construction Party shall use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

17.8 Termination of Interconnection Construction Service Agreement:

Upon termination of the Interconnection Construction Service Agreement for any reason, each Construction Party shall, within ten (10) calendar days of receipt of a written request from another party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure and deletion certified in writing to the requesting party) or to return to the requesting party, without retaining copies thereof, any and all written or electronic Confidential Information received from the requesting party.

17.9 Remedies:

The Construction Parties agree that monetary damages would be inadequate to compensate a Construction Party for another Construction Party's Breach of its obligations under this Section 17. Each Construction Party accordingly agrees that each other Construction Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Construction Party breaches or threatens to breach its obligations under this Section 17, which equitable relief shall be granted without bond or proof of damages, and the receiving Construction Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed to be an exclusive remedy for the breach of this Section 17, but shall be in addition to all other remedies available at law or in equity. The Construction Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Construction Party, however, shall be liable for indirect, incidental, consequential, or punitive damages of any nature or kind resulting from or arising in connection with a Breach of any obligation under this Section 17.

17.10 Disclosure to FERC or its Staff:

Notwithstanding anything in this Section 17 to the contrary, and pursuant to 18 C.F.R. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Construction Parties that is otherwise required to be maintained in confidence pursuant to this Interconnection Construction Service Agreement, the Construction Party, shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Construction Party must, consistent with 18 C.F.R. § 388.122, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Construction Parties are prohibited from notifying the other Construction Parties to the Interconnection Construction Service Agreement prior to the release of the Confidential Information to the Commission or its staff. A Construction Party shall notify the other Construction Parties when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Construction Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

17.11

Subject to the exception in Section 17.10, no Construction Party shall disclose Confidential Information of another Construction Party to any person not employed or retained by the disclosing Construction Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Construction Party to be required in connection with a dispute between or among the Construction Parties, or the defense of litigation or dispute; (iii)_ otherwise permitted by consent of the Construction Party that provided such Confidential Information, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Interconnection Construction Service Agreement or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. Prior to any disclosures of another Construction Party’s Confidential Information under this subparagraph, the disclosing Construction Party shall promptly notify the other Construction Parties in writing and shall assert confidentiality and cooperate with the other

Construction Parties in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

17.12

This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

17.13 Return or Destruction of Confidential Information:

If any Construction Party provides any Confidential Information to another Construction Party in the course of an audit or inspection, the providing Construction Party may request the other party to return or destroy such Confidential Information after the termination of the audit period and the resolution of all matters relating to that audit. Each Construction Party shall make Reasonable Efforts to comply with any such requests for return or destruction within ten days after receiving the request and shall certify in writing to the requesting Construction Party that it has complied with such request.

18 Information Access And Audit Rights

18.1 Information Access:

Subject to Applicable Laws and Regulations, each Construction Party shall make available to each other Construction Party information necessary (i) to verify the costs incurred by the other Construction Party for which the requesting Construction Party is responsible under this Appendix 2, and (ii) to carry out obligations and responsibilities under this Appendix 2. The Construction Parties shall not use such information for purposes other than those set forth in this Section 18.1 and to enforce their rights under this Appendix 2.

18.2 Reporting of Non-Force Majeure Events:

Each Construction Party shall notify each other Construction Party when it becomes aware of its inability to comply with the provisions of this Appendix 2 for a reason other than an event of force majeure as defined in Section 15.4 of this Appendix 2. The Construction Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including, but not limited to, the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Section shall not entitle the receiving Construction Party to allege a cause of action for anticipatory breach of this Appendix 2.

18.3 Audit Rights:

Subject to the requirements of confidentiality under Section 17 of this Appendix 2, each Construction Party shall have the right, during normal business hours, and upon prior reasonable notice to the pertinent Construction Party, to audit at its own expense the other Construction Party's

accounts and records pertaining to such Construction Party's performance and/or satisfaction of obligations arising under this Interconnection Construction Service Agreement. Any audit authorized by this Section shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Appendix 2. Any request for audit shall be presented to the other Construction Party not later than twenty-four months after the event as to which the audit is sought. Each Construction Party shall preserve all records held by it for the duration of the audit period.

19 Disputes

19.1 Submission:

Any claim or dispute that any Construction Party may have against another Construction Party arising out of this Appendix 2 may be submitted for resolution in accordance with the dispute resolution provisions of Section 12 of the Tariff.

19.2 Rights Under The Federal Power Act:

Nothing in this Section shall restrict the rights of any Construction Party to file a complaint with FERC under relevant provisions of the Federal Power Act.

19.3 Equitable Remedies:

Nothing in this Section shall prevent any Construction Party from pursuing or seeking any equitable remedy available to it under Applicable Laws and Regulations.

20 Notices

20.1 General:

Any notice, demand or request required or permitted to be given by either Construction Party to another and any instrument required or permitted to be tendered or delivered by either Construction Party in writing to another may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Construction Party, or personally delivered to the Construction Party, at the address specified in the Interconnection Construction Service Agreement. If agreed to in advance by the Construction Parties, notices may be communicated via electronic means, so long as there is e-mail confirmation of delivery.

20.2 Operational Contacts:

Each Construction Party shall designate, and shall provide to each other Construction Party contact information concerning, a representative to be responsible for addressing and resolving operational issues as they arise during the term of the Interconnection Construction Service Agreement.

21 Miscellaneous

21.1 Regulatory Filing:

In the event that this Interconnection Construction Service Agreement contains any terms that deviate materially from the form included in Attachment P or from the standard terms and conditions in this Appendix 2, the Transmission Provider shall file the executed Interconnection Construction Service Agreement on behalf of itself and the Interconnected Transmission Owner with FERC as a service schedule under the Tariff. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Section 17 of this Appendix 2. An Interconnection Customer shall have the right, with respect to any Interconnection Construction Service Agreement tendered to it, to request (a) dispute resolution under Section 12 of the Tariff or, if concerning the Regional Transmission Expansion Plan, consistent with Schedule 5 of the Operating Agreement, or (b) that Transmission Provider file the agreement unexecuted with the Commission. With the filing of any unexecuted Interconnection Construction Service Agreement, Transmission Provider may, in its discretion, propose to FERC a resolution of any or all of the issues in dispute between any Construction Parties.

21.2 Waiver:

Any waiver at any time by any Construction Party of its rights with respect to a Breach or Default under this Appendix 2, or with respect to any other matters arising in connection with this Appendix 2, shall not be deemed a waiver or continuing waiver with respect to any other Breach or Default or other matter.

21.3 Amendments and Rights under the Federal Power Act:

Except as set forth in this Section, this Interconnection Construction Service Agreement may be amended, modified, or supplemented only by written agreement of the Construction Parties. Such amendment shall become effective and a part of this Interconnection Construction Service Agreement upon satisfaction of all Applicable Laws and Regulations. Notwithstanding the foregoing, nothing contained in this Interconnection Construction Service Agreement shall be construed as affecting in any way any of the rights of any Construction Party with respect to changes in applicable rates or charges under Section 205 of the Federal Power Act and/or FERC's rules and regulations thereunder, or any of the rights of any Interconnection Party under Section 206 of the Federal Power Act and/or FERC's rules and regulations thereunder. The terms and conditions of this Interconnection Construction Service Agreement and every appendix referred to therein shall be amended, as mutually agreed by the Construction Parties, to comply with changes or alterations made necessary by a valid applicable order of any Governmental Authority having jurisdiction hereof.

21.4 Binding Effect:

This Interconnection Construction Service Agreement, including the rights and obligations incorporated by reference therein from this Interconnection Construction Service Agreement, shall be binding upon, and shall inure to the benefit of, the successors and assigns of the Construction Parties.

21.5 Regulatory Requirements:

Each Construction Party's performance of any obligation under this Interconnection Construction Service Agreement for which such party requires approval or authorization of any Governmental Authority shall be subject to its receipt of such required approval or authorization in the form and substance satisfactory to the receiving Construction Party, or the Construction Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Construction Party shall in good faith seek, and shall use Reasonable Efforts to obtain, such required authorizations or approvals as soon as reasonably practicable.

22 Representations and Warranties

22.1 General:

Each Constructing Entity hereby represents, warrants and covenants as follows, with these representations, warranties, and covenants effective as to the Constructing Entity during the full time the Interconnection Construction Service Agreement is effective:

22.1.1 Good Standing:

Such Constructing Entity is duly organized or formed, as applicable, validly existing and in good standing under the laws of its state of organization or formation, and is in good standing under the laws of the respective State(s) in which it is incorporated and operates as stated in the preamble of the Interconnection Construction Service Agreement.

22.1.2 Authority:

Such Constructing Entity has the right, power and authority to enter into the Interconnection Construction Service Agreement, to become a party thereto and to perform its obligations thereunder. The Interconnection Construction Service Agreement is a legal, valid and binding obligation of such Constructing Entity, enforceable against such Constructing Entity in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

22.1.3 No Conflict:

The execution, delivery and performance of the Interconnection Construction Service Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Constructing Entity, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Constructing Entity or any of its assets.

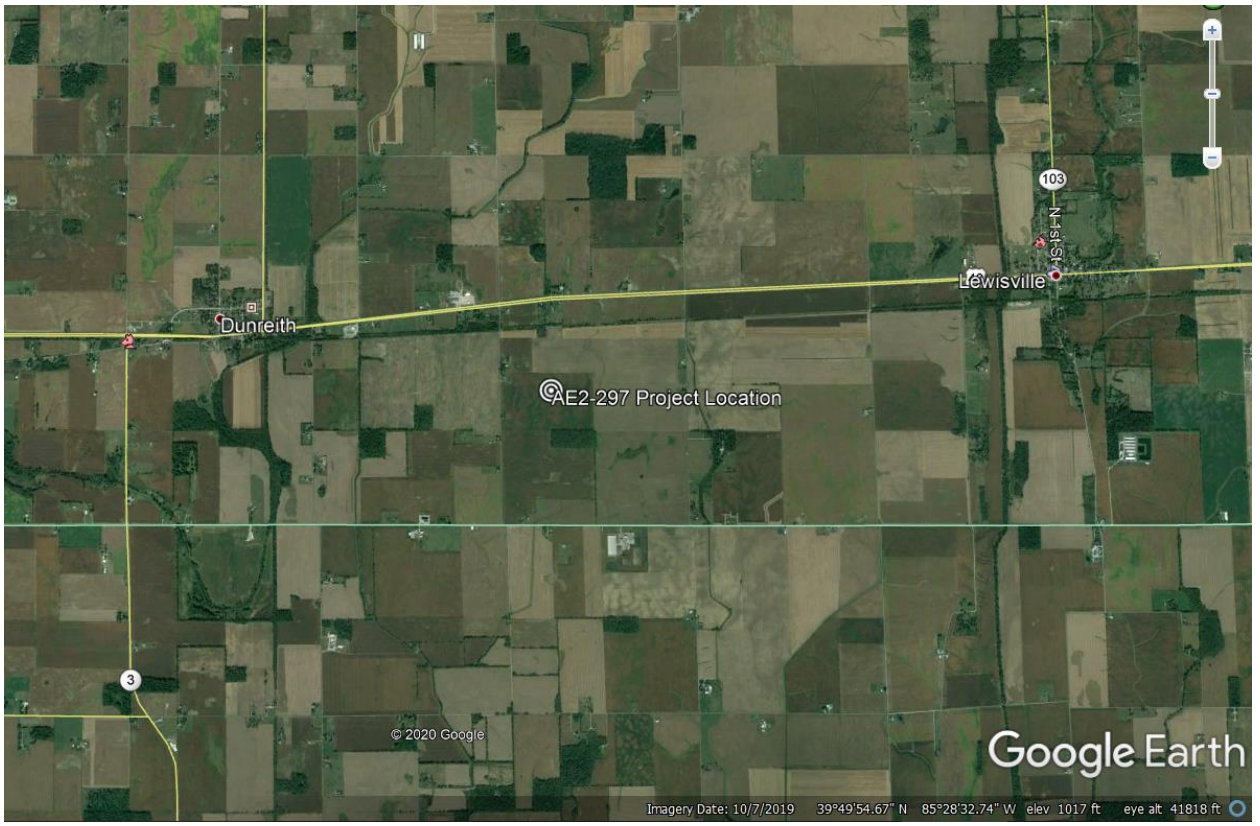
22.1.4 Consent and Approval:

Such Constructing Entity has sought or obtained, or, in accordance with the Interconnection Construction Service Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of such Agreement and it will provide to any Governmental Authority notice of any actions under such Agreement that are required by Applicable Laws and Regulations.

SCHEDULE A

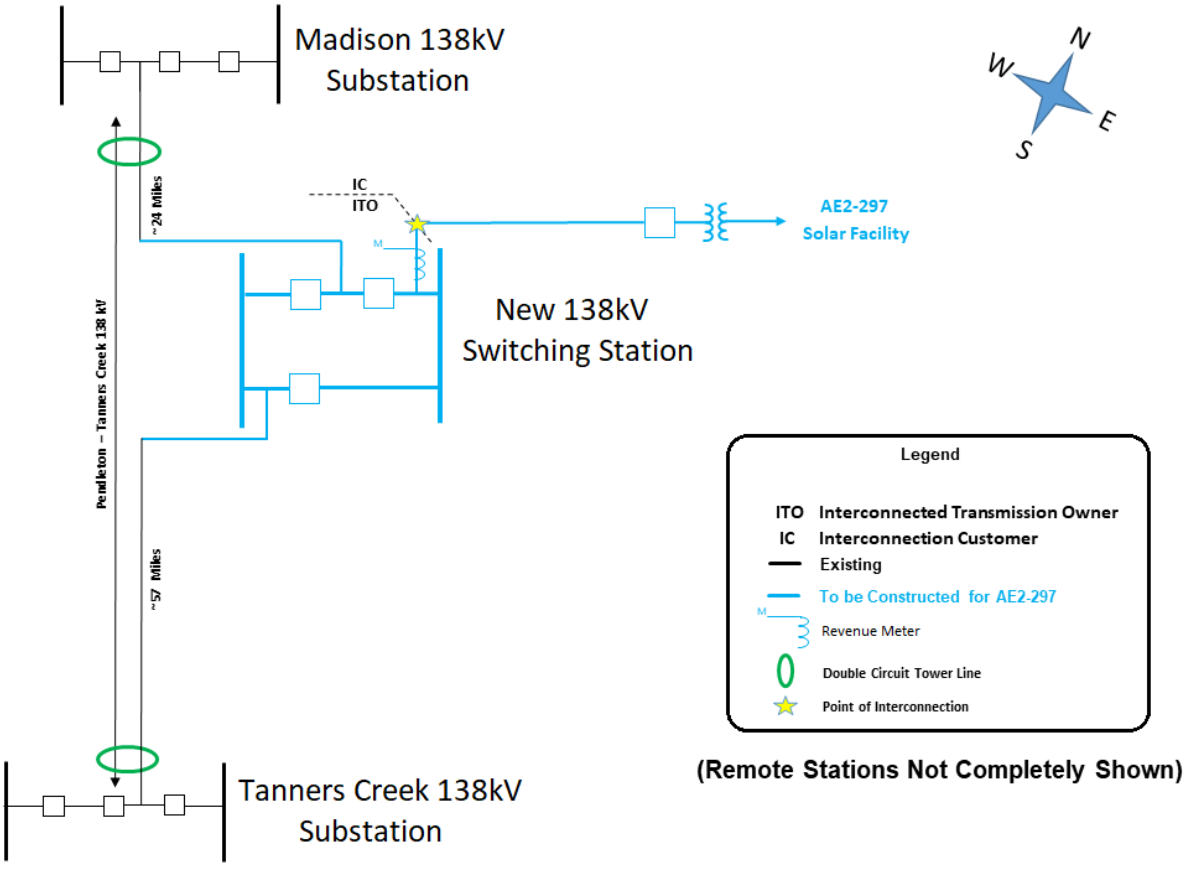
SITE PLAN

Henry County, Indiana
Latitude: 39.7976500 , Longitude: -85.4046850



SCHEDULE B

SINGLE-LINE DIAGRAM OF INTERCONNECTION FACILITIES



(Remote Stations Not Completely Shown)

The Point of Interconnection is at the first structure outside of AEP's new 138 kV switching station (such structure being the dead-end structure located in Interconnection Customer's 34.5-138 kV Collector Substation) with the Interconnected Transmission Owner owning the span of conductors to the dead-end structure, and the Interconnection Customer owning the first structure.

SCHEDULE C

TRANSMISSION OWNER INTERCONNECTION FACILITIES TO BE BUILT BY INTERCONNECTED TRANSMISSION OWNER

Interconnected Transmission Owner shall construct and, unless otherwise indicated, shall own, the following:

Direct Connection Network Upgrade:

(1) AE2-297 138kV interconnection switching station – Engineering oversight for the design and construction of the new AE2-297 138kV switching station (Shankatank switching station). PJM Network Upgrade Number n7243.2.

Non-Direct Connection Network Upgrades:

(1) Madison – Tanners Creek 138kV line – Construct a new loop-in tap line from AEP's existing Madison – Tanners Creek 138kV line to the new AE2-297 138kV switching station (Shankatank switching station). PJM Network Upgrade Number n7243.3.
(2) Madison 138kV Substation – Modify relay settings. PJM Network Upgrade Number n7243.4.
(3) Tanners Creek 138kV Substation – Modify relay settings. PJM Network Upgrade Number n7243.5.

SCHEDULE D

TRANSMISSION OWNER INTERCONNECTION FACILITIES TO BE BUILT BY INTERCONNECTION CUSTOMER PURSUANT TO OPTION TO BUILD

Interconnection Customer shall construct, and Interconnected Transmission Owner shall own, the following:

Attachment Facilities:

(1) Install 138kV revenue metering at the new AE2-297 138kV switching station (Shankatank switching station).

Direct Connection Network Upgrade:

(1) AE2-297 138kV interconnection switching station – Construct a new 138kV switching station (Shankatank switching station) to interconnect the Customer Facility, including one (1) attachment line between the Shankatank switching station and the Interconnection Customer collector station. PJM Network Upgrade Number n7243.2.

SCHEDULE E

[Reserved]

SCHEDULE F

[Reserved]

SCHEDULE G

CUSTOMER INTERCONNECTION FACILITIES

Interconnection Customer shall construct and, unless otherwise indicated, shall own, the following Interconnection Facilities:

a) One (1) 138kV circuit breaker and associated equipment located at the Interconnection Customer collector station;

b) One (1) 34.5/138kV generator step-up transformer located at the Interconnection Customer collector station;

c) Relay and protective equipment, supervisory control and data acquisition (SCADA) equipment, and telecommunications equipment, with AEP owning the Direct Connection portion of these facilities located in the Shankatank switching station; and

d) Necessary metering equipment as specified in Schedule C of the AE2-297 Interconnection Service Agreement ("ISA").

SCHEDULE H

NEGOTIATED CONTRACT OPTION TERMS

None

SCHEDULE I

SCOPE OF WORK

Interconnection Customer shall construct and, unless otherwise indicated, shall own, the following Interconnection Facilities:

a) One (1) 138kV circuit breaker and associated equipment located at the Customer collector station;

b) One (1) 34.5/138kV generator step-up transformer located at the Interconnection Customer collector station; and

c) Relay and protective equipment, supervisory control and data acquisition (SCADA) equipment, and telecommunications equipment, with AEP owning the Direct Connection portion of these facilities located in the Shankatank switching station; and

d) Necessary metering equipment as specified in Schedule C of the AE2-297 Interconnection Service Agreement ("ISA").

Interconnection Customer shall construct, and Interconnected Transmission Owner shall own, the following:

Attachment Facilities:

(1) Install 138kV revenue metering at the new AE2-297 138kV switching station (Shankatank switching station).

Direct Connection Network Upgrade:

(1) AE2-297 138kV interconnection switching station – Construct a new 138kV switching station (Shankatank switching station) to interconnect the Customer Facility. PJM Network Upgrade Number n7243.2.

Interconnected Transmission Owner shall construct and, unless otherwise indicated, shall own, the following:

Direct Connection Network Upgrade:

(1) AE2-297 138kV interconnection switching station – Engineering oversight for the design and construction of the new AE2-297 138kV switching station (Shankatank switching station). PJM Network Upgrade Number n7243.2.

Non-Direct Connection Network Upgrades:

(1) Madison – Tanners Creek 138kV line – Construct a new loop-in tap line from AEP's existing Madison – Tanners Creek 138kV line to the new AE2-297 138kV switching station (Shankatank switching station). PJM Network Upgrade Number n7243.3.
(2) Madison 138kV Substation – Modify relay settings. PJM Network Upgrade Number n7243.4.
(3) Tanners Creek 138kV Substation – Modify relay settings. PJM Network Upgrade Number n7243.5.

SCHEDULE J

SCHEDULE OF WORK

The schedule of work for the Interconnected Transmission Owner work as set for in Schedule C is:

Activity	Dates
Design Review (At 30%, 60%, 90%, Complete)	Q4 2021, Q1 2022, Q2 2022, End of Q2 2022
Outage Request Submitted	Q4 2021
Transmission Line Analysis	Q4 2021
Construction Management	Q2 2022
Transmission Line Cut-Over	Q4 2022
Protection & Control	Q4 2022

The schedule of work for the Interconnection Customer work is:

By December 31, 2022:

Complete all Interconnection Customer work set forth in Schedules D, G & I of this CSA.

SCHEDULE K

APPLICABLE TECHNICAL REQUIREMENTS AND STANDARDS

Applicable Technical Requirements and Standards are set forth in the following documents that are posted on the PJM website:

- Requirements for Connection of New Facilities or Changes to Existing Facilities Connected to the AEP Transmission System, Revision 3 dated June 30, 2021;
- Standards and Expectations for Siting, Real Estate, Right-of-Way, and Environmental Permitting for Transmission Interconnection Projects, Version 2 dated August 20, 2020; and
- Independent Power Producer (IPP) Option to Build Guidelines, Revision 3 dated October 28, 2021.

To the extent that these Applicable Technical Requirements and Standards conflict with the terms and conditions of the Tariff or any other provision of this CSA, the Tariff and/or this CSA shall control

SCHEDULE L

INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH

IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS

As provided in Section 2.4.1 of Appendix 2 to this CSA and subject to the requirements thereof, Interconnection Customer represents that it meets all qualifications and requirements as set forth in Section 118(a) and 118(b) of the Internal Revenue Code of 1986, as amended and interpreted by Notice 2016-36, 2016-25 I.R.B. (6/20/2016) (the "IRS Notice"). Interconnection Customer agrees to conform with all requirements of the safe harbor provisions specified in the IRS Notice, as they may be amended, as required to confer non-taxable status on some or all of the transfer of property, including money, by Interconnection Customer to Interconnected Transmission Owner with respect to the payment of the Costs of construction and installation of the Transmission Owner Interconnection Facilities specified in this CSA.

Nothing in Interconnection Customer's agreement pursuant to this Schedule L shall change Interconnection Customer's indemnification obligations under Section 2.4.2 of Appendix 2 to the CSA.

SCHEDULE M

SCHEDULE OF NON-STANDARD TERMS AND CONDITIONS

None

SCHEDULE N

INTERCONNECTION REQUIREMENTS FOR ALL WIND, SOLAR AND NON-SYNCHRONOUS GENERATION FACILITIES

A. Voltage Ride Through Requirements

The Customer Facility shall be designed to remain in service (not trip) for voltages and times as specified for the Eastern Interconnection in Attachment 1 of NERC Reliability Standard PRC-024-1, and successor Reliability Standards, for both high and low voltage conditions, irrespective of generator size, subject to the permissive trip exceptions established in PRC-024-1 (and successor Reliability Standards).

B. Frequency Ride Through Requirements

The Customer Facility shall be designed to remain in service (not trip) for frequencies and times as specified in Attachment 2 of NERC Reliability Standard PRC-024-1, and successor Reliability Standards, for both high and low frequency condition, irrespective of generator size, subject to the permissive trip exceptions established in PRC-024-1 (and successor Reliability Standards).

C. Supervisory Control and Data Acquisition (SCADA) Capability

The wind, solar or non-synchronous generation facility shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind, solar or non-synchronous generation facility Interconnection Customer shall determine what SCADA information is essential for the proposed wind, solar or non-synchronous generation facility, taking into account the size of the facility and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

D. Meteorological Data Reporting Requirement (Applicable to wind generation facilities only)

The wind generation facility shall, at a minimum, be required to provide the Transmission Provider with site-specific meteorological data including:

- Temperature (degrees Fahrenheit)
- Wind speed (meters/second)
- Wind direction (degrees from True North)
- Atmosphere pressure (hectopascals)
- Forced outage data (wind turbine and MW unavailability)

E. Meteorological Data Reporting Requirement (Applicable to solar generation facilities only)

The solar generation facility shall, at a minimum, be required to provide the Transmission Provider with site-specific meteorological data including:

- Temperature (degrees Fahrenheit)
- Irradiance
- Forced outage data

The Transmission Provider and Interconnection Customer may mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such additional mutually agreed upon requirements for meteorological and forced outage data are set forth below:

NOT APPLICABLE FOR THIS CSA

IN WITNESS WHEREOF, the parties have caused this Interconnection Construction Service Agreement to be executed by their respective authorized officials.

(PJM Queue Position #AE2-297)

Transmission Provider: PJM Interconnection, L.L.C.:

By: Jason Shoemaker _____ Manager, Interconnection Projects _____ 12/21/2021 _____

Name Title Date

Printed name of signer: Jason Shoemaker

Interconnection Customer: **Bellflower Solar 1, LLC**

By: Kevin Christy _____ Vice President _____ 12/13/2021 _____

Name Title Date

Printed name of signer: Kevin Christy

Interconnected Transmission Owner: **AEP Indiana Michigan Transmission Company, Inc.**

By: Robert W. Bradish _____ Vice President _____ 12/21/2021 _____

Name Title Date

Printed name of signer: Robert W. Bradish

kC RNB JS

SCHEDULE I

SCOPE OF WORK

Interconnection Customer shall construct and, unless otherwise indicated, shall own, the following Interconnection Facilities:

a) One (1) 138kV circuit breaker and associated equipment located at the Customer collector station;

b) One (1) 34.5/138kV generator step-up transformer located at the Interconnection Customer collector station; and

c) Relay and protective equipment, supervisory control and data acquisition (SCADA) equipment, and telecommunications equipment, with AEP owning the Direct Connection portion of these facilities located in the Shankatank switching station; and

d) Necessary metering equipment as specified in Schedule C of the AE2-297 Interconnection Service Agreement ("ISA").

Interconnection Customer shall construct, and Interconnected Transmission Owner shall own, the following:

Attachment Facilities:

(1) Install 138kV revenue metering at the new AE2-297 138kV switching station (Shankatank switching station).

Direct Connection Network Upgrade:

(1) AE2-297 138kV interconnection switching station – Construct a new 138kV switching station (Shankatank switching station) to interconnect the Customer Facility. PJM Network Upgrade Number n7243.2.

Interconnected Transmission Owner shall construct and, unless otherwise indicated, shall own, the following:

Direct Connection Network Upgrade:

(1) AE2-297 138kV interconnection switching station – Engineering oversight for the design and construction of the new AE2-297 138kV switching station (Shankatank switching station). PJM Network Upgrade Number n7243.2.

Non-Direct Connection Network Upgrades:

(1) Madison – Tanners Creek 138kV line – Construct a new loop-in tap line from AEP's existing Madison – Tanners Creek 138kV line to the new AE2-297 138kV switching station (Shankatank switching station). PJM Network Upgrade Number n7243.3.
(2) Madison 138kV Substation – Modify relay settings. PJM Network Upgrade Number n7243.4.
(3) Tanners Creek 138kV Substation – Modify relay settings. PJM Network Upgrade Number n7243.5.

CSA Cancelled in EQR

Original Service Agreement No. 6314
Effective Date: January 5, 2022

(PJM Queue #AE2-297)

INTERCONNECTION CONSTRUCTION SERVICE AGREEMENT
Among
PJM INTERCONNECTION, L.L.C.
And
BELLFLOWER SOLAR 1, LLC
And
OHIO VALLEY ELECTRIC CORPORATION

INTERCONNECTION CONSTRUCTION SERVICE AGREEMENT
By and Among
PJM Interconnection, L.L.C.
And
Bellflower Solar 1, LLC
And
Ohio Valley Electric Corporation

(PJM Queue Position #AE2-297)

1.0 Parties. This Interconnection Construction Service Agreement ("CSA") including the Schedules and Appendices attached hereto and incorporated herein, is entered into by and between PJM Interconnection, L.L.C. ("Transmission Provider" or "PJM") and the following Interconnection Customer and Interconnected Transmission Owner:

Interconnection Customer:

Bellflower Solar 1, LLC

Interconnected Transmission Owner:

Ohio Valley Electric Corporation (also referred to as "OVEC")

All capitalized terms herein shall have the meanings set forth in the appended definitions of such terms as stated in Part I of the Tariff.

2.0 Authority. This CSA is entered into pursuant to Part VI of the Tariff. The standard terms and conditions for construction are attached at Appendix 2 to this CSA and are hereby specifically incorporated as provisions of this agreement. Transmission Provider, the Interconnection Customer and the Interconnected Transmission Owner agree to and assume all of their respective rights and obligations as set forth in the standard terms and conditions for construction in Appendix 2 to this CSA. Further, Interconnection Customer and the Interconnected Transmission Owner each agrees to and assumes all of the rights and obligations of a Constructing Entity with respect to the facilities that each of them is responsible for constructing, as set forth in this CSA.

3.0 Customer Facility. This CSA specifically relates to the following Customer Facility at the following location:

a. Name of Customer Facility:

Bellflower Solar 1

b. Location of Customer Facility:

Henry County, Indiana
Latitude: 39.7976500 , Longitude: -85.4046850

4.0 Effective Date and Term.

4.1 Effective Date. This CSA shall become effective on the later of (i) the date the agreement has been executed by all Construction Parties, or (ii) the date of Interconnection Customer's delivery of Security to the Transmission Provider, provided, however, that if the CSA is filed with the FERC unexecuted, the Effective Date shall be the date specified by the FERC. The Interconnected Transmission Owner shall have no obligation to begin construction of the Transmission Owner Interconnection Facilities prior to the Effective Date. Construction shall commence as provided in the Schedule of Work set forth in Schedule J to this CSA.

4.2 Term. This CSA shall continue in full force and effect from the Effective Date until the termination thereof pursuant to Section 14 of Appendix 2 to this CSA.

4.3 Survival. This CSA shall continue in effect after termination to the extent necessary to provide for final billings and payments, including billings and payments pursuant to Section 9 and/or Section 14 of Appendix 2 to this CSA, and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while the CSA was in effect.

5.0 Construction Responsibility for

a. Customer Interconnection Facilities. Interconnection Customer is responsible for designing and constructing the Customer Interconnection Facilities described on the attached Schedule G to this CSA.

b. Construction of Transmission Owner Interconnection Facilities.

1. The Transmission Owner Interconnection Facilities regarding which Interconnected Transmission Owner shall be the Constructing Entity are described on the attached Schedule C to this CSA.

2. Election of Construction Option. Specify below whether the Constructing Entities have mutually agreed to construction of the Transmission Owner Interconnection Facilities that will be built by the Interconnected Transmission Owner pursuant to the Standard Option or the Negotiated Contract Option. (See Section 3.2 of the Appendix 2 to this CSA.)

__X__Standard Option.

_____ Negotiated Contract Option.

If the parties have mutually agreed to use the Negotiated Contract Option, the permitted, negotiated terms on which they have agreed and which are not already set forth as part of the Scope of Work and/or Schedule of Work attached to this CSA as Schedules I and J, respectively, shall be as set forth in Schedule H attached to this CSA.

3. Exercise of Option to Build. Has Interconnection Customer timely exercised the Option to Build in accordance with Section 3.2.3 of Appendix 2 to this CSA with respect to some or all of the Transmission Owner Interconnection Facilities?

_____ Yes

__X___ No

If Yes is indicated, Interconnection Customer shall build, in accordance with and subject to the conditions and limitations set forth in Section 3.2.3 of Appendix 2 to this CSA, those portions of the Transmission Owner Interconnection Facilities described on Schedule D attached to this CSA.

6.0 [Reserved].

7.0 Scope of Work. The Scope of Work for all construction pursuant to this CSA shall be as set forth in the attached Schedule I, provided, however, that the scope of work is subject to change in accordance with Transmission Provider's scope change process for interconnection projects as set forth in the PJM Manuals.

8.0 Schedule of Work. The Schedule of Work for all construction pursuant to this CSA shall be as set forth in the attached Schedule J, provided, however, that such schedule is subject to change in accordance with Section 3.3 of Appendix 2 to this CSA.

9.0 [Reserved.]

10.0 Notices. Any notice or request made to or by any party regarding this CSA shall be made in accordance with the standard terms and conditions for construction set forth in Appendix 2 to this CSA to the representatives of the other parties, as indicated below:

Transmission Provider:

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Interconnection Customer:
Bellflower Solar 1, LLC
Attn: Legal Notices
400 Montgomery, Eighth Floor
San Francisco, CA. 94104

Email: legalnoticesus@lightsourcebp.com

Interconnected Transmission Owner:
Ohio Valley Electric Corporation
c/o Scott Cunningham – Electrical Operations Director
P.O. Box 468
Piketon, Ohio 45661
Email: scunning@ovec.com

With copies to:

John W. Seidensticker, Senior Counsel
American Electric Power Service Corporation
1 Riverside Plaza – 29th Floor
Columbus, OH 43215
Email: jwseidensticker@aep.com

And

Brian Chisling
Simpson Thacher & Bartlett LLC
425 Lexington Ave
New York, NY 10017
Email: bhsiling@stblaw.com

11.0 Waiver. No waiver by any party of one or more defaults by another in performance of any of the provisions of this CSA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.

12.0 Amendment. This CSA or any part thereof, may not be amended, modified, assigned, or waived other than by a writing signed by all parties.

13.0 Incorporation of Other Documents. All portions of the Tariff and the Operating Agreement pertinent to the subject of this CSA and not otherwise made a part hereof are hereby incorporated herein and made a part hereof.

14.0 Addendum of Interconnection Customer's Agreement to Conform with IRS Safe Harbor Provisions for Non-Taxable Status. To the extent required, in accordance with Section 2.4.1 of Appendix 2 to this CSA, Schedule L to this CSA shall set forth the Interconnection Customer's agreement to conform with the IRS safe harbor provisions for non-taxable status.

15.0 Addendum of Non-Standard Terms and Conditions for Construction Service. Subject to FERC approval, the parties agree that the terms and conditions set forth in the attached Schedule M are hereby incorporated by reference, and made a part of, this CSA. In the event of any conflict between a provision of Schedule M that FERC has accepted and any

provision of the standard terms and conditions set forth in Appendix 2 to this CSA that relates to the same subject matter, the pertinent provision of Schedule M shall control.

16.0 Addendum of Interconnection Requirements for all Wind or Non-synchronous Generation Facilities. To the extent required, Schedule N to this CSA sets forth interconnection requirements for all wind and non-synchronous generation facilities and is hereby incorporated by reference and made a part of this CSA.

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

IN WITNESS WHEREOF, the parties have caused this Interconnection Construction Service Agreement to be executed by their respective authorized officials.

(PJM Queue Position #AE2-297)

Transmission Provider: PJM Interconnection, L.L.C.:

By: Jason Shoemaker | Manager, Interconnection Projects | 1/5/2022

Name | Title | Date

Printed name of signer: Jason Shoemaker

Interconnection Customer: **Bellflower Solar 1, LLC**

By: Kevin Christy | Vice President | 12/13/2021

Name | Title | Date

Printed name of signer: Kevin Christy

Interconnected Transmission Owner: **Ohio Valley Electric Corporation**

By: Justin J. Cooper | Vice President, COO & CFO | 1/3/2022

Name | Title | Date

Printed name of signer: Justin J. Cooper

APPENDICES:

- **APPENDIX 1 - DEFINITIONS**
- **APPENDIX 2 - STANDARD CONSTRUCTION TERMS AND CONDITIONS**

SCHEDULES:

- **SCHEDULE A - SITE PLAN**
- **SCHEDULE B - SINGLE-LINE DIAGRAM OF INTERCONNECTION FACILITIES**
- **SCHEDULE C - TRANSMISSION OWNER INTERCONNECTION FACILITIES TO BE BUILT BY INTERCONNECTED TRANSMISSION OWNER**
- **SCHEDULE D - TRANSMISSION OWNER INTERCONNECTION FACILITIES TO BE BUILT BY INTERCONNECTION CUSTOMER PURSUANT TO OPTION TO BUILD**
- **SCHEDULE E – [Reserved]**
- **SCHEDULE F – [Reserved]**
- **SCHEDULE G - CUSTOMER INTERCONNECTION FACILITIES**
- **SCHEDULE H - NEGOTIATED CONTRACT OPTION TERMS**
- **SCHEDULE I - SCOPE OF WORK**
- **SCHEDULE J - SCHEDULE OF WORK**
- **SCHEDULE K - APPLICABLE TECHNICAL REQUIREMENTS AND STANDARDS**
- **SCHEDULE L - INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS**
- **SCHEDULE M - SCHEDULE OF NON-STANDARD TERMS AND CONDITIONS**
- **SCHEDULE N - INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY**

APPENDIX 1

DEFINITIONS

From the PJM Tariff accepted for filing by the Commission as of the effective date of this agreement

Unless the context otherwise specifies or requires, capitalized terms used in this Agreement shall have the respective meanings set forth below. Unless otherwise specified, all references herein to sections, Schedules or Appendices are to sections, Schedules or Appendices of this Agreement.

Abnormal Condition:

"Abnormal Condition" shall mean any condition on the Interconnection Facilities which, determined in accordance with Good Utility Practice, is: (i) outside normal operating parameters such that facilities are operating outside their normal ratings or that reasonable operating limits have been exceeded; and (ii) could reasonably be expected to materially and adversely affect the safe and reliable operation of the Interconnection Facilities; but which, in any case, could reasonably be expected to result in an Emergency Condition. Any condition or situation that results from lack of sufficient generating capacity to meet load requirements or that results solely from economic conditions shall not, standing alone, constitute an Abnormal Condition.

Affected System:

"Affected System" shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by a proposed interconnection or on which a proposed interconnection or addition of facilities or upgrades may require modifications or upgrades to the Transmission System.

Affiliate:

"Affiliate" shall mean any two or more entities, one of which Controls the other or that are under common Control. "Control," as that term is used in this definition, shall mean the possession, directly or indirectly, of the power to direct the management or policies of an entity. Ownership of publicly-traded equity securities of another entity shall not result in Control or affiliation for purposes of the Tariff or Operating Agreement if the securities are held as an investment, the holder owns (in its name or via intermediaries) less than 10 percent (10%) of the outstanding securities of the entity, the holder does not have representation on the entity's board of directors (or equivalent managing entity) or vice versa, and the holder does not in fact exercise influence over day-to-day management decisions. Unless the contrary is demonstrated to the satisfaction of the Members Committee, Control shall be presumed to arise from the ownership of or the power to vote, directly or indirectly, ten percent or more of the voting securities of such entity.

Ancillary Services:

"Ancillary Services" shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations:

"Applicable Laws and Regulations" shall mean all duly promulgated applicable federal, State

and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority having jurisdiction over the relevant parties, their respective facilities, and/or the respective services they provide.

Applicable Regional Entity:

"Applicable Regional Entity" shall mean the Regional Entity for the region in which a Network Customer, Transmission Customer, New Service Customer, or Transmission Owner operates.

Applicable Standards:

"Applicable Standards" shall mean the requirements and guidelines of NERC, the Applicable Regional Entity, and the Control Area in which the Customer Facility is electrically located; the PJM Manuals; and Applicable Technical Requirements and Standards.

Applicable Technical Requirements and Standards:

"Applicable Technical Requirements and Standards" shall mean those certain technical requirements and standards applicable to interconnections of generation and/or transmission facilities with the facilities of an Interconnected Transmission Owner or, as the case may be and to the extent applicable, of an Electric Distributor, as published by Transmission Provider in a PJM Manual provided, however, that, with respect to any generation facilities with maximum generating capacity of 2 MW or less *(synchronous) or 5 MW or less (inverter-based)* for which the Interconnection Customer executes a Construction Service Agreement or Interconnection Service Agreement on or after March 19, 2005, "Applicable Technical Requirements and Standards" shall refer to the "PJM Small Generator Interconnection Applicable Technical Requirements and Standards." All Applicable Technical Requirements and Standards shall be publicly available through postings on Transmission Provider's internet website.

Attachment Facilities:

"Attachment Facilities" shall mean the facilities necessary to physically connect a Customer Facility to the Transmission System or interconnected distribution facilities.

Behind The Meter Generation:

"Behind The Meter Generation" shall refer to a generation unit that delivers energy to load without using the Transmission System or any distribution facilities (unless the entity that owns or leases the distribution facilities has consented to such use of the distribution facilities and such consent has been demonstrated to the satisfaction of the Office of the Interconnection); provided, however, that Behind The Meter Generation does not include (i) at any time, any portion of such generating unit's capacity that is designated as a Generation Capacity Resource; or (ii) in an hour, any portion of the output of such generating unit that is sold to another entity for consumption at another electrical location or into the PJM Interchange Energy Market.

Breach:

"Breach" shall mean the failure of a party to perform or observe any material term or condition of Tariff, Part IV or Tariff, Part VI, or any agreement entered into thereunder as described in the relevant provisions of such agreement.

Breaching Party:

"Breaching Party" shall mean a party that is in Breach of Tariff, Part IV or Tariff, Part VI and/or an agreement entered into thereunder.

Business Day:

"Business Day" shall mean a day in which the Federal Reserve System is open for business and is not a scheduled PJM holiday.

Cancellation Costs:

"Cancellation Costs" shall mean costs and liabilities incurred in connection with: (a) cancellation of supplier and contractor written orders and agreements entered into to design, construct and install Attachment Facilities, Direct Assignment Facilities and/or Customer-Funded Upgrades, and/or (b) completion of some or all of the required Attachment Facilities, Direct Assignment Facilities and/or Customer-Funded Upgrades, or specific unfinished portions and/or removal of any or all of such facilities which have been installed, to the extent required for the Transmission Provider and/or Transmission Owner(s) to perform their respective obligations under Tariff, Part IV and/or Part VI.

Capacity:

"Capacity" shall mean the installed capacity requirement of the Reliability Assurance Agreement or similar such requirements as may be established.

Capacity Interconnection Rights:

"Capacity Interconnection Rights" shall mean the rights to input generation as a Generation Capacity Resource into the Transmission System at the Point of Interconnection where the generating facilities connect to the Transmission System.

Capacity Resource:

"Capacity Resource" shall have the meaning provided in the Reliability Assurance Agreement.

Commencement Date:

"Commencement Date" shall mean the date on which Interconnection Service commences in accordance with an Interconnection Service Agreement.

Confidential Information:

"Confidential Information" shall mean any confidential, proprietary, or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy, or compilation relating to the present or planned business of a New Service Customer, Transmission Owner, or other Interconnection Party or Construction Party, which is designated as confidential by the party supplying the information, whether conveyed verbally, electronically, in writing, through inspection, or otherwise, and shall include, without limitation, all information relating to the producing party's technology, research and development, business affairs and pricing, and any information supplied by any New Service Customer, Transmission Owner, or other Interconnection Party or Construction Party to another such party prior to the execution of an Interconnection Service Agreement or a Construction Service Agreement.

Consolidated Transmission Owners Agreement, PJM Transmission Owners Agreement or Transmission Owners Agreement:

"Consolidated Transmission Owners Agreement," "PJM Transmission Owners Agreement" or "Transmission Owners Agreement" shall mean the certain Consolidated Transmission Owners Agreement dated as of December 15, 2005, by and among the Transmission Owners and by and between the Transmission Owners and PJM Interconnection, L.L.C. on file with the Commission, as amended from time to time.

Constructing Entity:

"Constructing Entity" shall mean either the Transmission Owner or the New Services Customer, depending on which entity has the construction responsibility pursuant to Tariff, Part VI and the applicable Construction Service Agreement; this term shall also be used to refer to an Interconnection Customer with respect to the construction of the Customer Interconnection Facilities.

Construction Party:

"Construction Party" shall mean a party to a Construction Service Agreement. "Construction Parties" shall mean all of the Parties to a Construction Service Agreement.

Construction Service Agreement:

"Construction Service Agreement" shall mean either an Interconnection Construction Service Agreement or an Upgrade Construction Service Agreement.

Contingent Facilities:

"Contingent Facilities" shall mean those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent and, if delayed or not built, could cause a need for restudies of the Interconnection

Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Control Area:

"Control Area" shall mean an electric power system or combination of electric power systems bounded by interconnection metering and telemetry to which a common automatic generation control scheme is applied in order to:

(1) match the power output of the generators within the electric power system(s) and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

(2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

(3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and

(4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Controllable A.C. Merchant Transmission Facilities:

"Controllable A.C. Merchant Transmission Facilities" shall mean transmission facilities that (1) employ technology which Transmission Provider reviews and verifies will permit control of the amount and/or direction of power flow on such facilities to such extent as to effectively enable the controllable facilities to be operated as if they were direct current transmission facilities, and (2) that are interconnected with the Transmission System pursuant to Tariff, Part IV and Part VI.

Costs:

As used in Tariff, Part IV, Part VI and related attachments, "Costs" shall mean costs and expenses, as estimated or calculated, as applicable, including, but not limited to, capital expenditures, if applicable, and overhead, return, and the costs of financing and taxes and any Incidental Expenses.

Customer Facility:

"Customer Facility" shall mean Generation Facilities or Merchant Transmission Facilities interconnected with or added to the Transmission System pursuant to an Interconnection Request under Subpart A of Tariff, Part IV.

Customer Interconnection Facilities:

"Customer Interconnection Facilities" shall mean all facilities and equipment owned and/or controlled, operated and maintained by Interconnection Customer on Interconnection Customer's side of the Point of Interconnection identified in the appropriate appendices to the Interconnection Service Agreement and to the Interconnection Construction Service Agreement, including any modifications, additions, or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Customer Facility with the Transmission System.

Default:

As used in the Interconnection Service Agreement and Construction Service Agreement, "Default" shall mean the failure of a Breaching Party to cure its Breach in accordance with the applicable provisions of an Interconnection Service Agreement or Construction Service Agreement.

Emergency Condition:

"Emergency Condition" shall mean a condition or situation (i) that in the judgment of any Interconnection Party is imminently likely to endanger life or property; or (ii) that in the judgment of the Interconnected Transmission Owner or Transmission Provider is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Transmission System, the Interconnection Facilities, or the transmission systems or distribution systems to which the Transmission System is directly or indirectly connected; or (iii) that in the judgment of Interconnection Customer is imminently likely (as determined in a non-discriminatory manner) to cause damage to the Customer Facility or to the Customer Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions, provided that a Generation Interconnection Customer is not obligated by an Interconnection Service Agreement to possess black start capability. Any condition or situation that results from lack of sufficient generating capacity to meet load requirements or that results solely from economic conditions shall not constitute an Emergency Condition, unless one or more of the enumerated conditions or situations identified in this definition also exists.

Energy Resource:

"Energy Resource" shall mean a Generating Facility that is not a Capacity Resource.

Energy Storage Resource:

"Energy Storage Resource" shall mean a resource capable of receiving electric energy from the grid and storing it for later injection to the grid that participates in the PJM Energy, Capacity and/or Ancillary Services markets as a Market Participant.

Facilities Study:

"Facilities Study" shall be an engineering study conducted by the Transmission Provider (in

coordination with the affected Transmission Owner(s)) to: (1) determine the required modifications to the Transmission Provider's Transmission System necessary to implement the conclusions of the System Impact Study; and (2) complete any additional studies or analyses documented in the System Impact Study or required by PJM Manuals, and determine the required modifications to the Transmission Provider's Transmission System based on the conclusions of such additional studies. The Facilities Study shall include the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service or to accommodate a New Service Request. As used in the Interconnection Service Agreement or Construction Service Agreement, Facilities Study shall mean that certain Facilities Study conducted by Transmission Provider (or at its direction) to determine the design and specification of the Customer Funded Upgrades necessary to accommodate the New Service Customer's New Service Request in accordance with Tariff, Part VI, section 207.

Federal Power Act:

"Federal Power Act" shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a, et seq.

FERC or Commission:

"FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any successor federal agency, commission or department exercising jurisdiction over the Tariff, Operating Agreement and Reliability Assurance Agreement.

Generating Facilities:

"Generating Facilities" shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generation Interconnection Customer:

"Generation Interconnection Customer" shall mean an entity that submits an Interconnection Request to interconnect a new generation facility or to increase the capacity of an existing generation facility interconnected with the Transmission System in the PJM Region.

Generation Interconnection Request:

"Generation Interconnection Request" shall mean a request by a Generation Interconnection Customer pursuant to Tariff, Part IV, subpart A, to interconnect a generating unit with the Transmission System or to increase the capacity of a generating unit interconnected with the Transmission System in the PJM Region.

Good Utility Practice:

"Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period,

or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather is intended to include acceptable practices, methods, or acts generally accepted in the region; including those practices required by Federal Power Act, section 215(a)(4).

Governmental Authority:

"Governmental Authority" shall mean any federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority having jurisdiction over any Interconnection Party or Construction Party or regarding any matter relating to an Interconnection Service Agreement or Construction Service Agreement, as applicable.

Hazardous Substances:

"Hazardous Substance" shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Incremental Auction Revenue Rights:

"Incremental Auction Revenue Rights" shall mean the additional Auction Revenue Rights, not previously feasible, created by the addition of Incremental Rights-Eligible Required Transmission Enhancements, Merchant Transmission Facilities, or of one or more Customer-Funded Upgrades.

Incremental Available Transfer Capability Revenue Rights:

"Incremental Available Transfer Capability Revenue Rights" shall mean the rights to revenues that are derived from incremental Available Transfer Capability created by the addition of Merchant Transmission Facilities or of one of more Customer-Funded Upgrades.

Incremental Capacity Transfer Right:

"Incremental Capacity Transfer Right" shall mean a Capacity Transfer Right allocated to a Generation Interconnection Customer or Transmission Interconnection Customer obligated to fund a transmission facility or upgrade, to the extent such upgrade or facility increases the transmission import capability into a Locational Deliverability Area, or a Capacity Transfer

Right allocated to a Responsible Customer in accordance with Tariff, Schedule 12A.

Incremental Deliverability Rights (IDRs):

"Incremental Deliverability Rights" or "IDRs" shall mean the rights to the incremental ability, resulting from the addition of Merchant Transmission Facilities, to inject energy and capacity at a point on the Transmission System, such that the injection satisfies the deliverability requirements of a Capacity Resource. Incremental Deliverability Rights may be obtained by a generator or a Generation Interconnection Customer, pursuant to an IDR Transfer Agreement, to satisfy, in part, the deliverability requirements necessary to obtain Capacity Interconnection Rights.

Initial Operation:

"Initial Operation" shall mean the commencement of operation of the Customer Facility and Customer Interconnection Facilities after satisfaction of the conditions of Tariff, Attachment O-Appendix 2, section 1.4 (an Interconnection Service Agreement).

Interconnected Entity:

"Interconnected Entity" shall mean either the Interconnection Customer or the Interconnected Transmission Owner; Interconnected Entities shall mean both of them.

Interconnected Transmission Owner:

"Interconnected Transmission Owner" shall mean the Transmission Owner to whose transmission facilities or distribution facilities Customer Interconnection Facilities are, or as the case may be, a Customer Facility is, being directly connected. When used in an Interconnection Construction Service Agreement, the term may refer to a Transmission Owner whose facilities must be upgraded pursuant to the Facilities Study, but whose facilities are not directly interconnected with those of the Interconnection Customer.

Interconnection Construction Service Agreement:

"Interconnection Construction Service Agreement" shall mean the agreement entered into by an Interconnection Customer, Interconnected Transmission Owner and the Transmission Provider pursuant to Tariff, Part VI, Subpart B and in the form set forth in Tariff, Attachment P, relating to construction of Attachment Facilities, Network Upgrades, and/or Local Upgrades and coordination of the construction and interconnection of an associated Customer Facility. A separate Interconnection Construction Service Agreement will be executed with each Transmission Owner that is responsible for construction of any Attachment Facilities, Network Upgrades, or Local Upgrades associated with interconnection of a Customer Facility.

Interconnection Customer:

"Interconnection Customer" shall mean a Generation Interconnection Customer and/or a

Transmission Interconnection Customer.

Interconnection Facilities:

"Interconnection Facilities" shall mean the Transmission Owner Interconnection Facilities and the Customer Interconnection Facilities.

Interconnection Party:

"Interconnection Party" shall mean a Transmission Provider, Interconnection Customer, or the Interconnected Transmission Owner. Interconnection Parties shall mean all of them.

Interconnection Request:

"Interconnection Request" shall mean a Generation Interconnection Request, a Transmission Interconnection Request and/or an IDR Transfer Agreement.

Interconnection Service:

"Interconnection Service" shall mean the physical and electrical interconnection of the Customer Facility with the Transmission System pursuant to the terms of Tariff, Part IV and Tariff, Part VI and the Interconnection Service Agreement entered into pursuant thereto by Interconnection Customer, the Interconnected Transmission Owner and Transmission Provider.

Interconnection Service Agreement:

"Interconnection Service Agreement" shall mean an agreement among the Transmission Provider, an Interconnection Customer and an Interconnected Transmission Owner regarding interconnection under Tariff, Part IV and Tariff, Part VI.

List of Approved Contractors:

"List of Approved Contractors" shall mean a list developed by each Transmission Owner and published in a PJM Manual of (a) contractors that the Transmission Owner considers to be qualified to install or construct new facilities and/or upgrades or modifications to existing facilities on the Transmission Owner's system, provided that such contractors may include, but need not be limited to, contractors that, in addition to providing construction services, also provide design and/or other construction-related services, and (b) manufacturers or vendors of major transmission-related equipment (e.g., high-voltage transformers, transmission line, circuit breakers) whose products the Transmission Owner considers acceptable for installation and use on its system.

Load Serving Entity (LSE):

"Load Serving Entity" or "LSE" shall have the meaning specified in the Reliability Assurance Agreement.

Local Upgrades:

"Local Upgrades" shall mean modifications or additions of facilities to abate any local thermal loading, voltage, short circuit, stability or similar engineering problem caused by the interconnection and delivery of generation to the Transmission System. Local Upgrades shall include:

(i) Direct Connection Local Upgrades which are Local Upgrades that only serve the Customer Interconnection Facility and have no impact or potential impact on the Transmission System until the final tie-in is complete; and

(ii) Non-Direct Connection Local Upgrades which are parallel flow Local Upgrades that are not Direct Connection Local Upgrades.

Material Modification:

"Material Modification" shall mean any modification to an Interconnection Request that has a material adverse effect on the cost or timing of Interconnection Studies related to, or any Network Upgrades or Local Upgrades needed to accommodate, any Interconnection Request with a later Queue Position.

Maximum Facility Output:

"Maximum Facility Output" shall mean the maximum (not nominal) net electrical power output in megawatts, specified in the Interconnection Service Agreement, after supply of any parasitic or host facility loads, that a Generation Interconnection Customer's Customer Facility is expected to produce, provided that the specified Maximum Facility Output shall not exceed the output of the proposed Customer Facility that Transmission Provider utilized in the System Impact Study.

Maximum State of Charge:

"Maximum State of Charge" shall mean the maximum State of Charge that should not be exceeded, measured in units of megawatt-hours.

Merchant A.C. Transmission Facilities:

"Merchant A.C. Transmission Facility" shall mean Merchant Transmission Facilities that are alternating current (A.C.) transmission facilities, other than those that are Controllable A.C. Merchant Transmission Facilities.

Merchant D.C. Transmission Facilities:

"Merchant D.C. Transmission Facilities" shall mean direct current (D.C.) transmission facilities that are interconnected with the Transmission System pursuant to Tariff, Part IV and Tariff, Part

VI.

Merchant Network Upgrades:

"Merchant Network Upgrades" shall mean additions to, or modifications or replacements of, physical facilities of the Interconnected Transmission Owner that, on the date of the pertinent Transmission Interconnection Customer's Upgrade Request, are part of the Transmission System or are included in the Regional Transmission Expansion Plan.

Merchant Transmission Facilities:

"Merchant Transmission Facilities" shall mean A.C. or D.C. transmission facilities that are interconnected with or added to the Transmission System pursuant to Tariff, Part IV and Tariff, Part VI and that are so identified in Tariff, Attachment T, provided, however, that Merchant Transmission Facilities shall not include (i) any Customer Interconnection Facilities, (ii) any physical facilities of the Transmission System that were in existence on or before March 20, 2003 ; (iii) any expansions or enhancements of the Transmission System that are not identified as Merchant Transmission Facilities in the Regional Transmission Expansion Plan and Tariff, Attachment T, or (iv) any transmission facilities that are included in the rate base of a public utility and on which a regulated return is earned.

Merchant Transmission Provider:

"Merchant Transmission Provider" shall mean an Interconnection Customer that (1) owns, controls, or controls the rights to use the transmission capability of, Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that connect the Transmission System with another control area, (2) has elected to receive Transmission Injection Rights and Transmission Withdrawal Rights associated with such facility pursuant to Tariff, Part IV, section 36, and (3) makes (or will make) the transmission capability of such facilities available for use by third parties under terms and conditions approved by the Commission and stated in the Tariff, consistent with Tariff, Part IV, section 38.

Metering Equipment:

"Metering Equipment" shall mean all metering equipment installed at the metering points designated in the appropriate appendix to an Interconnection Service Agreement.

Minimum State of Charge:

"Minimum State of Charge" shall mean the minimum State of Charge that should be maintained in units of megawatt-hours.

NERC:

"NERC" shall mean the North American Electric Reliability Corporation or any successor thereto.

Network Upgrades:

"Network Upgrades" shall mean modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System. Network Upgrades shall include:

(i) **Direct Connection Network Upgrades** which are Network Upgrades that are not part of an Affected System; only serve the Customer Interconnection Facility; and have no impact or potential impact on the Transmission System until the final tie-in is complete. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Direct Connection Network Upgrades and identify them in the Interconnection Construction Service Agreement, Schedule D. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Direct Connection Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Direcct Connection Network Upgrade within 15 days of its determination.

(ii) **Non-Direct Connection Network Upgrades** which are parallel flow Network Upgrades that are not Direct Connection Network Upgrades.

New Service Request:

"New Service Request" shall mean an Interconnection Request, a Completed Application, or an Upgrade Request.

New Services Queue:

"New Services Queue" shall mean all Interconnection Requests, Completed Applications, and Upgrade Requests that are received within each six-month period ending on March 31 and September 30 of each year shall collectively comprise a New Services Queue.

Nominal Rated Capability:

"Nominal Rated Capability" shall mean the nominal maximum rated capability in megawatts of a Transmission Interconnection Customer's Customer Facility or the nominal increase in transmission capability in megawatts of the Transmission System resulting from the interconnection or addition of a Transmission Interconnection Customer's Customer Facility, as determined in accordance with pertinent Applicable Standards and specified in the Interconnection Service Agreement.

Operating Agreement of the PJM Interconnection, L.L.C., Operating Agreement or PJM Operating Agreement:

"Operating Agreement of the PJM Interconnection, L.L.C.," "Operating Agreement" or "PJM Operating Agreement" shall mean the Amended and Restated Operating Agreement of PJM

Interconnection, L.L.C. dated as of April 1, 1997 and as amended and restated as of June 2, 1997, including all Schedules, Exhibits, Appendices, addenda or supplements hereto, as amended from time to time thereafter, among the Members of the PJM Interconnection, L.L.C., on file with the Commission.

Option to Build:

"Option to Build" shall mean the option of the New Service Customer to build certain Customer-Funded Upgrades, as set forth in, and subject to the terms of, the Construction Service Agreement.

Part I:

"Part I" shall mean the Tariff Definitions and Common Service Provisions contained in Tariff, Part I, sections 1 through 12A.

Part II:

"Part II" shall mean Tariff, Part II, sections 13 through 27A pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part III:

"Part III" shall mean Tariff, Part III, sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part IV:

"Part IV" shall mean Tariff, Part IV, sections 36 through 112C pertaining to generation or merchant transmission interconnection to the Transmission System in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part VI:

"Part VI" shall mean Tariff, Part VI, sections 200 through 237 pertaining to the queuing, study, and agreements relating to New Service Requests, and the rights associated with Customer-Funded Upgrades in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Parties:

"Parties" shall mean the Transmission Provider, as administrator of the Tariff, and the Transmission Customer receiving service under the Tariff. PJMSettlement shall be the

Counterparty to Transmission Customers.

PJM:

"PJM" shall mean PJM Interconnection, L.L.C., including the Office of the Interconnection as referenced in the PJM Operating Agreement. When such term is being used in the RAA it shall also include the PJM Board.

PJM Manuals:

"PJM Manuals" shall mean the instructions, rules, procedures and guidelines established by the Office of the Interconnection for the operation, planning, and accounting requirements of the PJM Region and the PJM Interchange Energy Market.

PJM Region:

"PJM Region" shall have the meaning specified in the Operating Agreement.

PJM Tariff, Tariff, O.A.T.T., OATT or PJM Open Access Transmission Tariff:

"PJM Tariff," "Tariff," "O.A.T.T.," "OATT," or "PJM Open Access Transmission Tariff" shall mean that certain PJM Open Access Transmission Tariff, including any schedules, appendices or exhibits attached thereto, on file with FERC and as amended from time to time thereafter.

Point of Interconnection:

"Point of Interconnection" shall mean the point or points where the Customer Interconnection Facilities interconnect with the Transmission Owner Interconnection Facilities or the Transmission System.

Project Finance Entity:

"Project Finance Entity" shall mean: (a) a holder, trustee or agent for holders, of any component of Project Financing; or (b) any purchaser of capacity and/or energy produced by the Customer Facility to which Interconnection Customer has granted a mortgage or other lien as security for some or all of Interconnection Customer's obligations under the corresponding power purchase agreement.

Provisional Interconnection Service:

"Provisional Interconnection Service" shall mean interconnection service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Interconnection Service Agreement and, if applicable, the Tariff.

Queue Position:

"Queue Position" shall mean the priority assigned to an Interconnection Request, a Completed Application, or an Upgrade Request pursuant to applicable provisions of Tariff, Part VI.

Reasonable Efforts:

"Reasonable Efforts" shall mean, with respect to any action required to be made, attempted, or taken by an Interconnection Party or by a Construction Party under Tariff, Part IV or Tariff, Part VI, an Interconnection Service Agreement, or a Construction Service Agreement, such efforts as are timely and consistent with Good Utility Practice and with efforts that such party would undertake for the protection of its own interests.

Regional Entity:

"Regional Entity" shall have the same meaning specified in the Operating Agreement.

Regional Transmission Expansion Plan:

"Regional Transmission Expansion Plan" shall mean the plan prepared by the Office of the Interconnection pursuant to Operating Agreement, Schedule 6 for the enhancement and expansion of the Transmission System in order to meet the demands for firm transmission service in the PJM Region.

Reliability Assurance Agreement or PJM Reliability Assurance Agreement:

"Reliability Assurance Agreement" or "PJM Reliability Assurance Agreement" shall mean that certain Reliability Assurance Agreement Among Load Serving Entities in the PJM Region, on file with FERC as PJM Interconnection L.L.C. Rate Schedule FERC No. 44, and as amended from time to time thereafter.

Schedule of Work:

"Schedule of Work" shall mean that schedule attached to the Interconnection Construction Service Agreement setting forth the timing of work to be performed by the Constructing Entity pursuant to the Interconnection Construction Service Agreement, based upon the Facilities Study and subject to modification, as required, in accordance with Transmission Provider's scope change process for interconnection projects set forth in the PJM Manuals.

Scope of Work:

"Scope of Work" shall mean that scope of the work attached as a schedule to the Interconnection Construction Service Agreement and to be performed by the Constructing Entity(ies) pursuant to the Interconnection Construction Service Agreement, provided that such Scope of Work may be modified, as required, in accordance with Transmission Provider's scope change process for interconnection projects set forth in the PJM Manuals.

Secondary Systems:

"Secondary Systems" shall mean control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers.

Security:

"Security" shall mean the security provided by the New Service Customer pursuant to Tariff, section 212.4 or Tariff, Part VI, section 213.4 to secure the New Service Customer's responsibility for Costs under the Interconnection Service Agreement or Upgrade Construction Service Agreement and Tariff, Part VI, section 217.

Service Agreement:

"Service Agreement" shall mean the initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

Site:

"Site" shall mean all of the real property, including but not limited to any leased real property and easements, on which the Customer Facility is situated and/or on which the Customer Interconnection Facilities are to be located.

State:

"State" shall mean the District of Columbia and any State or Commonwealth of the United States.

State of Charge:

"State of Charge" shall mean the operating parameter that represents the quantity of physical energy stored (measured in units of megawatt-hours) in an Energy Storage Resource Model Participant in proportion to its maximum State of Charge capability. State of Charge is quantified as defined in the PJM Manuals.

Station Power:

"Station Power" shall mean energy used for operating the electric equipment on the site of a generation facility located in the PJM Region or for the heating, lighting, air-conditioning and office equipment needs of buildings on the site of such a generation facility that are used in the operation, maintenance, or repair of the facility. Station Power does not include any energy (i) used to power synchronous condensers; (ii) used for pumping at a pumped storage facility; (iii) used in association with restoration or black start service; or (iv) that is Direct Charging Energy.

Surplus Interconnection Customer:

"Surplus Interconnection Customer" shall mean either an Interconnection Customer whose Generating Facility is already interconnected to the PJM Transmission System or one of its affiliates, or an unaffiliated entity that submits a Surplus Interconnection Request to utilize Surplus Interconnection Service within the Transmission System in the PJM Region. A Surplus Interconnection Customer is not a New Service Customer.

Surplus Interconnection Request:

"Surplus Interconnection Request" shall mean a request submitted by a Surplus Interconnection Customer, pursuant to Tariff, Attachment RR, to utilize Surplus Interconnection Service within the Transmission System in the PJM Region. A Surplus Interconnection Request is not a New Service Request.

Surplus Interconnection Service:

"Surplus Interconnection Service" shall mean any unneeded portion of Interconnection Service established in an Interconnection Service Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Switching and Tagging Rules:

"Switching and Tagging Rules" shall mean the switching and tagging procedures of Interconnected Transmission Owners and Interconnection Customer as they may be amended from time to time.

System Impact Study:

"System Impact Study" shall mean an assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a Completed Application, an Interconnection Request or an Upgrade Request, (ii) whether any additional costs may be incurred in order to provide such transmission service or to accommodate an Interconnection Request, and (iii) with respect to an Interconnection Request, an estimated date that an Interconnection Customer's Customer Facility can be interconnected with the Transmission System and an estimate of the Interconnection Customer's cost responsibility for the interconnection; and (iv) with respect to an Upgrade Request, the estimated cost of the requested system upgrades or expansion, or of the cost of the system upgrades or expansion, necessary to provide the requested incremental rights.

System Protection Facilities:

"System Protection Facilities" shall refer to the equipment required to protect (i) the Transmission System, other delivery systems and/or other generating systems connected to the Transmission System from faults or other electrical disturbance occurring at or on the Customer Facility, and (ii)

the Customer Facility from faults or other electrical system disturbance occurring on the Transmission System or on other delivery systems and/or other generating systems to which the Transmission System is directly or indirectly connected. System Protection Facilities shall include such protective and regulating devices as are identified in the Applicable Technical Requirements and Standards or that are required by Applicable Laws and Regulations or other Applicable Standards, or as are otherwise necessary to protect personnel and equipment and to minimize deleterious effects to the Transmission System arising from the Customer Facility.

Transmission Facilities:

"Transmission Facilities" shall have the meaning set forth in the Operating Agreement.

Transmission Injection Rights:

"Transmission Injection Rights" shall mean Capacity Transmission Injection Rights and Energy Transmission Injection Rights.

Transmission Interconnection Customer:

"Transmission Interconnection Customer" shall mean an entity that submits an Interconnection Request to interconnect or add Merchant Transmission Facilities to the Transmission System or to increase the capacity of Merchant Transmission Facilities interconnected with the Transmission System in the PJM Region or an entity that submits an Upgrade Request for Merchant Network Upgrades (including accelerating the construction of any transmission enhancement or expansion, other than Merchant Transmission Facilities, that is included in the Regional Transmission Expansion Plan prepared pursuant to Operating Agreement, Schedule 6).

Transmission Owner:

"Transmission Owner" shall mean a Member that owns or leases with rights equivalent to ownership Transmission Facilities and is a signatory to the PJM Transmission Owners Agreement. Taking transmission service shall not be sufficient to qualify a Member as a Transmission Owner.

Transmission Owner Attachment Facilities:

"Transmission Owner Attachment Facilities" shall mean that portion of the Transmission Owner Interconnection Facilities comprised of all Attachment Facilities on the Interconnected Transmission Owner's side of the Point of Interconnection.

Transmission Owner Interconnection Facilities:

"Transmission Owner Interconnection Facilities" shall mean all Interconnection Facilities that are not Customer Interconnection Facilities and that, after the transfer under Tariff, Attachment P, Appendix 2, section 5.5 to the Interconnected Transmission Owner of title to any Transmission Owner Interconnection Facilities that the Interconnection Customer constructed,

are owned, controlled, operated and maintained by the Interconnected Transmission Owner on the Interconnected Transmission Owner's side of the Point of Interconnection identified in appendices to the Interconnection Service Agreement and to the Interconnection Construction Service Agreement, including any modifications, additions or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Customer Facility with the Transmission System or interconnected distribution facilities.

Transmission Provider:

The "Transmission Provider" shall be the Office of the Interconnection for all purposes, provided that the Transmission Owners will have the responsibility for the following specified activities:

(a) The Office of the Interconnection shall direct the operation and coordinate the maintenance of the Transmission System, except that the Transmission Owners will continue to direct the operation and maintenance of those transmission facilities that are not listed in the PJM Designated Facilities List contained in the PJM Manual on Transmission Operations;

(b) Each Transmission Owner shall physically operate and maintain all of the facilities that it owns; and

(c) When studies conducted by the Office of the Interconnection indicate that enhancements or modifications to the Transmission System are necessary, the Transmission Owners shall have the responsibility, in accordance with the applicable terms of the Tariff, Operating Agreement and/or the Consolidated Transmission Owners Agreement to construct, own, and finance the needed facilities or enhancements or modifications to facilities.

Transmission Service:

"Transmission Service" shall mean Point-To-Point Transmission Service provided under Tariff, Part II on a firm and non-firm basis.

Transmission System:

"Transmission System" shall mean the facilities controlled or operated by the Transmission Provider within the PJM Region that are used to provide transmission service under Tariff, Part II and Part III.

Transmission Withdrawal Rights:

"Transmission Withdrawal Rights" shall mean Firm Transmission Withdrawal Rights and Non-Firm Transmission Withdrawal Rights.

APPENDIX 2

STANDARD CONSTRUCTION TERMS AND CONDITIONS

Preamble

The construction of any Interconnection Facilities required to interconnect a Customer Facility with the Transmission System shall be in accordance with the following Standard Construction Terms and Conditions.

1 Facilitation by Transmission Provider

Transmission Provider shall keep itself apprised of the status of the Constructing Entities' construction-related activities and, upon request of either of them, Transmission Provider shall meet with the Constructing Entities separately or together to assist them in resolving issues between them regarding their respective activities, rights and obligations under this Appendix 2 to this CSA. Each Constructing Entity shall cooperate in good faith with the other Construction Parties in Transmission Provider's efforts to facilitate resolution of disputes.

2 Construction Obligations

2.1 Interconnection Customer Obligations

2.1.1 Generally:

Interconnection Customer shall, at its sole cost and expense, design, procure, construct, own and install the Customer Facility and the Customer Interconnection Facilities in accordance with this Appendix 2 to this CSA, Applicable Standards, Applicable Laws and Regulations, Good Utility Practice, the Scope of Work and the Facilities Study (to the extent that design of the Customer Interconnection Facilities is included therein), provided, however, that, in the event and to the extent that the Customer Facility is comprised of or includes Merchant Network Upgrades, subject to the terms of Section 3.2.3 of this Appendix 2, the Interconnected Transmission Owner, shall design, procure, construct and install such Merchant Network Upgrades.

2.1.2 Interconnection Customer Drawings:

On or before the applicable date specified in the Milestones of the Interconnection Service Agreement, Interconnection Customer shall submit to the Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities. Interconnected Transmission Owner and Transmission Provider shall review the drawings to assess the consistency of Interconnection Customer's design of the Customer Interconnection Facilities with the design that was analyzed in the planning model as described in PJM Manuals. After consulting with the Interconnected Transmission Owner, Transmission Provider shall provide comments on the drawings to Interconnection Customer within forty-five (45) days after its receipt thereof, after which time any drawings not subject to comment shall be deemed to be approved. All drawings provided hereunder shall be deemed to be Confidential Information.

2.1.3 Effect of Review:

Interconnected Transmission Owner's and Transmission Provider's reviews of Interconnection Customer's initial drawings of the Customer Interconnection Facilities shall not be construed as confirming, endorsing or providing a warranty as to the fitness, safety, durability or reliability of such facilities or the design thereof. At its sole cost and expense, Interconnection Customer shall make such changes to the design of the Customer Interconnection Facilities as may reasonably be required by Transmission Provider, in consultation with the Interconnected Transmission Owner, to ensure that the Customer Interconnection Facilities meet Applicable Standards and, to the extent that design of the Customer Interconnection Facilities is included in the Facilities Study, to ensure that such facilities conform with the Facilities Study.

2.2 Transmission Owner Interconnection Facilities

2.2.1 Generally:

All Transmission Owner Interconnection Facilities necessary for the interconnection of the Customer Facility shall be designed, procured, installed and constructed in accordance with this Appendix 2, Applicable Standards, Applicable Laws and Regulations, Good Utility Practice, the Facilities Study and the Scope of Work under the Interconnection Construction Service Agreement(s).

2.2.2 Cost Responsibility:

Responsibility for the Costs of the Transmission Owner Interconnection Facilities shall be assigned in accordance with Section 217 of the Tariff, as applicable, and shall be stated in the Interconnection Service Agreement.

2.2.3 Construction Responsibility:

Except as otherwise permitted under, or as otherwise agreed upon by the Interconnection Customer and the Interconnected Transmission Owner pursuant to, Section 3 of this Appendix 2, the Interconnected Transmission Owner shall be responsible for the design, procurement, construction and installation of the Transmission Owner Interconnection Facilities. In the event that there are multiple Interconnected Transmission Owners, the Transmission Provider shall determine how to allocate the construction responsibility among them unless they have reached agreement among themselves on how to proceed.

2.2.4 Ownership of Transmission Owner Interconnection Facilities:

The Interconnected Transmission Owner shall own all Transmission Owner Interconnection Facilities that it builds. In addition, the Interconnection Customer will convey to the Interconnected Transmission Owner, as provided in Section 5.5 of this Appendix 2, title to all Transmission Owner Interconnection Facilities built by the Interconnection Customer pursuant to the terms of Section 3.2 of this Appendix 2. Nothing in this section shall affect the interconnection rights otherwise available to a Transmission Interconnection Customer under Subpart C of Part VI of the Tariff.

2.2A Scope of Applicable Technical Requirements and Standards:

Applicable Technical Requirements and Standards shall apply to the design, procurement, construction and installation of the Interconnection Facilities and Merchant A.C. Transmission Facilities only to the extent that the provisions thereof relate to the design, procurement, construction and/or installation of such facilities. Such provisions relating to the design, procurement, construction and/or installation of facilities shall be appended to the Interconnection Construction Service Agreement. The Interconnection Parties shall mutually agree upon, or in the absence of such agreement, Transmission Provider shall determine, which provisions of the Applicable Technical Requirements and Standards should be identified in the Interconnection Construction Service Agreement. In the event of any conflict between the provisions of the Applicable Technical Requirements and Standards that are appended to this Interconnection Construction Service Agreement and any later-modified provisions that are stated in the pertinent PJM Manual, the provisions appended to this Interconnection Construction Service Agreement shall control.

2.3 Construction By Interconnection Customer

2.3.1 Construction Prior to Execution of Interconnection Construction Service Agreement:

If the Interconnection Customer procures materials for, and/or commences construction of, the Customer Interconnection Facilities, any Transmission Owner Interconnection Facilities that it has elected to construct by exercising the Option to Build under Section 3.2.3 of this Appendix 2, or for any subsequent modification thereto, prior to the execution of the Interconnection Construction Service Agreement or, if the Interconnection Construction Service Agreement has been executed, before the Interconnected Transmission Owner and Transmission Provider have accepted the Interconnection Customer's initial design, or any subsequent modification to the design, of such Interconnection Facilities, such procurement and/or construction shall be at the Interconnection Customer's sole risk, cost and expense.

2.3.2 Monitoring and Inspection:

The Interconnected Transmission Owner may monitor construction and installation of Interconnection Facilities that the Interconnection Customer is constructing. Upon reasonable notice, authorized personnel of the Interconnected Transmission Owner may inspect any or all of such Interconnection Facilities to assess their conformity with Applicable Standards.

2.3.3 Notice of Completion:

The Interconnection Customer shall notify the Transmission Provider and the Interconnected Transmission Owner in writing when it has completed construction of (i) the Customer Facility; (ii) the Customer Interconnection Facilities; and (iii) any Transmission Owner Interconnection Facilities for which it has exercised the Option to Build under Section 3 of this Appendix 2.

2.4 Tax Liability

2.4.1 Safe Harbor Provisions:

This Section 2.4.1 is applicable only to Generation Interconnection Customers. Provided that Interconnection Customer agrees to conform to all requirements of the Internal Revenue Service ("IRS") (e.g., the "safe harbor" provisions of IRS Notices 2001-82 and 88-129) that would confer nontaxable status on some or all of the transfer of property, including money, by Interconnection Customer to the Interconnected Transmission Owner for payment of the Costs of construction of the Transmission Owner Interconnection Facilities, the Interconnected Transmission Owner, based on such agreement and on current law, shall treat such transfer of property to it as nontaxable income and, except as provided in Section 2.4.2 of this Appendix 2, shall not include income taxes in the Costs of Transmission Owner Interconnection Facilities that are payable by Interconnection Customer under this Appendix 2. Interconnection Customer shall document its agreement to conform to IRS requirements for such non-taxable status in the Interconnection Service Agreement, the Interconnection Construction Service Agreement, and/or the Interim Interconnection Service Agreement.

2.4.2 Tax Indemnity:

Interconnection Customer shall indemnify the Interconnected Transmission Owner for any costs that Interconnected Transmission Owner incurs in the event that the IRS and/or a state department of revenue (State) determines that the property, including money, transferred by Interconnection Customer to the Interconnected Transmission Owner with respect to the construction of the Transmission Owner Interconnection Facilities is taxable income to the Interconnected Transmission Owner. Interconnection Customer shall pay to the Interconnected Transmission Owner, on demand, the amount of any income taxes that the IRS or a State assesses to the Interconnected Transmission Owner in connection with such transfer of property and/or money, plus any applicable interest and/or penalty charged to the Interconnected Transmission Owner. In the event that the Interconnected Transmission Owner chooses to contest such assessment, either at the request of Interconnection Customer or on its own behalf, and prevails in reducing or eliminating the tax, interest and/or penalty assessed against it, the Interconnected Transmission Owner shall refund to Interconnection Customer the excess of its demand payment made to the Interconnected Transmission Owner over the amount of the tax, interest and penalty for which the Interconnected Transmission Owner is finally determined to be liable. Interconnection Customer's tax indemnification obligation under this section shall survive any termination of the Interconnection Construction Service Agreement.

2.4.3 Taxes Other Than Income Taxes:

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, the Interconnected Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Interconnected Transmission Owner for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this Interconnection Construction Service Agreement, or Part VI of the Tariff. Interconnection Customer shall pay to the Interconnected Transmission Owner on a periodic basis, as invoiced by the Interconnected Transmission Owner, the Interconnected Transmission Owner's documented reasonable costs of prosecuting such

appeal, protest, abatement, or other contest. Interconnection Customer and the Interconnected Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to the Interconnected Transmission Owner for such contested taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by the Interconnected Transmission Owner.

2.4.4 Income Tax Gross-Up

2.4.4.1 Additional Security:

In the event that Interconnection Customer does not provide the safe harbor documentation required under Section 2.4.1 of this Appendix 2 prior to execution of the Interconnection Construction Service Agreement, within 15 days after such execution, Transmission Provider shall notify Interconnection Customer in writing of the amount of additional Security that Interconnection Customer must provide. The amount of Security that a Transmission Interconnection Customer must provide initially shall include any amounts described as additional Security under this Section 2.4.4 regarding income tax gross-up.

2.4.4.2 Amount:

The required additional Security shall be in an amount equal to the amount necessary to gross up fully for currently applicable federal and state income taxes the estimated Costs of Local Upgrades and Network Upgrades for which Interconnection Customer previously provided Security. Accordingly, the additional Security shall equal the amount necessary to increase the total Security provided to the amount that would be sufficient to permit the Interconnected Transmission Owner to receive and retain, after the payment of all applicable income taxes ("Current Taxes") and taking into account the present value of future tax deductions for depreciation that would be available as a result of the anticipated payments or property transfers (the "Present Value Depreciation Amount"), an amount equal to the estimated Costs of Local Upgrades and Network Upgrades for which Interconnection Customer is responsible under the Interconnection Service Agreement. For this purpose, Current Taxes shall be computed based on the composite federal and state income tax rates applicable to the Interconnected Transmission Owner at the time the additional Security is received, determined using the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting the Interconnected Transmission Owner's anticipated tax depreciation deductions associated with such payments or property transfers by its current weighted average cost of capital.

2.4.4.3 Time for Payment:

Interconnection Customer must provide the additional Security, in a form and with terms as required by Section 212.4, within 15 days after its receipt of Transmission Provider's notice under this section. The requirement for additional Security under this section shall be treated as a milestone included in the Interconnection Service Agreement pursuant to Section 212.5.

2.4.5 Tax Status:

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Interconnection Construction Service Agreement or the Tariff is intended to adversely affect any Interconnected Transmission Owner's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

2.5 Safety

2.5.1 General:

Each Construction Party shall perform all work hereunder that may reasonably be expected to affect any other Construction Party in accordance with Good Utility Practice, Applicable Standards and Applicable Laws and Regulations pertaining to the safety of persons or property. A Construction Party performing work within an area controlled by another Construction Party must abide by the safety rules applicable to the area.

2.5.2 Environmental Releases:

Each Construction Party shall notify each other Construction Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Customer Facility or the Interconnection Facilities, any of which may reasonably be expected to affect another Construction Party. The notifying Construction Party shall (i) provide the notice as soon as possible, (ii) make a good faith effort to provide the notice within twenty-four hours after the Construction Party becomes aware of the occurrence, and (iii) promptly furnish to each other Construction Party copies of any publicly available reports filed with any governmental agencies addressing such events.

2.6 Construction-Related Access Rights:

The Interconnected Transmission Owner and the Interconnection Customer herein grant each other at no charge such rights of access to areas that it owns or otherwise controls as may be necessary for performance of their respective obligations, and exercise of their respective rights, pursuant to this Appendix 2, provided that either of them performing the construction will abide by the safety, security and work rules applicable to the area where construction activity is occurring.

2.7 Coordination Among Construction Parties:

The Transmission Provider, the Interconnection Customer, and all Interconnected Transmission Owners shall communicate and coordinate their activities as necessary to satisfy their obligations under this Interconnection Construction Service Agreement.

3 Schedule Of Work

3.1 Construction by Interconnection Customer:

The Interconnection Customer shall use Reasonable Efforts to design, procure, construct and install the Customer Interconnection Facilities and any Transmission Owner Interconnection Facilities that it elects to build by exercise of the Option to Build (defined in Section 3.2.3.1 below) in accordance with the Schedule of Work.

3.2 Construction by Interconnected Transmission Owner

3.2.1 Standard Option:

The Interconnected Transmission Owner shall use Reasonable Efforts to design, procure, construct and install the Transmission Owner Interconnection Facilities that it is responsible for constructing in accordance with the Schedule of Work.

3.2.1.1 Construction Sequencing:

In general, the sequence of the proposed dates of Initial Operation of Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

3.2.2 Negotiated Contract Option:

As an alternative to the Standard Option set forth in Section 3.2.1 of this Appendix 2, the Interconnected Transmission Owner and the Interconnection Customer may mutually agree to a Negotiated Contract Option for the Interconnected Transmission Owner's design, procurement, construction and installation of the Transmission Owner Interconnection Facilities. Under the Negotiated Contract Option, the Interconnection Customer and the Interconnected Transmission Owner may agree to terms different from those included in the Standard Option of Section 3.2.1 above and the corresponding standard terms set forth in the applicable provisions of Part VI of the Tariff and this Appendix 2. Under the Negotiated Contract Option, negotiated terms may include the work schedule applicable to the Interconnected Transmission Owner's construction activities and changes to same (Section 3.3 of this Appendix 2); payment provisions, including the schedule of payments; incentives, penalties and/or liquidated damages related to timely completion of construction (Section 3.2.1 of this Appendix 2); use of third party contractors; and responsibility for Costs, but only as between the Interconnection Customer and the Interconnected Transmission Owner that are parties to this Interconnection Construction Service Agreement; no other Interconnection Customer's responsibility for Costs may be affected (Section 217 of the Tariff). No other terms of the Tariff or this Appendix 2 shall be subject to modification under the Negotiated Contract Option. The terms and conditions of the Tariff that may be negotiated pursuant to the Negotiated Contract Option shall not be affected by use of the Negotiated Contract Option except as and to the extent that they are modified by the parties' agreement pursuant to such option. All terms agreed upon pursuant to the Negotiated Contract Option shall be stated in full in an appendix to this Interconnection Construction Service Agreement.

3.2.3 Option to Build

3.2.3.1 Option:

Interconnection Customer shall have the option, ("Option to Build") to assume responsibility for the design, procurement, and construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades on the dates specified in Schedule J (Schedule of Work) of this Agreement. Transmission Provider and Interconnection Customer must agree as to what constitutes Direct Connection Network Upgrades and identify such Direct Connection Network Upgrades in Schedule D (Option to Build) of this Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Direct Connection Network Upgrade, the Transmission Provider must provide the Interconnection Customer with a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Direct Connection Network Upgrade within fifteen (15) days of its determination. Except for Direct Connection Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option. In order to exercise this Option to Build, Interconnection Customer must provide Transmission Provider and the Interconnected Transmission Owner with written notice of Interconnection Customer's election to exercise the option no later than thirty (30) days from the date the Interconnection Customer receives the results of the Facilities Study (or, if no Facilities Study was required, completion of the System Impact Study). Interconnection Customer may not elect Option to Build after such date.

3.2.3.2 General Conditions Applicable to Option:

In addition to the other terms and conditions applicable to the construction of facilities under this Appendix 2, the Option to Build is subject to the following conditions:

(a) If the Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades:

(i) Interconnection Customer shall engineer, procure equipment, and construct Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Owner;

(ii) Interconnection Customer's engineering, procurement and construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades shall comply with all requirements of law to which Interconnected Transmission Owner shall be subject in the engineering, procurement or construction of Interconnected Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades;

(iii) Interconnected Transmission Owner shall review and approve engineering design, equipment acceptance tests, and the construction of Interconnected Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades;

(iv) Prior to commencement of construction, Interconnection Customer shall provide to Interconnected Transmission Owner a schedule for construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades and shall promptly respond to requests for information from Transmission Owner;

(v) At any time during construction, Interconnected Transmission Owner shall have the right to gain unrestricted access to Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades and to conduct inspections of the same;

(vi) At any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades not meet the standards and specifications provided by Interconnection Transmission Owner, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades;

*(*vii*) Interconnection Customer shall indemnify Interconnected Transmission Owner and Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Owner Interconnection Facilities* that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades *under the terms and procedures applicable to Sections 12.1, 12.2, 12.3, and 12.4 of this Appendix 2.*

(viii) Interconnection Customer shall transfer control of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades to Interconnected Transmission Owner;

(ix) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Owner Attachment Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades to Interconnected Transmission Owner;

(x) Interconnected Transmission Owner shall approve and accept for operation and maintenance Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades to the extent engineered, procured, and constructed in accordance with this ICSA, Appendix 2, section 3.2.3.2;

(xi) Interconnection Customer shall deliver to Transmission Owner "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades are built to the standards and specifications required by Transmission Provider; and

(xii) If Interconnection Customer exercises the Option to Build pursuant to section 3.2.3.1, Interconnection Customer shall pay Interconnected Transmission Owner the agreed upon amount of [$] for Interconnected Transmission Owner to execute the responsibilities enumerated to Interconnected Transmission Owner under section 3.2.3.2. Interconnected Transmission Owner shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Interconnection Service Agreement, Tariff, Attachment O, Appendix 2, section 11.2.2.

(b) In addition to the General Conditions applicable to Option to Build set forth in section 3.2.3.2(a) above, the following conditions also apply:

(i) The Interconnection Customer must obtain or arrange to obtain all necessary permits and authorizations for the construction and installation of the Transmission Owner Interconnection Facilities that it is building, provided, however, that when the Interconnected Transmission Owner's assistance is required, the Interconnected Transmission Owner shall assist the Interconnection Customer in obtaining such necessary permits or authorizations with efforts similar in nature and extent to those that the Interconnected Transmission Owner typically undertakes in acquiring permits and authorizations for construction of facilities on its own behalf;

(ii) The Interconnection Customer must obtain all necessary land rights for the construction and installation of the Transmission Owner Interconnection Facilities that it is building, provided, however, that upon Interconnection Customer's reasonable request, the Interconnected Transmission Owner shall assist the Interconnection Customer in acquiring such land rights with efforts similar in nature and extent to those that the Interconnected Transmission Owner typically undertakes in acquiring land rights for construction of facilities on its own behalf;

(iii) Notwithstanding anything stated herein, each Interconnected Transmission Owner shall have the exclusive right and obligation to perform the line attachments (tie-in work), and to calibrate remote terminal units and relay settings, required for the interconnection to such Interconnected Transmission Owner's existing facilities of any Transmission Owner Interconnection Facilities that the Interconnection Customer builds;

(iv) The Transmission Owner Interconnection Facilities built by the Interconnection Customer shall be successfully inspected, tested and energized pursuant to Sections 3.8 and 3.9 of this Appendix 2; and

3.2.3.3 Additional Conditions Regarding Network Facilities:

To the extent that the Interconnection Customer utilizes the Option to Build for design, procurement, construction and/or installation of (a) any Transmission Owner Interconnection Facilities that are Direct Connection Network Upgrades to Transmission System facilities that are in existence or under construction by or on behalf of the Interconnected Transmission Owner on the date that the Interconnection Customer solicits bids under Section 3.2.3.7 below, or (b) Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades that are to be located on land or in right-of-way owned

or controlled by the Interconnected Transmission Owner, and in addition to the other terms and conditions applicable to the design, procurement, construction and/or installation of facilities under this Appendix 2, all work shall comply with the following further conditions:

(i) All work performed by or on behalf of the Interconnection Customer shall be conducted by contractors, and using equipment manufacturers or vendors, that are listed on the Interconnected Transmission Owner's List of Approved Contractors;

(ii) The Interconnected Transmission Owner shall have full site control of, and reasonable access to, its property at all times for purposes of tagging or operation, maintenance, repair or construction of modifications to, its existing facilities and/or for performing all tie-ins of Interconnection Facilities built by or for the Interconnection Customer; and for acceptance testing of any equipment that will be owned and/or operated by the Interconnected Transmission Owner;

(iii) The Interconnected Transmission Owner shall have the right to have a reasonable number of appropriate representatives present for all work done on its property/facilities or regarding the Transmission Owner Attachment Facilities and Direct Connection Network Upgrades and the right to stop, or to order corrective measures with respect to, any such work that reasonably could be expected to have an adverse effect on reliability, safety or security of persons or of property of the Interconnected Transmission Owner or any portion of the Transmission System, provided that, unless circumstances do not reasonably permit such consultations, the Interconnected Transmission Owner shall consult with the Interconnection Customer and with Transmission Provider before directing that work be stopped or ordering any corrective measures;

(iv) The Interconnection Customer and its contractors, employees and agents shall comply with the Interconnected Transmission Owner's safety, security and work rules, environmental guidelines and training requirements applicable to the area(s) where construction activity is occurring and shall provide all reasonably required documentation to the Interconnected Transmission Owner, provided that the Interconnected Transmission Owner previously has provided its safety, security and work rules and training requirements applicable to work on its facilities to Transmission Provider and the Interconnection Customer within 20 Business Days after a request therefor made by Interconnection Customer following its receipt of the Facilities Study;

(v) The Interconnection Customer shall be responsible for controlling the performance of its contractors, employees and agents; and

(vi) All activities performed by or on behalf of the Interconnection Customer pursuant to its exercise of the Option to Build shall be subject to compliance with Applicable Laws and Regulations, including those governing union staffing and bargaining unit obligations, and Applicable Standards.

3.2.3.4 Administration of Conditions:

To the extent that the Interconnected Transmission Owner exercises any discretion in the application of any of the conditions stated in Sections 3.2.3.2 and 3.2.3.3 of this Appendix 2, it

shall apply each such condition in a manner that is reasonable and not unduly discriminatory and it shall not unreasonably withhold, condition, or delay any approval or authorization that the Interconnection Customer may require for the purpose of complying with any of those conditions.

3.2.3.5 Approved Contractors:

(a) Each Transmission Owner shall develop and shall provide to Transmission Provider a List of Approved Contractors. Each Transmission Owner shall include on its List of Approved Contractors no fewer than three contractors and no fewer than three manufacturers or vendors of major transmission-related equipment, unless a Transmission Owner demonstrates to Transmission Provider's reasonable satisfaction that it is feasible only to include a lesser number of construction contractors, or manufacturers or vendors, on its List of Approved Contractors. Transmission Provider shall publish each Transmission Owner's List of Approved Contractors in a PJM Manual and shall make such manual available on its internet website.

(b) Upon request of an Interconnection Customer, a Transmission Owner shall add to its List of Approved Contractors (1) any design or construction contractor regarding which the Interconnection Customer provides such information as the Transmission Owner may reasonably require which demonstrates to the Transmission Owner's reasonable satisfaction that the candidate contractor is qualified to design, or to install and/or construct new facilities or upgrades or modifications to existing facilities on the Transmission Owner's system, or (2) any manufacturer or vendor of major transmission-related equipment (e.g., high-voltage transformers, transmission line, circuit breakers) regarding which the Interconnection Customer provides such information as the Transmission Owner may reasonably require which demonstrates to the Transmission Owner's reasonable satisfaction that the candidate entity's major transmission-related equipment is acceptable for installation and use on the Transmission Owner's system. No Transmission Owner shall unreasonably withhold, condition, or delay its acceptance of a contractor, manufacturer, or vendor proposed for addition to its List of Approved Contractors.

3.2.3.6 Construction by Multiple Interconnection Customers:

In the event that there are multiple Interconnection Customers that wish to exercise an Option to Build with respect to Interconnection Facilities of the types described in Section 3.2.3.3 to this Appendix 2, the Transmission Provider shall determine how to allocate the construction responsibility among them unless they reach agreement among themselves on how to proceed.

3.2.3.7 Option Procedures:

(a) Within 10 days after notifying Transmission Provider and the Interconnected Transmission Owner of its election to exercise the Option to Build, Interconnection Customer shall solicit bids from one or more Approved Contractors named on the Interconnected Transmission Owner's List of Approved Contractors to procure equipment for, and/or to design, construct and/or install, the Transmission Owner Interconnection Facilities that the Interconnection Customer seeks to build under the Option to Build on terms (i) that will meet the Interconnection Customer's proposed schedule; (ii) that, if the Interconnection Customer seeks to have an Approved Contractor construct or install Transmission Owner Attachment Facilities and Direct Connection Network

Upgrades, will satisfy all of the conditions on construction specified in Sections 3.2.3.2 and 3.2.3.3 of this Appendix 2; and (iii) that will satisfy the obligations of a Constructing Entity (other than those relating to responsibility for the costs of facilities) under this Appendix 2.

(b) Any additional costs arising from the bidding process or from the final bid of the successful Approved Contractor shall be the sole responsibility of the Interconnection Customer.

(c) Upon receipt of a qualifying bid acceptable to it, the Interconnection Customer shall contract with the Approved Contractor that submitted the qualifying bid. Such contract shall meet the standards stated in paragraph (a) of this section.

(d) In the absence of a qualifying bid acceptable to the Interconnection Customer in response to its solicitation, the Interconnected Transmission Owner(s) shall be responsible for the design, procurement, construction and installation of the Transmission Owner Interconnection Facilities in accordance with the Standard Option described in Section 3.2.1 of this Appendix 2.

3.2.3.8 Interconnection Customer Drawings:

Interconnection Customer shall submit to the Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Transmission Owner Interconnection Facilities that Interconnection Customer arranges to build under this Option to Build. The Interconnected Transmission Owner shall review and approve the initial drawings and engineering design of the Transmission Owner Interconnection Facilities to be constructed under the Option to Build. The Interconnected Transmission Owner shall review the drawings to assess the consistency of Interconnection Customer's design of the pertinent Transmission Owner Interconnection Facilities with Applicable Standards and the Facilities Study. Interconnected Transmission Owner, with facilitation and oversight by Transmission Provider, shall provide comments on such drawings to Interconnection Customer within sixty days after its receipt thereof, after which time any drawings not subject to comment shall be deemed to be approved. All drawings provided hereunder shall be deemed to be Confidential Information.

3.2.3.9 Effect of Review:

Interconnected Transmission Owner's review of Interconnection Customer's initial drawings of the Transmission Owner Interconnection Facilities that the Interconnection Customer is building shall not be construed as confirming, endorsing or providing a warranty as to the fitness, safety, durability or reliability of such facilities or the design thereof. At its sole cost and expense, Interconnection Customer shall make such changes to the design of the pertinent Transmission Owner Interconnection Facilities as may reasonably be required by Transmission Provider, in consultation with the Interconnected Transmission Owner, to ensure that the Transmission Owner Interconnection Facilities that Interconnection Customer is building meet Applicable Standards and conform with the Facilities Study.

3.3 Revisions to Schedule of Work:

The Schedule of Work shall be revised as required in accordance with Transmission Provider's scope change process for interconnection projects set forth in the PJM Manuals, or otherwise by mutual agreement of the Construction Parties, which agreement shall not be unreasonably withheld, conditioned or delayed.

3.4 Suspension:

The following provision applies to Interconnection Requests which have entered the New Services Queue prior to February 1, 2011:

Interconnection Customer shall have the right, upon written notice to Transmission Provider and Interconnected Transmission Owner, to suspend at any time all work by Interconnected Transmission Owner associated with the construction and installation of the Transmission Owner Interconnection Facilities required under an Interconnection Service Agreement or Interconnection Construction Service Agreement, with the condition that, notwithstanding such suspension, the Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. This suspension right permits the Interconnection Customer to request one or more suspensions of work for a cumulative period of up to three years. Interconnection Customer's notice of suspension shall include an estimated duration of the suspension and other information related to the suspension.

The following provision applies to Interconnection Requests which have entered the New Services Queue on or after February 1, 2011:

Interconnection Customer shall have the right, upon written notice to Transmission Provider and Interconnected Transmission Owner, to suspend at any time all work by Interconnected Transmission Owner associated with the construction and installation of the Transmission Owner Interconnection Facilities required under an Interconnection Service Agreement or Interconnection Construction Service Agreement, with the condition that, notwithstanding such suspension, the Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. This suspension right permits the Interconnection Customer to request one or more suspensions of work for a cumulative period of up to (i) three years if the Transmission Provider determines that such suspension would not be deemed a Material Modification, or (ii) one year if the Transmission Provider determines that such suspension would be deemed a Material Modification. Interconnection Customer's notice of suspension shall include an estimated duration of the suspension and other information related to the suspension.

3.4.1 Costs:

In the event of a suspension under this section, Interconnection Customer shall be responsible for all reasonable and necessary Cancellation Costs which Interconnected Transmission Owner or Transmission Provider (i) has incurred pursuant to the Interconnection Service Agreement or Interconnection Construction Service Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during

such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and/or labor contracts which Interconnected Transmission Owner or Transmission Provider cannot reasonably avoid; provided, however, that prior to cancelling or suspending any such material, equipment or labor contract, Interconnected Transmission Owner or Transmission Provider, as the case may be, shall obtain Interconnection Customer's authorization to do so. Transmission Provider shall invoice Interconnection Customer pursuant to Section 9 of this Appendix 2 for Cancellation Costs for which the customer is liable under this section. Interconnected Transmission Owner and Transmission Provider shall use due diligence to minimize Cancellation Costs in the event of a suspension of work.

3.4.2 Duration of Suspension:

In the event Interconnection Customer suspends work by Interconnected Transmission Owner required under an Interconnection Service Agreement or Interconnection Construction Service Agreement pursuant to this Section 3.4, and has not requested Transmission Provider and the Interconnected Transmission Owner to recommence the work required under the applicable agreement(s) on or before the expiration of the time period allowed under this Section 3.4 following commencement of such suspension, the Interconnection Construction Service Agreement and the Interconnection Service Agreement for the Interconnection Request for which Interconnection Customer suspended work shall be deemed terminated as of the end of such suspension time period. The suspension time shall begin on the date the suspension is requested, or on the date of Interconnection Customer's written notice of suspension to Transmission Provider, if no effective date was specified.

3.5 Right to Complete Transmission Owner Interconnection Facilities:

In the event that, at any time prior to successful Stage Two energization of the Transmission Owner Interconnection Facilities pursuant to Section 3.9 of Appendix 2, the Interconnection Customer terminates its obligations under this Appendix 2 pursuant to Section 14.1.2 below due to a Default by the Interconnected Transmission Owner, the Interconnection Customer may elect to complete the design, procurement, construction and installation of the Transmission Owner Interconnection Facilities. The Interconnection Customer shall notify the Interconnected Transmission Owner and Transmission Provider in writing of its election to complete the Transmission Owner Interconnection Facilities within 10 days after the date of Interconnection Customer's notice of termination pursuant to Section 14.1.2 of this Appendix 2. In the event that the Interconnection Customer elects to complete the Transmission Owner Interconnection Facilities, it shall do so in accordance with the terms and conditions of the Option to Build under Section 3.2.3 of this Appendix 2 and shall be responsible for paying all costs of completing the Transmission Owner Interconnection Facilities incurred after the date of its notice of election to complete the facilities. Interconnection Customer may take possession of, and may use in completing the Transmission Owner Interconnection Facilities, any materials and supplies and equipment (other than equipment and facilities that already have been installed or constructed) acquired by the Interconnected Transmission Owner for construction, and included in the Costs, of the Transmission Owner Interconnection Facilities, provided that Interconnection Customer shall pay Transmission Provider, for the benefit of the Interconnected Transmission Owner and upon presentation by Interconnected Transmission Owner of reasonable and appropriate documentation thereof, any

amounts expended by the Interconnected Transmission Owner for such materials, supplies and equipment that Interconnection Customer has not already paid. Title to all Transmission Owner Interconnection Facilities constructed by Interconnection Customer under this Section 3.5 shall be transferred to the Interconnected Transmission Owner in accordance with Section 5.5 of this Appendix 2.

3.6 Suspension of Work Upon Default:

Upon the occurrence of a Default by Interconnection Customer as defined in Section 13 of this Appendix 2, the Transmission Provider or the Interconnected Transmission Owner may by written notice to Interconnection Customer suspend further work associated with the construction and installation of the Transmission Owner Interconnection Facilities that the Interconnected Transmission Owner is responsible for constructing. Such suspension shall not constitute a waiver of any termination rights under this Interconnection Construction Service Agreement. In the event of a suspension by Transmission Provider or Interconnected Transmission Owner, the Interconnection Customer shall be responsible for the Costs incurred in connection with any suspension hereunder in accordance with Section 14.3 of this Appendix 2.

3.7 Construction Reports:

Each Constructing Entity shall issue reports to each other Construction Party on a monthly basis, and at such other times as reasonably requested, regarding the status of the construction and installation of the Interconnection Facilities. Each Construction Party shall promptly identify, and shall notify each other Construction Party of, any event that the Construction Party reasonably expects may delay completion, or may significantly increase the cost, of the Interconnection Facilities. Should a Construction Party report such an event, Transmission Provider shall, within fifteen days of such notification, convene a technical meeting of the Construction Parties to evaluate schedule alternatives.

3.8 Inspection and Testing of Completed Facilities

3.8.1 Coordination:

Interconnection Customer and the Interconnected Transmission Owner shall coordinate the timing and schedule of all inspection and testing of the Interconnection Facilities.

3.8.2 Inspection and Testing:

Each Constructing Entity shall cause inspection and testing of the Interconnection Facilities that it constructs in accordance with the provisions of this section. The Construction Parties acknowledge and agree that inspection and testing of facilities may be undertaken as facilities are completed and need not await completion of all of the facilities that a Constructing Entity is building.

3.8.2.1 Of Interconnection Customer-Built Facilities:

Upon the completion of the construction and installation, but prior to energization, of any Interconnection Facilities constructed by the Interconnection Customer and related portions of the Customer Facility, the Interconnection Customer shall have the same inspected and/or tested by an authorized electric inspection agency or qualified third party reasonably acceptable to the Interconnected Transmission Owner to assess whether the facilities substantially comply with Applicable Standards. Said inspection and testing shall be held on a mutually agreed-upon date, and the Interconnected Transmission Owner and Transmission Provider shall have the right to attend and observe, and to obtain the written results of, such testing.

3.8.2.2 Of Interconnected Transmission Owner-Built Facilities:

Upon the completion of the construction and installation, but prior to energization, of any Interconnection Facilities constructed by the Interconnected Transmission Owner, the Interconnected Transmission Owner shall have the same inspected and/or tested by qualified personnel or a qualified contractor to assess whether the facilities substantially comply with Applicable Standards. Subject to Applicable Laws and Regulations, said inspection and testing shall be held on a mutually agreed-upon date, and the Interconnection Customer and Transmission Provider shall have the right to attend and observe, and to obtain the written results of, such testing.

3.8.3 Review of Inspection and Testing by Interconnected Transmission Owner:

In the event that the written report, or the observation of either Constructing Entity or Transmission Provider, of the inspection and/or testing pursuant to Section 3.8.2 of this Appendix 2 reasonably leads the Transmission Provider or Interconnected Transmission Owner to believe that the inspection and/or testing of some or all of the Interconnection Facilities built by the Interconnection Customer was inadequate or otherwise deficient, the Interconnected Transmission Owner may, within 20 days after its receipt of the results of inspection or testing and upon reasonable notice to the Interconnection Customer, perform its own inspection and/or testing of such Interconnection Facilities to determine whether the facilities are acceptable for energization, which determination shall not be unreasonably delayed, withheld or conditioned.

3.8.4 Notification and Correction of Defects

3.8.4.1 If the Interconnected Transmission Owner, based on inspection or testing pursuant to Section 3.8.2 or 3.8.3 of this Appendix 2, identifies any defects or failures to comply with Applicable Standards in the Interconnection Facilities constructed by the Interconnection Customer, the Interconnected Transmission Owner shall notify the Interconnection Customer and Transmission Provider of any identified defects or failures within 20 days after the Interconnected Transmission Owner's receipt of the results of such inspection or testing. The Interconnection Customer shall take appropriate actions to correct any such defects or failure at its sole cost and expense, and shall obtain the Interconnected Transmission Owner's acceptance of the corrections, which acceptance shall not be unreasonably delayed, withheld or conditioned. Such acceptance does not modify and shall not limit the Interconnection Customer's indemnification obligations set forth in Appendix 2, section 3.2.3.2(e).

3.8.4.2 In the event that inspection and/or testing of any Transmission Owner Interconnection Facilities built by the Interconnected Transmission Owner identifies any defects or failures to comply with Applicable Standards in such facilities, Interconnected Transmission Owner shall take appropriate action to correct any such defects or failures within 20 days after it learns thereof. In the event that such a defect or failure cannot reasonably be corrected within such 20-day period, Interconnected Transmission Owner shall commence the necessary correction within that time and shall thereafter diligently pursue it to completion.

3.8.5 Notification of Results:

Within 10 days after satisfactory inspection and/or testing of Interconnection Facilities built by the Interconnection Customer (including, if applicable, inspection and/or testing after correction of defects or failures), the Interconnected Transmission Owner shall confirm in writing to the Interconnection Customer and Transmission Provider that the successfully inspected and tested facilities are acceptable for energization.

3.9 Energization of Completed Facilities

(A) Unless otherwise provided in the Schedule of Work, energization of the Interconnection Facilities related to interconnection of a Generation Interconnection Customer and, when applicable as determined by Transmission Provider, of the Interconnection Facilities related to interconnection of a Transmission Interconnection Customer, shall occur in two stages. Stage One energization shall consist of energization of the Customer Interconnection Facilities and of the Transmission Owner Attachment Facilities and will occur prior to initial energization of the Customer Facility. Stage Two energization shall consist of (1) initial synchronization to the Transmission System of any completed generator(s) at the Customer Facility of a Generation Interconnection Customer, or of applicable facilities, as determined by the Transmission Provider, associated with Merchant Transmission Facilities of a Transmission Interconnection Customer, and (2) energization of the remainder of the Transmission Owner Interconnection Facilities. Stage Two energization shall be completed prior to Initial Operation of the Customer Facility.

(B) In the case of Interconnection Facilities related to interconnection of a Transmission Interconnection Customer for which the Transmission Provider determines that two-stage energization is inapplicable, energization shall occur in a single stage, consisting of energization of the Interconnection Facilities and the Customer Facility. Such a single-stage energization shall be regarded as Stage Two energization for the purposes of the remaining provisions of this Section 3.9 and of Section 5.5 of this Appendix 2.

3.9.1

Stage One energization of the Interconnection Facilities may not occur prior to the satisfaction of the following additional conditions:

(a) The Interconnection Customer shall have delivered to the Interconnected Transmission Owner and Transmission Provider a writing transferring to the Interconnected Transmission Owner and Transmission Provider operational control over any Transmission Owner Attachment Facilities that Interconnection Customer has constructed; and

(b) The Interconnection Customer shall have provided a mark-up of construction drawings to the Interconnected Transmission Owner to show the "as-built" condition of all Transmission Owner Attachment Facilities that Interconnection Customer has constructed.

3.9.2 As soon as practicable after the satisfaction of the conditions for Stage One energization specified in Sections 3.8 and 3.9.1 of this Appendix 2, the Interconnected Transmission Owner and the Interconnection Customer shall coordinate and undertake the Stage One energization of facilities.

3.9.3 Stage Two energization of the Interconnection Facilities may not occur prior to the satisfaction of the following additional conditions:

(a) The Interconnection Customer shall have delivered to the Interconnected Transmission Owner and Transmission Provider a writing transferring to the Interconnected Transmission Owner and Transmission Provider operational control over any Transmission Owner Interconnection Facilities that Interconnection Customer has constructed and operational control of which it has not previously transferred pursuant to Section 3.9.1 of this Appendix 2; and

(b) The Interconnection Customer shall have provided a mark-up of construction drawings to the Interconnected Transmission Owner to show the "as-built" condition of all Transmission Owner Interconnection Facilities that Interconnection Customer has constructed and which were not included in the Stage One energization, but are included in the Stage Two energization.

(c) Telemetering systems shall be operational and shall be providing Transmission Provider and the Interconnected Transmission Owner with telemetered data as specified pursuant to Section 8.5.2 of Appendix 2 to the Interconnection Service Agreement.

3.9.4 As soon as practicable after the satisfaction of the conditions for Stage Two energization specified in Sections 3.8 and 3.9.3 of this Appendix 2, the Interconnected Transmission Owner and the Interconnection Customer shall coordinate and undertake the Stage Two energization of facilities.

3.9.5 To the extent defects in any Interconnection Facilities are identified during the energization process, the energization will not be deemed successful. In that event, the Constructing Entity shall take action to correct such defects in any Interconnection Facilities that it built as promptly as practical after the defects are identified. The affected Constructing Entity shall so notify the other Construction Parties when it has corrected any such defects, and the Constructing Entities shall recommence efforts, within 10 days thereafter, to energize the appropriate Interconnection Facilities in accordance with Section 3.9; provided that the Interconnected Transmission Owner may, in the reasonable exercise of its discretion and with the approval of Transmission Provider, require that further inspection and testing be performed in accordance with Section 3.8 of this Appendix 2.

3.10 Interconnected Transmission Owner's Acceptance of Facilities Constructed by Interconnection Customer:

Within five days after determining that Interconnection Facilities have been successfully energized, the Interconnected Transmission Owner shall issue a written notice to the Interconnection Customer accepting the Interconnection Facilities built by the Interconnection Customer that were successfully energized. Such acceptance shall not be construed as confirming, endorsing or providing a warranty by the Interconnected Transmission Owner as to the design, installation, construction, fitness, safety, durability or reliability of any Interconnection Facilities built by the Interconnection Customer, or their compliance with Applicable Standards.

4 Transmission Outages

4.1 Outages; Coordination:

The Construction Parties acknowledge and agree that certain outages of transmission facilities owned by the Interconnected Transmission Owner, as more specifically detailed in the Scope of Work, may be necessary in order to complete the process of constructing and installing all Interconnection Facilities. The Construction Parties further acknowledge and agree that any such outages shall be coordinated by and through the Transmission Provider.

5 Land Rights; Transfer of Title

5.1 Grant of Easements and Other Land Rights:

Interconnection Customer at its sole cost and expense, shall grant such easements and other land rights to the Interconnected Transmission Owner over the Site at such times and in such a manner as the Interconnected Transmission Owner may reasonably require to perform its obligations under this Appendix 2 and/or to perform its operation and maintenance obligations under the Interconnection Service Agreement.

5.2 Construction of Facilities on Interconnection Customer Property:

To the extent that the Interconnected Transmission Owner is required to construct and install any Transmission Owner Interconnection Facilities on land owned by the Interconnection Customer, the Interconnection Customer, at its sole cost and expense, shall legally transfer to the Interconnected Transmission Owner all easements and other land rights required pursuant to Section 5.1 above prior to the commencement of such construction and installation.

5.3 Third Parties:

If any of the easements and other land rights described in Section 5.1 above must be obtained from a third party, the Interconnected Transmission Owner's obligation for completing its construction responsibilities in accordance with the Schedule of Work, to the extent of the facilities that it is responsible for constructing for which such easements and land rights are necessary, shall be subject to Interconnection Customer's acquisition of such easements and other land rights at such

times and in such manner as the Interconnected Transmission Owner may reasonably require to perform its obligations under this Appendix 2, and/or to perform its operation and maintenance obligations under the Interconnection Service Agreement, provided, however, that upon Interconnection Customer's request, the Interconnected Transmission Owner shall assist the Interconnection Customer in acquiring such land rights with efforts similar in nature and extent to those that the Interconnected Transmission Owner typically undertakes in acquiring land rights for construction of facilities on its own behalf. The terms of easements and land rights acquired by Interconnection Customer shall not unreasonably impede the Interconnected Transmission Owner's timely completion of construction of the affected facilities.

5.4 Documentation:

Interconnection Customer shall prepare, execute and file such documentation as the Interconnected Transmission Owner may reasonably require to memorialize any easements and other land rights granted pursuant to this Section 5. Documentation of such easements and other land rights, and any associated filings, shall be in a form acceptable to the Interconnected Transmission Owner.

5.5 Transfer of Title to Certain Facilities Constructed By Interconnection Customer:

Within thirty (30) days after the Interconnection Customer's receipt of notice of acceptance under Section 3.10 of this Appendix 2 following Stage Two energization of the Interconnection Facilities, the Interconnection Customer shall deliver to the Interconnected Transmission Owner, for the Interconnected Transmission Owner's review and approval, all of the documents and filings necessary to transfer to the Interconnected Transmission Owner title to any Transmission Owner Interconnection Facilities constructed by the Interconnection Customer, and to convey to the Interconnected Transmission Owner any easements and other land rights to be granted by Interconnection Customer in accordance with Section 5.1 above that have not then already been conveyed. The Interconnected Transmission Owner shall review and approve such documentation, such approval not to be unreasonably withheld, delayed, or conditioned. Within 30 days after its receipt of the Interconnected Transmission Owner's written notice of approval of the documentation, the Interconnection Customer, in coordination and consultation with the Interconnected Transmission Owner, shall make any necessary filings at the FERC or other governmental agencies for regulatory approval of the transfer of title. Within twenty (20) days after the issuance of the last order granting a necessary regulatory approval becomes final (i.e., is no longer subject to rehearing), the Interconnection Customer shall execute all necessary documentation and shall make all necessary filings to record and perfect the Interconnected Transmission Owner's title in such facilities and in the easements and other land rights to be conveyed to the Interconnected Transmission Owner. Prior to such transfer to the Interconnected Transmission Owner of title to the Transmission Owner Interconnection Facilities built by the Interconnection Customer, the risk of loss or damages to, or in connection with, such facilities shall remain with the Interconnection Customer. Transfer of title to facilities under this section shall not affect the Interconnection Customer's receipt or use of the interconnection rights related to Network Upgrades and/or Local Upgrades for which it otherwise may be eligible as provided in Subpart C of Part VI of the Tariff.

5.6 Liens:

The Interconnection Customer shall take all reasonable steps to ensure that, at the time of transfer of title in the Transmission Owner Interconnection Facilities built by the Interconnection Customer to the Interconnected Transmission Owner, those facilities shall be free and clear of any and all liens and encumbrances, including mechanics' liens. To the extent that the Interconnection Customer cannot reasonably clear a lien or encumbrance prior to the time for transferring title to the Interconnected Transmission Owner, Interconnection Customer shall nevertheless convey title subject to the lien or encumbrance and shall indemnify, defend and hold harmless the Interconnected Transmission Owner against any and all claims, costs, damages, liabilities and expenses (including without limitation reasonable attorneys' fees) which may be brought or imposed against or incurred by Interconnected Transmission Owner by reason of any such lien or encumbrance or its discharge.

6 Warranties

6.1 Interconnection Customer Warranty:

The Interconnection Customer shall warrant that its work (or the work of any subcontractor that it retains) in constructing and installing the Transmission Owner Interconnection Facilities that it builds is free from defects in workmanship and design and shall conform to the requirements of this Interconnection Construction Service Agreement for one (1) year (the "Interconnection Customer Warranty Period") commencing upon the date title is transferred to Interconnected Transmission Owner in accordance with Section 5.5 of this Appendix 2. The Interconnection Customer shall, at its sole expense and promptly after notification by the Interconnected Transmission Owner, correct or replace defective work in accordance with Applicable Technical Requirements and Standards, during the Interconnection Customer Warranty Period. The warranty period for such corrected or replaced work shall be the unused portion of the Interconnection Customer Warranty Period remaining as of the date of notice of the defect. The Interconnection Customer Warranty Period shall resume upon acceptance of such corrected or replaced work. All Costs incurred by Interconnected Transmission Owner as a result of such defective work shall be reimbursed to the Interconnected Transmission Owner by the Interconnection Customer on demand; provided that the Interconnected Transmission Owner submits the demand to the Interconnection Customer within the Interconnection Customer Warranty Period and provides reasonable documentation of the claimed costs. The Interconnected Transmission Owner's acceptance, inspection and testing, or a third party's inspection or testing, of such facilities pursuant to Section 3.8 of this Appendix 2 shall not be construed to limit in any way the warranty obligations of the Interconnection Customer, and this provision does not modify and shall not limit the Interconnection Customer's indemnification obligations set forth in Appendix 2, section 3.2.3.2(e).

6.2 Manufacturer Warranties:

Prior to the transfer to the Interconnected Transmission Owner of title to the Transmission Owner Interconnection Facilities built by the Interconnection Customer, the Interconnection Customer shall produce documentation satisfactory to the Interconnected Transmission Owner evidencing the transfer to the Interconnected Transmission Owner of all manufacturer warranties for

equipment and/or materials purchased by the Interconnection Customer for use and/or installation as part of the Transmission Owner Interconnection Facilities built by the Interconnection Customer.

7 [Reserved.]

8 [Reserved.]

9 Security, Billing And Payments

The following provisions shall apply with respect to charges for the Costs of the Interconnected Transmission Owner for which the Interconnection Customer is responsible.

9.1 Adjustments to Security:

The Security provided by Interconnection Customer at or before execution of the Interconnection Service Agreement (a) shall be reduced as portions of the work are completed, and/or (b) shall be increased or decreased as required to reflect adjustments to Interconnection Customer's cost responsibility, as determined in accordance with Section 217, to correspond with changes in the Scope of Work developed in accordance with Transmission Provider's scope change process for interconnection projects set forth in the PJM Manuals.

9.2 Invoice:

The Interconnected Transmission Owner shall provide Transmission Provider a quarterly statement of the Interconnected Transmission Owner's scheduled expenditures during the next three months for, as applicable, (a) the design, engineering and construction of, and/or for other charges related to, construction of the Interconnection Facilities for which the Interconnected Transmission Owner is responsible under this Interconnection Construction Service Agreement, or (b) in the event that the Interconnection Customer exercises the Option to Build pursuant to Section 3.2.3.1 of this Appendix 2, Interconnected Transmission Owner's oversight costs (i.e. costs incurred by the Interconnected Transmission Owner when engaging in oversight activities to satisfy itself that the Interconnection Customer is complying with the Interconnected Transmission Owner's standards and specifications for the construction of facilities) associated with the Interconnection Customer's building Transmission Owner Attachment Facilities and Direct Connection Network Upgrades, including but not limited to Costs for tie-in work and Cancellation Costs. Interconnected Transmission Owner's oversight costs shall be consistent with Tariff, Attachment P, Appendix 2, section 3.2.3.2(a)(12). Transmission Provider shall bill Interconnection Customer on behalf of the Interconnected Transmission Owner, for the Interconnected Transmission Owner's expected Costs during the subsequent three months. Interconnection Customer shall pay each bill within twenty (20) days after receipt thereof. Upon receipt of each of Interconnection Customer's payments of such bills, Transmission Provider shall reimburse the Interconnected Transmission Owner. Interconnection Customer may request that the Transmission Provider provide a quarterly cost reconciliation. Such a quarterly cost reconciliation will have a one-quarter lag, e.g., reconciliation of costs for the first calendar quarter of work will be provided at the start of the third calendar quarter of work, provided, however, that

Section 9.3 of this Appendix 2 shall govern the timing of the final cost reconciliation upon completion of the work.

9.3 Final Invoice:

Within 120 days after the Interconnected Transmission Owner completes construction and installation of the Interconnection Facilities for which the Interconnected Transmission Owner is responsible under this Interconnection Construction Service Agreement, Transmission Provider shall provide Interconnection Customer with an accounting of, and the appropriate Construction Party shall make any payment to the other that is necessary to resolve, any difference between (a) Interconnection Customer's responsibility under the Tariff for the actual Cost of such facilities, and (b) Interconnection Customer's previous aggregate payments to Transmission Provider for the Costs of such facilities. Notwithstanding the foregoing, however, Transmission Provider shall not be obligated to make any payment to either the Interconnection Customer or the Interconnected Transmission Owner that the preceding sentence requires it to make unless and until the Transmission Provider has received the payment that it is required to refund from the Construction Party owing the payment.

9.4 Disputes:

In the event of a billing dispute between any of the Construction Parties, Transmission Provider and the Interconnected Transmission Owner shall continue to perform their respective obligations pursuant to this Interconnection Construction Service Agreement so long as (a) Interconnection Customer continues to make all payments not in dispute, and (b) the Security held by the Transmission Provider while the dispute is pending exceeds the amount in dispute, or (c) Interconnection Customer pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet any of these requirements, then Transmission Provider shall so inform the other Construction Parties and Transmission Provider or the Interconnected Transmission Owner may provide notice to Interconnection Customer of a Breach pursuant to Section 13 of this Appendix 2.

9.5 Interest:

Interest on any unpaid, delinquent amounts shall be calculated in accordance with the methodology specified for interest on refunds in the FERC's regulations at 18 C.F.R. Section 35.19a(a)(2)(iii) and shall apply from the due date of the bill to the date of payment.

9.6 No Waiver:

Payment of an invoice shall not relieve Interconnection Customer from any other responsibilities or obligations it has under this Interconnection Construction Service Agreement, nor shall such payment constitute a waiver of any claims arising hereunder.

10 Assignment

10.1 Assignment with Prior Consent:

Except as provided in Section 10.2 below, no Construction Party shall assign its rights or delegate its duties, or any part of such rights or duties, under the Interconnection Construction Service Agreement without the written consent of the other Construction Parties, which consent shall not be unreasonably withheld, conditioned or delayed. Any such assignment or delegation made without such written consent shall be null and void. A Construction Party may make an assignment in connection with the sale, merger, or transfer of a substantial portion or all of its properties, including the Interconnection Facilities which it will own upon completion of construction and the transfer of title required by Section 5 of this Appendix 2, so long as the assignee in such a sale, merger, or transfer assumes in writing all rights, duties and obligations arising under this Interconnection Construction Service Agreement. In addition, the Interconnected Transmission Owner shall be entitled, subject to Applicable Laws and Regulations, to assign the Interconnection Construction Service Agreement to any Affiliate or successor that owns and operates all or a substantial portion of the Interconnected Transmission Owner's transmission facilities.

10.2 Assignment Without Prior Consent

10.2.1 Assignment to Owners:

Interconnection Customer may assign the Interconnection Construction Service Agreement without the Interconnected Transmission Owner's or Transmission Provider's prior consent to any Affiliate or person that purchases or otherwise acquires, directly or indirectly, all or substantially all of the Customer Facility and the Customer Interconnection Facilities, provided that prior to the effective date of any such assignment, the assignee shall demonstrate that, as of the effective date of the assignment, the assignee has the technical competence to comply with the requirements of this Appendix 2 and assumes in a writing provided to the Interconnected Transmission Owner and Transmission Provider all rights, duties, and obligations of Interconnection Customer arising under this Appendix 2. However, any assignment described herein shall not relieve or discharge the Interconnection Customer from any of its obligations hereunder absent the written consent of the Interconnected Transmission Owner, such consent not to be unreasonably withheld, conditioned or delayed.

10.2.2 Assignment to Lenders:

Interconnection Customer may, without the consent of the Transmission Provider or the Interconnected Transmission Owner, assign the Interconnection Construction Service Agreement to any Project Finance Entity(ies), provided that such assignment shall not alter or diminish Interconnection Customer's duties and obligations under this Interconnection Construction Service Agreement. If Interconnection Customer provides the Interconnected Transmission Owner with notice of an assignment to any Project Finance Entity(ies) and identifies such Project Finance Entities as contacts for notice purposes pursuant to Section 20 of this Appendix 2, the Transmission Provider or Interconnected Transmission Owner shall provide notice and reasonable opportunity for such entity(ies) to cure any Breach under this Appendix 2 in accordance with this Appendix 2. Transmission Provider or Interconnected Transmission Owner shall, if requested by such lenders, provide such customary and reasonable documents, including consents to assignment, as may be

reasonably requested with respect to the assignment and status of the Interconnection Construction Service Agreement, provided that such documents do not alter or diminish the rights of the Transmission Provider or Interconnected Transmission Owner under this Appendix 2, except with respect to providing notice of Breach to a Project Finance Entity. Upon presentation of the Transmission Provider's and/or the Interconnected Transmission Owner's invoice therefor, Interconnection Customer shall pay the Transmission Provider and/or the Interconnected Transmission Owner's reasonable documented cost of providing such documents and certificates. Any assignment described herein shall not relieve or discharge the Interconnection Customer from any of its obligations hereunder absent the written consent of the Interconnected Transmission Owner and Transmission Provider.

10.3 Successors and Assigns:

This Interconnection Construction Service Agreement and all of its provisions are binding upon, and inure to the benefit of, the Construction Parties and their respective successors and permitted assigns.

11 Insurance

11.1 Required Coverages For Generation Resources Of More Than 20 Megawatts or Merchant Transmission Facilities:

Each Constructing Entity shall maintain, at its own expense, insurance as described in paragraphs (a) through (e) below. All insurance shall be procured from insurance companies rated "A-," VII or better by AM Best and authorized to do business in a state or states in which the Interconnection Facilities will be located. Failure to maintain required insurance shall be a Breach of the Interconnection Construction Service Agreement.

(a) Workers Compensation Insurance with statutory limits, as required by the state and/or jurisdiction in which the work is to be performed, and employer's liability insurance with limits of not less than one million dollars ($1,000,000).

(b) Commercial General Liability Insurance and/or Excess Liability Insurance covering liability arising out of premises, operations, personal injury, advertising , products and completed operations coverage, independent contractors coverage, liability assumed under an insured contract, coverage for pollution to the extent normally available and punitive damages to the extent allowable under applicable law, with limits of not less than one million dollars ($1,000,000) per occurrence/one million dollars ($1,000,000) general aggregate/one million dollars ($1,000,000) products and completed operations aggregate.

(c) Business/Commercial 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 not less than one million dollars ($1,000,000) each accident for bodily injury, including death, and property damage.

(d) Excess and/or Umbrella Liability Insurance with a limit of liability of twenty million dollars ($20,000,000) per occurrence. These limits apply in excess of the employer's liability, commercial general liability and business/commercial automobile liability coverages described above. This requirement can be met alone or via a combination of primary, excess and/or umbrella insurance.

(e) Professional Liability, including Contractors Legal Liability, providing errors, omissions and/or malpractice coverage. Coverage shall be provided for the Constructing Entity's duties, responsibilities and performance outlined in this Interconnection Construction Service Agreement, with limits of liability as follows:

$10,000,000 each occurrence
$10,000,000 aggregate

An Interconnected Entity may meet the Professional Liability Insurance requirements by requiring third-party contractors, designers, or engineers, or other parties that are responsible for design work associated with the transmission facilities or Interconnection Facilities necessary for the interconnection to procure professional liability insurance in the amounts and upon the terms prescribed by this section 11.1(e), and providing evidence of such insurance to the other Interconnected Entity. Such insurance shall be procured from companies rated "A-," VII or better by AM Best and authorized to do business in a state or states in which the Interconnection Facilities are located. Nothing in this section relieves the Interconnected Entity from complying with the insurance requirements. In the event that the policies of the designers, engineers, or other parties used to satisfy the Interconnected Entity's insurance obligations under this section become invalid for any reason, including but not limited to, (i) the policy(ies) lapsing or otherwise terminating or expiring; (ii) the coverage limits of such policy(ies) are decreased; or (iii) the policy(ies) do not comply with the terms and conditions of the Tariff; Interconnected Entity shall be required to procure insurance sufficient to meet the requirements of this section, such that there is no lapse in insurance coverage. Notwithstanding the foregoing, in the event an Interconnected Entity will not design or construct or cause to design or construct any new transmission facilities or Interconnection Facilities, Transmission Provider, in its discretion, may waive the requirement that an Interconnected Entity maintain the Professional Liability Insurance pursuant to this section.

11.1A. Required Coverages For Generation Resources Of 20 Megawatts Or Less:

Each Constructing Entity shall maintain the types of insurance as described in section 11.1 paragraphs (a) through (e) above in an amount sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. Additional insurance may be required by the Interconnection Customer, as a function of owning and operating a Generating Facility. All insurance shall be procured from insurance companies rated "A-," VII or better by AM Best and authorized to do business in a state or states in which the Interconnection Facilities are located. Failure to maintain required insurance shall be a Breach of the Interconnection Construction Service Agreement.

11.2 Additional Insureds:

The Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability policies procured by each Constructing Entity (the "Insuring Constructing Entity") shall include each other Construction Party (the "Insured Construction Party"), its officers, agents and employees as additional insureds, providing all standard coverages and covering liability of the Insured Construction Party arising out of bodily injury and/or property damage (including loss of use) in any way connected with the operations, performance, or lack of performance under this Interconnection Construction Service Agreement.

11.3 Other Required Terms:

The above-mentioned insurance policies (except workers' compensation) shall provide the following:

(a) Each policy shall contain provisions that specify that it is primary and non contributory for any liability arising out of that party's negligence and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Insuring Constructing Entity shall be responsible for its respective deductibles or retentions.

(b) If any coverage is written on a Claims First Made Basis, continuous coverage shall be maintained or an extended discovery period will be exercised for a period of not less than two (2) years after termination of the Interconnection Construction Service Agreement.

(c) Provide for a waiver of all rights of subrogation which the Insuring Constructing Entity's insurance carrier might exercise against the Insured Construction Party.

11.3A No Limitation of Liability:

The requirements contained herein as to the types and limits of all insurance to be maintained by the Constructing Entities are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Construction Parties under the Interconnection Construction Service Agreement.

11.4 Self-Insurance:

Notwithstanding the foregoing, each Constructing Entity may self-insure to meet the minimum insurance requirements of this Section 11 to the extent it maintains a self-insurance program; provided that such Constructing Entity's senior secured debt is rated at investment grade or better by Standard & Poor's and its self-insurance program meets the minimum insurance requirements of this Section 11. For any period of time that a Constructing Entity's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, it shall comply with the insurance requirements applicable to it under this Section 11. In the event that a Constructing Entity is permitted to self-insure pursuant to this section, it shall notify the

other Construction Parties 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 Section 11.5.

11.5 Notices; Certificates of Insurance:

Prior to the commencement of work pursuant to this Agreement, the Constructing Entities agree to furnish each other Construction Party with certificates of insurance evidencing the insurance coverage obtained in accordance with this Section 11. All certificates of insurance shall indicate that the certificate holder is included as an additional insured under the Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability coverages, and that this insurance is primary with a waiver of subrogation in favor of the other Interconnected Entities. All policies of insurance shall provide for thirty days prior written notice of cancellation or material adverse change. If the policies of insurance do not or cannot be endorsed to provide thirty days prior written notice of cancellation or material adverse change, each Construction Entity shall provide the other Construction Entities with thirty days prior written notice of cancellation or material adverse change to any of the insurance required in this agreement.

11.6 Subcontractor Insurance:

In accord with Good Utility Practice, each Constructing Entity shall require each of its subcontractors to maintain and provide evidence of insurance coverage of types, and in amounts, commensurate with the risks associated with the services provided by the subcontractor. Bonding of contractors or subcontractors shall be at the hiring Constructing Entity's discretion, but regardless of bonding, the hiring principal shall be responsible for the performance or non-performance of any contractor or subcontractor it hires.

11.7 Reporting Incidents:

The Construction Parties shall 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 the Interconnection Construction Service Agreement.

12 Indemnity

12.1 Indemnity:

Each Constructing Entity shall indemnify and hold harmless the other Construction Parties, and the other Construction Parties' officers, shareholders, stakeholders, members, managers, representatives, directors, agents and employees, and Affiliates, from and against any and all loss, liability, damage, cost or expense to third parties, including damage and liability for bodily injury to or death of persons, or damage to property of persons (including reasonable attorneys' fees and expenses, litigation costs, consultant fees, investigation fees, sums paid in settlements of claims, penalties or fines imposed under Applicable Laws and Regulations, and any such fees and expenses incurred in enforcing this indemnity or collecting any sums due hereunder) (collectively, "Loss") to the extent arising out of, in connection with or resulting from (i) the indemnifying

Constructing Entity's breach of any of the representations or warranties made in, or failure of the indemnifying Constructing Entity or any of its subcontractors to perform any of its obligations under, this Appendix 2, or (ii) the negligence or willful misconduct of the indemnifying Constructing Entity or its contractors; provided, however, that neither Constructing Entity shall have any indemnification obligations under this Section 12.1 in respect of any Loss to the extent the Loss results from the negligence or willful misconduct of the Construction Party seeking indemnity.

12.2 Indemnity Procedures:

Promptly after receipt by a Person entitled to indemnity ("Indemnified Person") of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 12.1 above may apply, the Indemnified Person shall notify the indemnifying Constructing Entity of such fact. Any failure of or delay in such notification shall not affect a Constructing Entity's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Constructing Entity. The Indemnified Person shall cooperate with the indemnifying Constructing Entity with respect to the matter for which indemnification is claimed. The indemnifying Constructing Entity shall have the right to assume the defense thereof with counsel designated by such indemnifying Constructing Entity and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the indemnifying Constructing Entity and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the indemnifying Constructing Entity, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the indemnifying Constructing Entity shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses. The Indemnified Person shall be entitled, at its expense, to participate in any action, suit or proceeding, the defense of which has been assumed by the indemnifying Constructing Entity. Notwithstanding the foregoing, the indemnifying Constructing Entity (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the indemnifying Constructing Entity, in such event the indemnifying Constructing Entity shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be unreasonably withheld, conditioned or delayed.

12.3 Indemnified Person:

If an Indemnified Person is entitled to indemnification under this Section 12 as a result of a claim by a third party, and the indemnifying Constructing Entity fails, after notice and reasonable opportunity to proceed under Section 12.2, to assume the defense of such claim, such Indemnified Person may at the expense of the indemnifying Constructing Entity contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

12.4 Amount Owing:

If an indemnifying Constructing Entity is obligated to indemnify and hold any Indemnified Person harmless under this Section 12, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

12.5 Limitation on Damages:

Except as otherwise provided in this Section 12, the liability of a Construction Party under this Appendix 2 shall be limited to direct actual damages, and all other damages at law are waived. Under no circumstances shall any Construction Party or its Affiliates, directors, officers, employees and agents, or any of them, be liable to another Construction Party, whether in tort, contract or other basis in law or equity for any special, indirect, punitive, exemplary or consequential damages, including lost profits. The limitations on damages specified in this Section 12.5 are without regard to the cause or causes related thereto, including the negligence of any Construction Party, whether such negligence be sole, joint or concurrent, or active or passive. This limitation on damages shall not affect any Construction Party's rights to obtain equitable relief as otherwise provided in this Appendix 2. The provisions of this Section 12.5 shall survive the termination or expiration of the Interconnection Construction Service Agreement.

12.6 Limitation of Liability in Event of Breach:

A Construction Party ("Breaching Party") shall have no liability hereunder to any other Construction Party, and each other Construction Party hereby releases the Breaching Party, for all claims or damages it incurs that are associated with any interruption in the availability of the Customer Facility, the Interconnection Facilities, Transmission System or Construction Service or damages to a Construction Party's facilities, except to the extent such interruption or damage is caused by the Breaching Party's gross negligence or willful misconduct in the performance of its obligations under this Interconnection Construction Service Agreement.

12.7 Limited Liability in Emergency Conditions:

Except as otherwise provided in the Tariff or the Operating Agreement, no Construction Party shall be liable to any other Construction Party for any action that it takes in responding to an Emergency Condition, so long as such action is made in good faith, is consistent with Good Utility Practice and is not contrary to the directives of the Transmission Provider or the Interconnected Transmission Owner with respect to such Emergency Condition. Notwithstanding the above, Interconnection Customer shall be liable in the event that it fails to comply with any instructions of Transmission Provider or the Interconnected Transmission Owner related to an Emergency Condition.

13 Breach, Cure And Default

13.1 Breach:

A Breach of the Interconnection Construction Service Agreement shall include:

(a) The failure to pay any amount when due;

(b) The failure to comply with any material term or condition of this Interconnection Construction Service Agreement including but not limited to any material breach of a representation, warranty or covenant (other than in Sections 13.1(a) and (c)-(e) hereof) made in this Appendix 2;

(c) Assignment of the Interconnection Construction Service Agreement in a manner inconsistent with the terms of this Appendix 2;

(d) Failure of a Constructing Entity to provide access rights, or a Constructing Entity's attempt to revoke or terminate access rights, that are provided under this Appendix 2; or

(e) Failure of any Construction Party to provide information or data required to be provided to another Construction Party under this Appendix 2 for such other Construction Party to satisfy its obligations under this Interconnection Construction Service Agreement.

13.2 Notice of Breach:

A Construction Party not in Breach of this Interconnection Construction Service Agreement shall give written notice of an event of Breach to the Breaching Construction Party, to the third Construction Party, and to any other persons that the Breaching Construction Party identifies in writing to the other Construction Parties in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach. In the event of a Breach by Interconnection Customer, Transmission Provider and the Interconnected Transmission Owner agree to provide notice of such Breach, at the same time and in the same manner as its or their notice to Interconnection Customer, to any Project Finance Entity, provided that the Interconnection Customer has provided Transmission Provider and the Interconnected Transmission Owner with notice of an assignment to such Project Finance Entity(ies) and has identified such Project Finance Entities as contacts for notice purposes pursuant to Section 20 of this Appendix 2.

13.3 Cure and Default:

A Construction Party that commits a Breach and does not take steps to cure the Breach pursuant to this Section 13.3 is in Default of this Interconnection Construction Service Agreement.

13.3.1 Cure of Breach:

The Breaching Construction Party (a) may cure the Breach within thirty days from the receipt of such notice; or, (b) if the Breach cannot be cured within thirty days, may commence in good faith all steps that are reasonable and appropriate to cure the Breach within such thirty day time period and thereafter diligently pursue such action to completion.

13.4 Right to Compel Performance:

Upon the occurrence of an event of Default, a non-Defaulting Construction Party shall be entitled to (a) commence an action to require the Defaulting Construction Party to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof, (b) withhold payments, (c) suspend performance hereunder, and (d) exercise such other rights and remedies as it may have in equity or at law.

13.5 Remedies Cumulative:

Subject to Section 19.1 of this Appendix 2, no remedy conferred by any provision of this Appendix 2 is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

14 Termination

14.1 Termination

14.1.1 Upon Completion of Construction:

14.1.1.1 Conforming Interconnection Construction Service Agreements

If this Interconnection Construction Service Agreement is conforming and, therefore, is only reported to the Commission on PJM's Electric Quarterly Report, it shall terminate upon the date Transmission Provider receives written notice, in a form acceptable to Transmission Provider, from Interconnected Transmission Owner that the following conditions have occurred: (i) completion of construction of all Interconnection Facilities; (ii) if Interconnection Customer exercised the Option to Build, transfer of title under Tariff, Attachment P, Appendix 2, section 5.5; (iii) final payment of all Costs due and owing under this Interconnection Construction Service Agreement; and (iv) if Interconnection Customer exercised the Option to Build, delivery to Interconnected Transmission Owner of final "as-built" drawings of any Interconnection Facilities built by Interconnection Customer in accordance with Tariff, Attachment P, Appendix 2, section 3.2.3.2(a)(xi).

14.1.1.2 Non-Conforming Interconnection Construction Service Agreements

If this Interconnection Construction Service Agreement is non-conforming and, therefore, has been filed with and accepted by the Commission, it shall terminate upon (a) Transmission Provider receiving written notice, in a form acceptable to Transmission Provider, from Interconnected Transmission Owner that the following conditions have occurred: (i) completion of construction of all Interconnection Facilities; (ii) if Interconnection Customer exercised the Option to Build, transfer of title under Tariff, Attachment P, Appendix 2, section 5.5; (iii) final payment of all Costs due and owing under this Interconnection Construction Service Agreement; and (iv) if Interconnection Customer exercised the Option to Build, delivery to Interconnected Transmission

Owner of final "as-built" drawings of any Interconnection Facilities built by Interconnection Customer in accordance with Tariff, Attachment P, Appendix 2, section 3.2.3.2(a)(xi); and (b) the effective date of Transmission Provider's cancellation of the Interconnection Construction Service Agreement in accordance with Commission rules and regulations. Transmission Provider shall serve the Interconnected Transmission Owner and Interconnection Customer with a copy of the notice of cancellation of any Interconnection Construction Service Agreement in accordance with Commission rules and regulations.

14.1.2 Upon Default By Either Constructing Entity:

Either Constructing Entity may terminate its obligations hereunder in the event of a Default by the other Constructing Entity as defined in Tariff, Attachment P, Appendix 2, section 13.3.

14.1.3 By Interconnection Customer:

Subject to its payment of Cancellation Costs as explained in Tariff, Attachment P, Appendix 2, section 14.3, Interconnection Customer may be relieved of its obligations hereunder upon sixty (60) days written notice to Transmission Provider and Interconnected Transmission Owner.

14.2 [Reserved.]

14.3 Cancellation By Interconnection Customer

14.3.1 Applicability:

The following provisions shall survive and shall apply in the event that Interconnection Customer terminates the Interconnection Construction Service Agreement pursuant to this Section 14.1.3.

14.3.1.1 Cancellation Cost Responsibility:

Upon the cancellation of the Interconnection Construction Service Agreement by the Interconnection Customer, the Interconnection Customer shall be liable to pay to the Interconnected Transmission Owner or Transmission Provider all Cancellation Costs in connection with Construction Service for the Interconnection Customer pursuant to this Interconnection Construction Service Agreement, including Section 14.3.1.2 of this Appendix 2. In the event the Interconnected Transmission Owner incurs Cancellation Costs, it shall provide the Transmission Provider, with a copy to the Interconnection Customer, with a written demand for payment and with reasonable documentation of such Cancellation Costs. The Interconnection Customer shall pay the Transmission Provider each bill for Cancellation Costs within thirty (30) days after, as applicable, the Interconnected Transmission Owner's or Transmission Provider's presentation to the Interconnection Customer of written demand therefor, provided that such demand includes reasonable documentation of the Cancellation Costs that the invoicing party seeks to collect. Upon receipt of each of Interconnection Customer's payments of such bills of the Interconnected Transmission Owner, Transmission Provider shall reimburse the Interconnected Transmission Owner for Cancellation Costs incurred by the latter.

14.3.1.2 Disposition of Facilities Upon Cancellation:

Upon cancellation of the Interconnection Construction Service Agreement by an Interconnection Customer, Transmission Provider, after consulting with the Interconnected Transmission Owner, may, at the sole cost and expense of the Interconnection Customer, authorize the Interconnected Transmission Owner to (a) cancel supplier and contractor orders and agreements entered into by the Interconnected Transmission Owner to design, construct, install, operate, maintain and own the Transmission Owner Interconnection Facilities, provided, however, that Interconnection Customer shall have the right to choose to take delivery of any equipment ordered by the Interconnected Transmission Owner for which Transmission Provider otherwise would authorize cancellation of the purchase order; or (b) remove any Transmission Owner Interconnection Facilities built by the Interconnected Transmission Owner or any Transmission Owner Interconnection Facilities (only after title to the subject facilities has been transferred to the Interconnected Transmission Owner) built by the Interconnection Customer; or (c) partially or entirely complete the Transmission Owner Interconnection Facilities as necessary to preserve the integrity or reliability of the Transmission System, provided that Interconnection Customer shall be entitled to receive any rights associated with such facilities and upgrades as determined in accordance with Part VI of the Tariff; or (d) undo any of the changes to the Transmission System that were made pursuant to this Interconnection Construction Service Agreement. To the extent that the Interconnection Customer has fully paid for equipment that is unused upon cancellation or which is removed pursuant to subsection (b) above, the Interconnection Customer shall have the right to take back title to such equipment; alternatively, in the event that the Interconnection Customer does not wish to take back title, the Interconnected Transmission Owner may elect to pay the Interconnection Customer a mutually agreed amount to acquire and own such equipment.

14.3.2 Termination Upon Default:

In the event that Interconnection Customer exercises its right to terminate under Section 14.1.2 of this Appendix 2, and notwithstanding any other provision of this Interconnection Construction Service Agreement, the Interconnection Customer shall be liable for payment of the Interconnected Transmission Owner's Costs incurred up to the date of Interconnection Customer's notice of termination pursuant to Section 14.1.2 and the costs of completion of some or all of the Transmission Owner Interconnection Facilities or specific unfinished portions thereof, and/or removal of any or all of such facilities which have been installed, to the extent that Transmission Provider determines such completion or removal to be required for the Transmission Provider and/or Interconnected Transmission Owner to perform their respective obligations under Part VI of the Tariff or this Interconnection Construction Service Agreement, provided, however, that Interconnection Customer's payment of such costs shall be without prejudice to any remedies that otherwise may be available to it under this Appendix 2 for the Default of the Interconnected Transmission Owner.

14.4 Survival of Rights:

The obligations of the Construction Parties hereunder with respect to payments, Cancellation Costs, warranties, liability and indemnification shall survive termination to the extent necessary to provide for the determination and enforcement of said obligations arising from acts or events that

occurred while the Interconnection Construction Service Agreement was in effect. In addition, applicable provisions of this Interconnection Construction Service Agreement will continue in effect after expiration, cancellation or termination to the extent necessary to provide for final billings, payments, and billing adjustments.

15 Force Majeure

15.1 Notice:

A Construction Party that is unable to carry out an obligation imposed on it by this Appendix 2 due to Force Majeure shall notify each other Construction Party in writing or by telephone within a reasonable time after the occurrence of the cause relied on.

15.2 Duration of Force Majeure:

A Construction Party shall not be responsible for any non-performance or considered in Breach or Default under this Appendix 2, for any non-performance, any interruption or failure of service, deficiency in the quality or quantity of service, or any other failure to perform any obligation hereunder to the extent that such failure or deficiency is due to Force Majeure. A Construction Party shall be excused from whatever performance is affected only for the duration of the Force Majeure and while the Construction Party exercises Reasonable Efforts to alleviate such situation. As soon as the non-performing Construction Party is able to resume performance of its obligations excused because of the occurrence of Force Majeure, such Construction Party shall resume performance and give prompt notice thereof to each other Construction Party.

15.3 Obligation to Make Payments:

Any Construction Party's obligation to make payments for services shall not be suspended by Force Majeure.

15.4 Definition of Force Majeure:

For the purposes of this section, an event of force majeure shall mean any cause beyond the control of the affected Interconnection Party or Construction Party, including but not restricted to, acts of God, flood, drought, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, acts of public enemy, explosions, orders, regulations or restrictions imposed by governmental, military, or lawfully established civilian authorities, which, in any of the foregoing cases, by exercise of due diligence such party could not reasonably have been expected to avoid, and which, by the exercise of due diligence, it has been unable to overcome. Force majeure does not include (i) a failure of performance that is due to an affected party’s own negligence or intentional wrongdoing; (ii) any removable or remediable causes (other than settlement of a strike or labor dispute) which an affected party fails to remove or remedy within a reasonable time; or (iii) economic hardship of an affected party.

16 Subcontractors

16.1 Use of Subcontractors:

Nothing in this Appendix 2 shall prevent the Construction Parties from utilizing the services of subcontractors as they deem appropriate to perform their respective obligations hereunder, provided, however, that each Construction Party shall require its subcontractors to comply with all applicable terms and conditions of this Appendix 2 in providing such services.

16.2 Responsibility of Principal:

The creation of any subcontract relationship shall not relieve the hiring Construction Party of any of its obligations under this Appendix 2. Each Construction Party shall be fully responsible to each other Construction Party for the acts and/or omissions of any subcontractor it hires as if no subcontract had been made.

16.3 Indemnification by Subcontractors:

To the fullest extent permitted by law, a Construction Party that uses a subcontractor to carry out any of the Construction Party's obligations under this Appendix 2 shall require each of its subcontractors to indemnify, hold harmless and defend each other Construction Party, its representatives and assigns from and against any and all claims and/or liability for damage to property, injury to or death of any person, including the employees of any Construction Party or of any Affiliate of any Construction Party, or any other liability incurred by another Construction Party or any of its Affiliates, including all expenses, legal or otherwise, to the extent caused by any act or omission, negligent or otherwise, by such subcontractor and/or its officers, directors, employees, agents and assigns, that arises out of or is connected with the design, procurement, construction or installation of the facilities of either Constructing Entity described in this Appendix 2; provided, however, that no Construction Party or Affiliate thereof shall be entitled to indemnity under this Section 16.3 in respect of any injury, loss, or damage to the extent that such loss, injury, or damage results from the negligence or willful misconduct of the Construction Party or Affiliate seeking indemnity.

16.4 Subcontractors Not Beneficiaries:

No subcontractor is intended to be, or shall be deemed to be, a third-party beneficiary of the Interconnection Construction Service Agreement.

17 Confidentiality:

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Construction Party providing the information orally informs the Construction Party receiving the information that the information is confidential. If requested by any Construction Party, the disclosing Construction Party shall provide in writing the basis for asserting that the information referred to in this section warrants confidential treatment, and the requesting Construction Party may disclose such writing to an appropriate Governmental Authority. Any Construction Party

shall be responsible for the costs associated with affording confidential treatment to its information.

17.1 Term:

During the term of the Interconnection Construction Service Agreement, and for a period of three (3) years after the expiration or termination of the Interconnection Construction Service Agreement, except as otherwise provided in this Section 17, each Construction Party shall hold in confidence, and shall not disclose to any person, Confidential Information provided to it by any other Construction Party.

17.2 Scope:

Confidential Information shall not include information that the receiving Construction Party can demonstrate: (i) is generally available to the public other than as a result of a disclosure by the receiving Construction Party; (ii) was in the lawful possession of the receiving Construction Party on a non-confidential basis before receiving it from the disclosing Construction Party; (iii) was supplied to the receiving Construction Party without restriction by a third party, who, to the knowledge of the receiving Construction Party, after due inquiry, was under no obligation to the disclosing Construction Party to keep such information confidential; (iv) was independently developed by the receiving Construction Party without reference to Confidential Information of the disclosing Construction Party; (v) is, or becomes, publicly known, through no wrongful act or omission of the receiving Construction Party or breach of this Appendix 2; or (vi) is required, in accordance with Section 17.7 of this Appendix 2, to be disclosed to any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Interconnection Construction Service Agreement. Information designated as Confidential Information shall no longer be deemed confidential if the Construction Party that designated the information as confidential notifies the other Construction Parties that it no longer is confidential.

17.3 Release of Confidential Information:

No Construction Party shall disclose Confidential Information of another Construction Party to any other person, except to its Affiliates (limited by the Commission's Standard of Conduct requirements), subcontractors, employees, consultants or to parties who may be or considering providing financing to or equity participation in Interconnection Customer on a need-to-know basis in connection with the Interconnection Construction Service Agreement, unless such person has first been advised of the confidentiality provisions of this Section 17 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Construction Party that provides Confidential Information of another Construction Party to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 17.

17.4 Rights:

Each Construction Party retains all rights, title, and interest in the Confidential Information that it discloses to any other Construction Party. A Construction Party's disclosure to another

Construction Party of Confidential Information shall not be deemed a waiver by either Construction Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

17.5 No Warranties:

By providing Confidential Information, no Construction Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Construction Party obligates itself to provide any particular information or Confidential Information to any other Construction Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

17.6 Standard of Care:

Each Construction Party shall use at least the same standard of care to protect Confidential Information it receives as the Construction Party uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Construction Party may use Confidential Information solely to fulfill its obligations to the other Construction Parties under this Interconnection Construction Service Agreement or to comply with Applicable Laws and Regulations.

17.7 Order of Disclosure:

If a Governmental Authority with the right, power, and apparent authority to do so requests or requires a Construction Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Construction Party shall provide the Construction Party that provided the information with prompt prior notice of such request(s) or requirement(s) so that the providing Construction Party may seek an appropriate protective order, or waive compliance with the terms of this Interconnection Construction Service Agreement. Notwithstanding the absence of a protective order, or agreement, or waiver, the Construction Party subjected to the request or order may disclose such Confidential Information which, in the opinion of its counsel, the Construction Party is legally compelled to disclose. Each Construction Party shall use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

17.8 Termination of Interconnection Construction Service Agreement:

Upon termination of the Interconnection Construction Service Agreement for any reason, each Construction Party shall, within ten (10) calendar days of receipt of a written request from another party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure and deletion certified in writing to the requesting party) or to return to the requesting party, without retaining copies thereof, any and all written or electronic Confidential Information received from the requesting party.

17.9 Remedies:

The Construction Parties agree that monetary damages would be inadequate to compensate a Construction Party for another Construction Party's Breach of its obligations under this Section 17. Each Construction Party accordingly agrees that each other Construction Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Construction Party breaches or threatens to breach its obligations under this Section 17, which equitable relief shall be granted without bond or proof of damages, and the receiving Construction Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed to be an exclusive remedy for the breach of this Section 17, but shall be in addition to all other remedies available at law or in equity. The Construction Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Construction Party, however, shall be liable for indirect, incidental, consequential, or punitive damages of any nature or kind resulting from or arising in connection with a Breach of any obligation under this Section 17.

17.10 Disclosure to FERC or its Staff:

Notwithstanding anything in this Section 17 to the contrary, and pursuant to 18 C.F.R. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Construction Parties that is otherwise required to be maintained in confidence pursuant to this Interconnection Construction Service Agreement, the Construction Party, shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Construction Party must, consistent with 18 C.F.R. § 388.122, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Construction Parties are prohibited from notifying the other Construction Parties to the Interconnection Construction Service Agreement prior to the release of the Confidential Information to the Commission or its staff. A Construction Party shall notify the other Construction Parties when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Construction Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

17.11

Subject to the exception in Section 17.10, no Construction Party shall disclose Confidential Information of another Construction Party to any person not employed or retained by the disclosing Construction Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Construction Party to be required in connection with a dispute between or among the Construction Parties, or the defense of litigation or dispute; (iii)_ otherwise permitted by consent of the Construction Party that provided such Confidential Information, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Interconnection Construction Service Agreement or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. Prior to any disclosures of another Construction Party's Confidential Information under this subparagraph, the disclosing Construction Party shall promptly notify the other Construction Parties in writing and shall assert confidentiality and cooperate with the other

Construction Parties in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

17.12

This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

17.13 Return or Destruction of Confidential Information:

If any Construction Party provides any Confidential Information to another Construction Party in the course of an audit or inspection, the providing Construction Party may request the other party to return or destroy such Confidential Information after the termination of the audit period and the resolution of all matters relating to that audit. Each Construction Party shall make Reasonable Efforts to comply with any such requests for return or destruction within ten days after receiving the request and shall certify in writing to the requesting Construction Party that it has complied with such request.

18 Information Access And Audit Rights

18.1 Information Access:

Subject to Applicable Laws and Regulations, each Construction Party shall make available to each other Construction Party information necessary (i) to verify the costs incurred by the other Construction Party for which the requesting Construction Party is responsible under this Appendix 2, and (ii) to carry out obligations and responsibilities under this Appendix 2. The Construction Parties shall not use such information for purposes other than those set forth in this Section 18.1 and to enforce their rights under this Appendix 2.

18.2 Reporting of Non-Force Majeure Events:

Each Construction Party shall notify each other Construction Party when it becomes aware of its inability to comply with the provisions of this Appendix 2 for a reason other than an event of force majeure as defined in Section 15.4 of this Appendix 2. The Construction Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including, but not limited to, the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Section shall not entitle the receiving Construction Party to allege a cause of action for anticipatory breach of this Appendix 2.

18.3 Audit Rights:

Subject to the requirements of confidentiality under Section 17 of this Appendix 2, each Construction Party shall have the right, during normal business hours, and upon prior reasonable notice to the pertinent Construction Party, to audit at its own expense the other Construction Party's

accounts and records pertaining to such Construction Party's performance and/or satisfaction of obligations arising under this Interconnection Construction Service Agreement. Any audit authorized by this Section shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Appendix 2. Any request for audit shall be presented to the other Construction Party not later than twenty-four months after the event as to which the audit is sought. Each Construction Party shall preserve all records held by it for the duration of the audit period.

19 Disputes

19.1 Submission:

Any claim or dispute that any Construction Party may have against another Construction Party arising out of this Appendix 2 may be submitted for resolution in accordance with the dispute resolution provisions of Section 12 of the Tariff.

19.2 Rights Under The Federal Power Act:

Nothing in this Section shall restrict the rights of any Construction Party to file a complaint with FERC under relevant provisions of the Federal Power Act.

19.3 Equitable Remedies:

Nothing in this Section shall prevent any Construction Party from pursuing or seeking any equitable remedy available to it under Applicable Laws and Regulations.

20 Notices

20.1 General:

Any notice, demand or request required or permitted to be given by either Construction Party to another and any instrument required or permitted to be tendered or delivered by either Construction Party in writing to another may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Construction Party, or personally delivered to the Construction Party, at the address specified in the Interconnection Construction Service Agreement. If agreed to in advance by the Construction Parties, notices may be communicated via electronic means, so long as there is e-mail confirmation of delivery.

20.2 Operational Contacts:

Each Construction Party shall designate, and shall provide to each other Construction Party contact information concerning, a representative to be responsible for addressing and resolving operational issues as they arise during the term of the Interconnection Construction Service Agreement.

21 Miscellaneous

21.1 Regulatory Filing:

In the event that this Interconnection Construction Service Agreement contains any terms that deviate materially from the form included in Attachment P or from the standard terms and conditions in this Appendix 2, the Transmission Provider shall file the executed Interconnection Construction Service Agreement on behalf of itself and the Interconnected Transmission Owner with FERC as a service schedule under the Tariff. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Section 17 of this Appendix 2. An Interconnection Customer shall have the right, with respect to any Interconnection Construction Service Agreement tendered to it, to request (a) dispute resolution under Section 12 of the Tariff or, if concerning the Regional Transmission Expansion Plan, consistent with Schedule 5 of the Operating Agreement, or (b) that Transmission Provider file the agreement unexecuted with the Commission. With the filing of any unexecuted Interconnection Construction Service Agreement, Transmission Provider may, in its discretion, propose to FERC a resolution of any or all of the issues in dispute between any Construction Parties.

21.2 Waiver:

Any waiver at any time by any Construction Party of its rights with respect to a Breach or Default under this Appendix 2, or with respect to any other matters arising in connection with this Appendix 2, shall not be deemed a waiver or continuing waiver with respect to any other Breach or Default or other matter.

21.3 Amendments and Rights under the Federal Power Act:

Except as set forth in this Section, this Interconnection Construction Service Agreement may be amended, modified, or supplemented only by written agreement of the Construction Parties. Such amendment shall become effective and a part of this Interconnection Construction Service Agreement upon satisfaction of all Applicable Laws and Regulations. Notwithstanding the foregoing, nothing contained in this Interconnection Construction Service Agreement shall be construed as affecting in any way any of the rights of any Construction Party with respect to changes in applicable rates or charges under Section 205 of the Federal Power Act and/or FERC's rules and regulations thereunder, or any of the rights of any Interconnection Party under Section 206 of the Federal Power Act and/or FERC's rules and regulations thereunder. The terms and conditions of this Interconnection Construction Service Agreement and every appendix referred to therein shall be amended, as mutually agreed by the Construction Parties, to comply with changes or alterations made necessary by a valid applicable order of any Governmental Authority having jurisdiction hereof.

21.4 Binding Effect:

This Interconnection Construction Service Agreement, including the rights and obligations incorporated by reference therein from this Interconnection Construction Service Agreement, shall be binding upon, and shall inure to the benefit of, the successors and assigns of the Construction Parties.

21.5 Regulatory Requirements:

Each Construction Party's performance of any obligation under this Interconnection Construction Service Agreement for which such party requires approval or authorization of any Governmental Authority shall be subject to its receipt of such required approval or authorization in the form and substance satisfactory to the receiving Construction Party, or the Construction Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Construction Party shall in good faith seek, and shall use Reasonable Efforts to obtain, such required authorizations or approvals as soon as reasonably practicable.

22 Representations and Warranties

22.1 General:

Each Constructing Entity hereby represents, warrants and covenants as follows, with these representations, warranties, and covenants effective as to the Constructing Entity during the full time the Interconnection Construction Service Agreement is effective:

22.1.1 Good Standing:

Such Constructing Entity is duly organized or formed, as applicable, validly existing and in good standing under the laws of its state of organization or formation, and is in good standing under the laws of the respective State(s) in which it is incorporated and operates as stated in the preamble of the Interconnection Construction Service Agreement.

22.1.2 Authority:

Such Constructing Entity has the right, power and authority to enter into the Interconnection Construction Service Agreement, to become a party thereto and to perform its obligations thereunder. The Interconnection Construction Service Agreement is a legal, valid and binding obligation of such Constructing Entity, enforceable against such Constructing Entity in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

22.1.3 No Conflict:

The execution, delivery and performance of the Interconnection Construction Service Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Constructing Entity, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Constructing Entity or any of its assets.

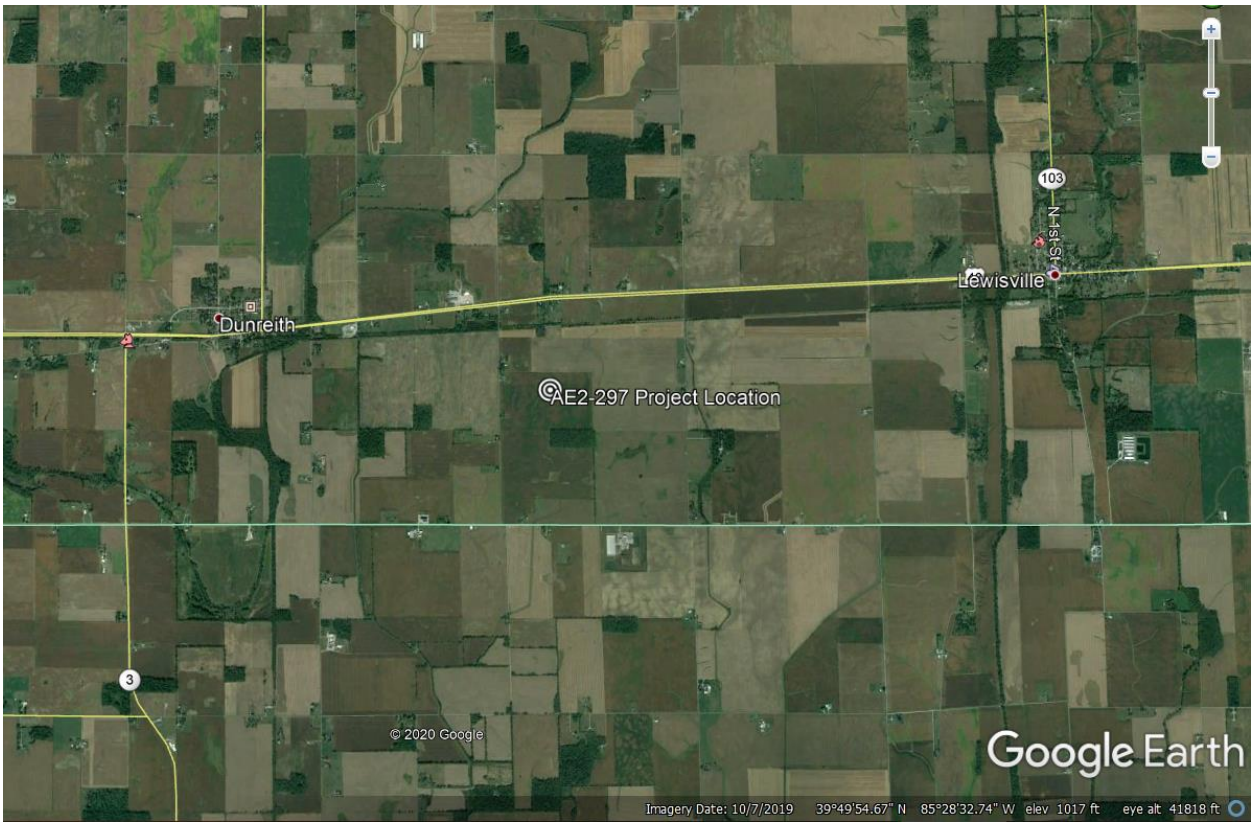
22.1.4 Consent and Approval:

Such Constructing Entity has sought or obtained, or, in accordance with the Interconnection Construction Service Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of such Agreement and it will provide to any Governmental Authority notice of any actions under such Agreement that are required by Applicable Laws and Regulations.

SCHEDULE A

SITE PLAN

Henry County, Indiana
Latitude: 39.7976500 , Longitude: -85.4046850



SCHEDULE B

SINGLE-LINE DIAGRAM OF INTERCONNECTION FACILITIES

Not Required

SCHEDULE C

TRANSMISSION OWNER INTERCONNECTION FACILITIES TO BE BUILT BY INTERCONNECTED TRANSMISSION OWNER

Interconnected Transmission Owner shall construct and, unless otherwise indicated, shall own, the following:

Non-Direct Connection Network Upgrade:

(1) Dearborn – Pierce 345kV line – replace two (2) dead end structures at two (2) Ohio River crossings, one (1) additional dead end structure at the Dearborn 345 kV line exit, and 16 tangent structures on the Dearborn - Pierce 345 kV circuit. PJM Network Upgrade Number n7881.

SCHEDULE D

TRANSMISSION OWNER INTERCONNECTION FACILITIES TO BE BUILT BY INTERCONNECTION CUSTOMER PURSUANT TO OPTION TO BUILD

None

SCHEDULE E

[Reserved]

SCHEDULE F

[Reserved]

SCHEDULE G

CUSTOMER INTERCONNECTION FACILITIES

None

SCHEDULE H

NEGOTIATED CONTRACT OPTION TERMS

None

SCHEDULE I

SCOPE OF WORK

Interconnection Customer shall construct and, unless otherwise indicated, shall own, the following Interconnection Facilities:

- None

Interconnected Transmission Owner shall construct and, unless otherwise indicated, shall own, the following:

Non-Direct Connection Network Upgrade:

(1) Dearborn – Pierce 345kV line – replace two (2) dead end structures at two (2) Ohio River crossings, one (1) additional dead end structure at the Dearborn 345 kV line exit, and 16 tangent structures on the Dearborn - Pierce 345 kV circuit. PJM Network Upgrade Number n7881.

SCHEDULE J

SCHEDULE OF WORK

The schedule of work for the Interconnected Transmission Owner work as set for in Schedule C is:

Activity	Dates
Engineering Start	Q1 2022
Material Ordered	Q1 2023
Construction Start (Grading & Below Grade)	Q4 2023
Construction Start (Above Grade)	Q1 2024
Outage Requests Made By	Q2 2022
Outage (Structure Foundations)	Q4 2023
Outage (Cut-in & Testing)	Q4 2023 – Q2 2024
Transmission Owner Upgrade In-Service Date	April 5, 2024

The project shall commence during the first month after this CSA is effective.

SCHEDULE K

APPLICABLE TECHNICAL REQUIREMENTS AND STANDARDS

Applicable Technical Requirements and Standards are set forth in OVEC's document entitled *Requirements for Connection of New Facilities or Changes to Existing Facilities Connected to the AEP Transmission System*, dated June 30, 2021, shall apply. The *Requirements for Connection of New Facilities or Changes to Existing Facilities Connected to the AEP Transmission System* are posted on the PJM website. To the extent that these Applicable Technical Requirements and Standards conflict with the terms and conditions of the Tariff or any other provision of this CSA, the Tariff and/or this CSA shall control.

SCHEDULE L

INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH

IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS

As provided in Section 2.4.1 of Appendix 2 to this CSA and subject to the requirements thereof, Interconnection Customer represents that it meets all qualifications and requirements as set forth in Section 118(a) and 118(b) of the Internal Revenue Code of 1986, as amended and interpreted by Notice 2016-36, 2016-25 I.R.B. (6/20/2016) (the "IRS Notice"). Interconnection Customer agrees to conform with all requirements of the safe harbor provisions specified in the IRS Notice, as they may be amended, as required to confer non-taxable status on some or all of the transfer of property, including money, by Interconnection Customer to Interconnected Transmission Owner with respect to the payment of the Costs of construction and installation of the Transmission Owner Interconnection Facilities specified in this CSA.

Nothing in Interconnection Customer's agreement pursuant to this Schedule L shall change Interconnection Customer's indemnification obligations under Section 2.4.2 of Appendix 2 to the CSA.

SCHEDULE M

SCHEDULE OF NON-STANDARD TERMS AND CONDITIONS

None

SCHEDULE N

INTERCONNECTION REQUIREMENTS FOR ALL WIND, SOLAR AND NON-SYNCHRONOUS GENERATION FACILITIES

A. Voltage Ride Through Requirements

The Customer Facility shall be designed to remain in service (not trip) for voltages and times as specified for the Eastern Interconnection in Attachment 1 of NERC Reliability Standard PRC-024-1, and successor Reliability Standards, for both high and low voltage conditions, irrespective of generator size, subject to the permissive trip exceptions established in PRC-024-1 (and successor Reliability Standards).

B. Frequency Ride Through Requirements

The Customer Facility shall be designed to remain in service (not trip) for frequencies and times as specified in Attachment 2 of NERC Reliability Standard PRC-024-1, and successor Reliability Standards, for both high and low frequency condition, irrespective of generator size, subject to the permissive trip exceptions established in PRC-024-1 (and successor Reliability Standards).

C. Supervisory Control and Data Acquisition (SCADA) Capability

The wind, solar or non-synchronous generation facility shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind, solar or non-synchronous generation facility Interconnection Customer shall determine what SCADA information is essential for the proposed wind, solar or non-synchronous generation facility, taking into account the size of the facility and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

D. Meteorological Data Reporting Requirement (Applicable to wind generation facilities only)

The wind generation facility shall, at a minimum, be required to provide the Transmission Provider with site-specific meteorological data including:

- Temperature (degrees Fahrenheit)
- Wind speed (meters/second)
- Wind direction (degrees from True North)
- Atmosphere pressure (hectopascals)
- Forced outage data (wind turbine and MW unavailability)

E. Meteorological Data Reporting Requirement (Applicable to solar generation facilities only)

The solar generation facility shall, at a minimum, be required to provide the Transmission Provider with site-specific meteorological data including:

- Temperature (degrees Fahrenheit)
- Irradiance
- Forced outage data

The Transmission Provider and Interconnection Customer may mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such additional mutually agreed upon requirements for meteorological and forced outage data are set forth below:

NOT APPLICABLE FOR THIS CSA