

APPENDIX 2 to GIP

PROCEDURES FOR TRANSITIONING INTERCONNECTION REQUESTS SUBMITTED PRIOR TO EFFECTIVE DATE OF THE GENERATOR INTERCONNECTION PROCEDURES (GIP)

Section 1. Objective.

The objective of this Appendix 2 to the Generator Interconnection Procedures is to implement the transition of certain interconnection requests received pursuant to the Clustering Large Generator Interconnection Procedures (CLGIP), Attachment H to the Tariff, and Small Generator Interconnection Procedures (SGIP), Attachment G to the Tariff, to the GIP.

Section 2. Definitions.

Unless the context otherwise requires, any word or expression defined in the GIP shall have the same meaning when used in this Appendix 2 to the GIP. Additionally, in this Appendix 2, the following words and expressions shall have the meanings set opposite them:

GIP Transition Cluster shall mean the collection of valid interconnection requests submitted under the CLGIP and SGIP on and after April 2, 2010 but on or before March 31, 2011 from Interconnection Customers that elect to have such interconnection requests processed under the Cluster Study Process and meet the requirements of Section 6 of this Appendix 2 to the GIP.

Queue Date shall mean the date an interconnection request under the SGIP has been received and deemed valid by the Distribution Provider. The Queue Date shall be the later of the following: (i) the date of the interconnection request, provided the Distribution Provider deems the interconnection request valid upon receipt, or (ii) the date on which any deficiencies in the interconnection request are cured to the satisfaction of the Distribution Provider and the interconnection request is deemed valid.

Section 3. Interconnection Requests Submitted Under the CLGIP

Interconnection requests previously submitted under the CLGIP for processing in the ISO's fourth Queue Cluster (as defined in the ISO Tariff), will be processed under the Cluster Study Process set forth in GIP Section 4, except as set forth in Section 8 of this Appendix 2. An Interconnection Customer with such an interconnection request shall be deemed to have submitted an Interconnection Request pursuant to GIP Section 4.2.1. All other interconnection requests received under the CLGIP for any Queue Clusters prior to

the ISO's fourth Queue Cluster shall continue to be processed under the applicable CLGIP provisions.

Section 4. Interconnection Requests Submitted Under the SGIP

Interconnection requests submitted under the SGIP with a Queue Date after April 1, 2010 will be subject to Section 5 of this Appendix 2 to the GIP, except as set forth in Section 8 of this Appendix 2. All other interconnection requests received under the SGIP shall continue to be processed under the applicable SGIP provisions.

Section 5. Transition of Interconnection Requests Submitted Under the SGIP to the GIP

5.1 Interconnection Requests with a Queue Date between April 2, 2010 and December 20, 2010

5.1.1 Interconnection Customers having interconnection requests with a Queue Date between April 2, 2010 and December 20, 2010 that either (i) qualify for processing under the fast track process set forth in Section 2 of the SGIP, or (ii) have executed an interconnection study agreement under Section 3 of the SGIP on or before December 20, 2010, may elect to (i) continue to have their interconnection requests processed under the SGIP, (ii) transition the processing of their interconnection requests to the GIP Transition Cluster, (iii) reapply under the Independent Study Process, subject to Section 8 of this Appendix 2 to the GIP, or (iv) withdraw their interconnection requests in accordance with the SGIP. An Interconnection Customer with a Queue Date between April 2, 2010 and December 20, 2010 shall inform the Distribution Provider of its election within ten (10) Business Days following the effective date of the Commission order approving this provision.

5.1.2 Interconnection Customers having interconnection requests with a Queue Date between April 2, 2010 and December 20, 2010 that do not qualify for processing under the fast track process set forth in Section 2 of the SGIP, have not executed any interconnection study agreement under Section 3 of the SGIP on or before December 20, 2010, and have not withdrawn their interconnection request will be deemed to have submitted an Interconnection Request pursuant to GIP Section 4.2.1 and will be included in the GIP Transition Cluster.

5.2 Interconnection Requests with a Queue Date on or after December 21, 2010

5.2.1 Interconnection Customers having interconnection requests with a Queue Date on or after December 21, 2010 that qualify for processing under the fast track process set forth in Section 2 of the SGIP, will be processed under the Fast Track Process set forth in Section 6 of the GIP, unless the Interconnection Customer elects to (i) reapply under the Independent

Study Process, subject to Section 8 of this Appendix 2 to the GIP, or (ii) withdraw its interconnection request in accordance with the SGIP. Any such Interconnection Customer transitioning its interconnection request to the Fast Track Process shall be deemed to have submitted an Interconnection Request pursuant to GIP Section 6.2.

5.2.2 Interconnection Customers having interconnection requests with a Queue Date on or after December 21, 2010 and on or before March 31, 2011 that do not qualify for processing under the fast track process set forth in Section 2 of the SGIP, will be included in the GIP Transition Cluster and processed under the Cluster Study Process set forth in Section 4 of the GIP, unless the Interconnection Customer elects to (i) reapply under the Independent Study Process, subject to Section 8 of this Appendix 2 to the GIP, or (ii) withdraw its interconnection request in accordance with the SGIP. Any such Interconnection Customer transitioning its interconnection request to the Cluster Study Process shall be deemed to have submitted an Interconnection Request pursuant to GIP Section 4.2.1.

5.3 Queue Position for the GIP Transition Cluster. The queue position for all Interconnection Requests included in the GIP Transition Cluster shall be deemed to be March 31, 2011. The GIP Transition Cluster will close to Interconnection Requests effective March 31, 2011.

Section 6. Requirements for the GIP Transition Cluster to be Studied Under the Cluster Study Process

6.1 General Requirements

An Interconnection Request meeting the criteria for inclusion in the GIP Transition Cluster shall be deemed withdrawn from the GIP Transition Cluster unless the Interconnection Customer provides, within thirty (30) Calendar Days from the date of the Commission order approving this provision, all of the following: (i) any additional study deposit required by Section 6.3 of this Appendix 2; (ii) a statement of the requested deliverability status, (iii) a preferred Point of Interconnection and voltage level, and all other technical data required by Section 4.2.1 of the GIP, if not already submitted to the Distribution Provider; (iv) an executed Generator Interconnection Study Process Agreement; and (v) a demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit as set forth in Section 4.2.1 of the GIP.

6.2 Special Requirements for Certain Small and Certain Existing Large Generating Facilities.

An Interconnection Request meeting the criteria for inclusion in the GIP Transition Cluster and relating to (a) a Small Generating Facility seeking a Deliverability Assessment, or (b) a Large Generating Facility that has achieved Commercial Operation prior to the Queue Date of the Interconnection Request,

and is seeking to increase the capacity of the Large Generating Facility by less than 20 MW, shall be deemed withdrawn from the GIP Transition Cluster unless the Interconnection Customer provides, within thirty (30) Calendar Days from the date of the Commission order approving this provision, all of the following: (i) any additional study deposit required by Section 6.3 of this Appendix 2; (ii) a statement of the requested deliverability status; (iii) a preferred Point of Interconnection and voltage level, and all other technical data required by Section 4.2.1 of the GIP, if not already submitted to the Distribution Provider; and (iv) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit as set forth in Section 4.2.1 of the GIP.

6.3 Interconnection Study Deposit Amount Applicable to the GIP Transition Cluster

6.3.1 If the Net of Amounts Previously Deposited and Expended is Less than Required by GIP Section 4.2.1

If the Interconnection Customer has already submitted a study deposit(s) that is(are) less than the amount required by Section 4.2.1 of the GIP, such Interconnection Customer must submit additional study deposit amounts equal to the difference between (i) the amount required by GIP Section 4.2.1 and (2) the net of the amount previously deposited and the amount previously expended by Distribution Provider for interconnection studies.

6.3.2 If the Net of Amounts Previously Deposited and Expended is Greater than Required by GIP Section 4.2.1

If the Interconnection Customer has already submitted a study deposit(s) that is(are) greater than the amount required by Section 4.2.1 of the GIP, any excess amount, net of the amount previously deposited and the amount previously expended by Distribution Provider for interconnection studies, will be refunded to the Interconnection Customer, without interest, within thirty (30) Calendar Days from the date of the Commission order approving this provision.

6.3.3 Communication of GIP Transition Cluster Interconnection Study Deposit Amount

The Distribution Provider shall provide the Interconnection Customer with the amount of the required study deposit that is due pursuant to Section 6.3.1 of this Appendix 2 within five (5) Business Days from the date of the Commission order approving this provision.

Section 7. Schedule for Processing Interconnection Requests in the GIP Transition Cluster

The Interconnection Study Cycle, including Phase I and Phase II Interconnection Studies, set forth in GIP Section 4, including the grouping and Interconnection Base Case data development, for the GIP Transition Cluster shall coincide with ISO's fourth Queue

Cluster (as defined in the ISO Tariff) and shall commence no later than June 1, 2011 or thirty (30) Calendar Days from the date of the Commission order approving the GIP, whichever is later. All other provisions of Section 4 of the GIP will apply to the GIP Transition Cluster.

Section 8. Participation in the Independent Study Process

As of the date of the Commission order approving this Appendix 2, any Interconnection Customer with a pending interconnection request that intends to submit an Interconnection Request under the Independent Study Process pursuant to Section 5 of the GIP, must withdraw the pending interconnection request in accordance with the terms of either the CLGIP or SGIP, as applicable, and submit a new Interconnection Request in accordance with Section 5 of the GIP.

Section 9. Participation in the GIP

Any Interconnection Customer with a pending interconnection request that seeks to have its request processed under the GIP, must withdraw its pending interconnection request in accordance with the terms of the interconnection procedures under which such request is pending, and submit a new Interconnection Request in accordance with the GIP.