

INTERCONNECTION AGREEMENT

BETWEEN

PUERTO RICO ELECTRIC POWER AUTHORITY
as Owner, represented by LUMA Energy ServCo, LLC,

AND

SOLANER PUERTO RICO ONE, LLC
as Interconnection Customer

DATED AS OF

September 28, 2023

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INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT (“Agreement”) is entered into as of this 28 day of September, 2023 (the “Agreement Date”)

BETWEEN:

- A. **PUERTO RICO ELECTRIC POWER AUTHORITY** (including any successor thereto, “PREPA” or “Owner”), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created by Act No. 83 of the Legislative Assembly of Puerto Rico, enacted on May 2, 1941, represented in this act by its agent LUMA Energy ServCo, LLC, a Puerto Rico limited liability company (“LUMA”, and in its functions hereunder on behalf of Owner, “T&D System Operator”); and
- B. **SOLANER PUERTO RICO ONE, LLC** (“Interconnection Customer”), a Puerto Rico limited liability company organized under the laws of the Commonwealth of Puerto Rico, authorized to do business in Puerto Rico, employer identification number [REDACTED], with its principal office at 250 Muñoz Rivera Avenue, San Juan, Puerto Rico, 00918, represented in this act by its representative, Mr. Francisco Caballero Herrea, of legal age, [REDACTED], authorized to jointly sign this Agreement on behalf of the Interconnection Customer as certified by the Written Consent of the Manager dated September 27, 2023;

(collectively, the “Parties” and each a “Party”).

RECITALS

WHEREAS:

WHEREAS LUMA was retained by PREPA and the Puerto Rico Public-Private Partnerships Authority (“Administrator”), under the Operation and Maintenance Agreement dated as of June 22, 2020, as may be amended from time to time and in accordance with its terms (the “OMA”), pursuant to which LUMA provides certain services as more specifically set out therein.

WHEREAS, in accordance with the terms and conditions of the OMA, LUMA is acting as Owner’s agent herein. Therefore, as long as the OMA is in effect, all references in this Agreement to “T&D System Operator” taking any action, performing any obligation, exercising any right, receiving or providing any notice or disclosure, making any determination or otherwise, shall be understood to refer to LUMA acting as Owner’s agent and as operator of the T&D System, unless otherwise disclaimed or distinguished.

WHEREAS, Interconnection Customer and Owner have entered into that certain Power Purchase and Operating Agreement, dated July 30th, 2022 (as amended, the “Customer Contract”).

WHEREAS, Interconnection Customer intends develop, finance, construct, own, operate and maintain a 40 MW AC photovoltaic solar energy generation facility, which has a Resource Capacity (as defined below) of more than 5 MW, in accordance with the Customer Contract (the “Large Resource Facility”);

WHEREAS, contemporaneously hereto, the Parties shall be executing Amendment No. 1 to this Agreement (“Amendment No. 1”) to incorporate the PREB order with respect to Tranche 1 Customer Contracts for T&D System Operator to be responsible for the Network Upgrades;

WHEREAS, Interconnection Customer and T&D System Operator have agreed to enter into this Agreement for the purpose of interconnecting the Large Resource Facility with the T&D System; and

WHEREAS, the Puerto Rico Energy Bureau has approved System Operation Principles, which shall guide, together with the Applicable Reliability Standards (as defined below), the interaction of the Parties with respect to the operations of the Large Resource Facility and its generation and interconnection with the T&D System.

NOW THEREFORE, in consideration of these premises and of the mutual covenants and agreements set forth herein, the Parties, intending to be legally bound, hereby agree to the following:

1. DEFINITIONS

“**AC**” means alternating electrical current.

“**Access Party**” has the meaning given to it in Section 5.9 (*Access Rights*).

“**Actual Costs**” has the meaning given to it in Section 12.1 (*Invoicing for T&D System Operator’s Interconnection Facilities Works*).

“**Affected Party**” has the meaning given to it in Section 16.1 (*General*).

“**Affiliate**” means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, Controls (e.g., has the status of a parent company), is Controlled by (e.g., has the status of a subsidiary) or is under common Control (e.g., has the status of sister company) with such specified Person.

“**Agency Expiration Date**” has the meaning given to it in Section 2.7 (*LUMA as System Operator’s Agent*).

“**Agreement**” has the meaning set forth in the preamble of this Agreement.

“**Agreement Date**” has the meaning given to it in the preamble of this Agreement.

“**Amendment No. 1**” has the meaning given to it in the preamble of this Agreement.

“**Ancillary Services**” means any services required by the MTRs or otherwise capable of being made available to the T&D System by the Facility (other than the delivery of Net Electrical Output, as that term is defined in the Customer Contract) from time to time, including automatic generation control, energy storage or spinning reserve, synchronous condenser mode, reactive power support, operating reserve, frequency control, ramp rate control, voltage control, black start capability, voltage support, emergency stand-by support, or others, as applicable.

“**Applicable Law**” or “**Law**” means, with respect to any Person, any constitution, bilateral or multilateral treaty, statute, law, rule, regulation, ordinance, judgment, Permit, order, decree, governmental consent, or approval or any published directive, guideline, requirement or other governmental restriction, which has the force of law, or any determination, or interpretation of any of the foregoing, by any judicial authority, which legally binds such Person or its property whether in effect as of the Agreement Date or thereafter.

“**Applicable Reliability Standards**” mean collectively (i) for any date of determination, the requirements, and guidelines of PREB relating to the operation and maintenance of, and interconnection with, the T&D System in full force and effect as of such date, and (ii) the System Operation Principles.

“**Arbitration Rules**” has the meaning given to it in Section 27.5 (*Arbitration*).

“**Arbitrator**” has the meaning given to it in Section 27.5 (*Arbitration*).

“**Automatic Generation Control**” means a system for adjusting the power output of the Resource Facility, in response to the instructions provided by the T&D System Operator.

“**Breach**” means the failure of a Party to perform or observe any material term or condition of this Agreement.

“**Breaching Party**” means a Party that is in Breach.

“**Bulk-Power System EO**” has the meaning given to it in the Customer Contract.

“**Business Day**” means a Day other than (i) a Saturday, a Sunday or a Day on which Applicable Law requires or authorizes commercial banks in San Juan, Puerto Rico to be closed for business, or (ii) any other Day recognized as a holiday by Owner and identified in the Customer Contract or otherwise notified to Interconnection Customer from time to time.

“**Cap Amount**” has the meaning given to it in paragraph (b) of Section 5.3 (*Design and Equipment Procurement; Upfront Payment*).

“**Change-of-Law**” means the enactment, approval, or issuance of an Applicable Law after the Agreement Date.

“**Closing Date**” has the meaning given to it in the Customer Contract.

“**Commercial Operation**” has the meaning given to it in the Customer Contract.

“**Commercial Operation Date**” has the meaning given to it in the Customer Contract.

“**Confidential Information**” means 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 Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

“**Control**” means (i) the ownership (whether directly or indirectly) of more than fifty percent (>50%) of the total issued voting share capital or other voting interest of that company or corporation, or (ii) the ability to unilaterally appoint a majority of the board directors or equivalent body of that company or corporation through the ownership of securities with voting power or otherwise, without the need of the vote or approval of another, or (iii) the ability to unilaterally direct the business affairs and/or operations of that company or corporation, without the need of the vote or approval of another; and the terms Controls, Controlled, and Controlling shall have a corresponding meaning, provided that if two (2) shareholders each own fifty percent (50%) of the total issued and outstanding shares of a corporation, then neither shareholder controls such corporation.

“**Control Area**” means an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection.

“**Customer Contract**” has the meaning given to it in the preamble of this Agreement.

“**Customer Contract Term**” means the “*Term*” as defined in the Customer Contract.

“**COR3**” means the Central Recovery and Reconstruction Office of Puerto Rico.

“**DC**” means direct electrical current.

“**Day**” means a period of twenty-four (24) consecutive hours, beginning at 00:00 hours on any Gregorian calendar day and ending at 24:00 hours on such day Puerto Rico time.

“**Default**” means the failure of a Breaching Party to cure its Breach in accordance with Article 17 (*Defaults*).

“**Designated Person**” has the meaning given to it in paragraph (a) of Section 27.3 (*Negotiation*).

“**Disclosing Party**” has the meaning given to it in paragraph (a) of Section 22 (*Confidentiality*).

“**Dispatch Notice**” means the operating instruction and any subsequent updates given by T&D System Operator (directly or through the SCADA system) to Interconnection Customer, directing the Resource Facility to make available a specified quantity of Net Electrical Output according to the Operating Procedures and the System Operation Principles.

“**Dispute**” has the meaning given to it in Section 27.1 (*Scope of the Dispute Resolution Provisions*).

“**Dispute Notice**” has the meaning given to it in Section 27.2 (*Commencement of the Dispute Resolution Procedure*).

“**Dispute Resolution Procedure**” has the meaning given to it in Section 27.1 (*Scope of the Dispute Resolution Provisions*).

“**Emergency Condition**” means an operational condition or situation affecting the T&D System (including system security and reliability or a declaration of an emergency event under Applicable Law or by any Governmental Authority) or a Resource Facility, which has resulted in, or will likely result in, imminent significant disruption of service to a significant number of customers or likely endangers life or property.

“**Environment**” has the meaning given to it in Appendix D (*SECURITY ARRANGEMENT DETAILS*).

“**Environmental Law**” means Applicable Law or Regulations relating to Hazardous Substances, other pollution or protection of the environment or natural resources.

“**Estimated Costs**” means the Interconnection Cost Estimate included in the Executive Summary of the Revised Interconnection Costs and Design Package dated October 31, 2022.

“**Facilities Study**” means an engineering study to determine required additions or modifications to the T&D System, including the cost and scheduled completion date for such additions or modifications, required to provide transmission and distribution support services needed to integrate the Resource Facility into the T&D System.

“**Feasibility Study**” means a study of the feasibility of the interconnection of the Resource Facility with the T&D System.

“**First Party**” has the meaning given to it in paragraph (c) of Section 27.5 (*Arbitration*).

“**Fixed and Firm Price**” has the meaning given to it in paragraph (b) of Section 5.3 (*Design and Equipment Procurement; Upfront Payment*).

“**FOMB**” refers to the Financial Oversight & Management Board for Puerto Rico or any successor thereto, created pursuant to PROMESA.

“**Force Majeure**” has the meaning given to it in Section 16.1 (*General*).

“**Governmental Authority**” means any court, tribunal or governmental or quasi-governmental body, regulatory body, agency, authority, office, department, commission, board, bureau, public corporation, municipality or instrumentality, in each case at any United States federal, state, Commonwealth of Puerto Rico, county, municipal, or local level, having jurisdiction over a Party, a Resource Facility or a Resource Facility site, including FOMB and PREB, provided, however, that such term does not include Interconnection Customer or any of its Affiliates, LUMA or any of its Affiliates, or PREPA.

“**Granting Party**” has the meaning given to it in Section 5.9 (*Access Rights*).

“**Greenfield Interconnection Facilities**” means new Interconnection Facilities that will be developed on land or premises not currently housing Interconnection Facilities.

“**Hazardous Substances**” means 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.

“**Indemnified Party**” has the meaning given to it in Section 18.1 (*Indemnification*).

“**Indemnifying Party**” has the meaning given to it in Section 18.1 (*Indemnification*).

“**Independent Expert**” means an engineering consulting firm, jointly appointed, and engaged by the Parties.

“**Upfront Payment**” has the meaning given to it in paragraph (b) of Section 5.3 (*Design and Equipment Procurement; Upfront Payment*).

“**Initial Synchronization Date**” has the meaning given to it in the Customer Contract.

“**In-Service Date**” means the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Owner’s Interconnection Facilities to obtain back feed power.

“**Interconnection Customer**” means the entity described as such in the preamble, that proposes to interconnect its Resource Facility with the T&D System.

“**Interconnection Customer’s Interconnection Facilities**” or “**ICIF**” means all facilities and equipment (including Interconnection Customer’s backup meters), located on Interconnection Customer’s side of the Interconnection Point, constructed and installed for the purpose of interconnecting the Resource Facility with the T&D System, as further described in Appendix I (*Interconnection Description and Specifications*) of the Customer Contract.

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“Interconnection Facilities” means collectively Owner’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities.

“Interconnection Point” means the physical point, located at the transmission center or substation, at which the Resource Facility connects to the T&D System, as further described in Section 4 (*Description of the Interconnection Facilities*) of Appendix I (*Interconnection Description and Specifications*) of the Customer Contract.

“Interconnection Request” means a request by the Interconnection Customer to T&D System Operator to increase the capacity, or make a Material Modification to the operating characteristics, of the Resource Facility.

“Interconnection Service” means the service provided by the T&D System Operator associated with interconnecting the Resource Facility to the T&D System and enabling the T&D System to export electric energy from or deliver charge energy to, and export discharge energy from, as applicable, the Resource Facility at the Interconnection Point, as further described in Article 4 (*Scope of Interconnection Service*).

“Interconnection Study” means any of the Feasibility Study, the System Impact Study and the Facilities Study.

“Joint Operating Committee” means a group made up of representatives from Interconnection Customers and T&D System Operator to coordinate operating and technical considerations of Interconnection Service.

“Large Resource Facility” has the meaning given to it in the preamble of this Agreement.

“Loss” means any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnifying Party’s performance, or non-performance of its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

“LUMA” has the meaning given to it in the preamble of the Agreement.

“LUMA Interconnection Services” means those certain interconnection services related to the Interconnection Facilities identified in the Facilities Studies, Project Name Solaner San Germán, AI-1-P, dated August 25, 2022.

“Main Meters” means the “*Main Meters*” as defined in Section 8.1 (*Meter Ownership & Maintenance*) of the Customer Contract, and also includes all instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines and fiber optics.

“Material Modification” means those modifications that have a material impact on the cost or timing of any Interconnection Request.

“Milestone Schedule” has the meaning given to it in the Customer Contract.

“MTRs” means the minimum technical requirements applicable to the Resource Facility for connection of the Resource Facility to the T&D System set forth in Appendix F (*Minimum Technical Requirements*), as modified or replaced from time to time.

“Negotiation Period” has the meaning given to it in Section 27.3 (*Negotiation*).

“**NERC**” means the North American Electric Reliability Council or its successor organization.

“**NERC Reliability Standard**” means the defined reliability requirements for planning and operating the North American bulk power system.

“**Network Resource Interconnection Service**” or “**NRIS**” means an Interconnection Service that allows the Interconnection Customer to integrate its Large Resource Facility with the T&D System in a manner allowing for the Large Resource Facility to serve all load connected to the T&D System. NRIS in and of itself does not convey transmission service.

“**Network Upgrades**” means the additions or modifications to the T&D System needed to integrate the Resource Facility into the T&D System and identified in the Facilities Study and the System Impact Study, other than the installation of Owner’s Interconnection Facilities.

“**Non-Affected Party**” has the meaning given to it in paragraph (d) of Section 16.1 (*General*).

“**Notice of Dispute**” means a written notice of a dispute or claim that arises out of or in connection with this Agreement or its performance.

“**OMA**” means the Operation and Maintenance Agreement, dated June 22, 2020, among PREPA, P3A, LUMA and LUMA Energy, LLC (as it may be amended from time to time).

“**Operating Procedures**” has the meaning given to it in the Customer Contract.

“**Outages**” has the meaning given to it in the Customer Contract.

“**Owner**” has the meaning given to it in the preamble of this Agreement.

“**Owner’s Interconnection Facilities**” means all equipment and facilities (including the Main Meters) located on T&D System Operator’s side of the Interconnection Point, constructed and installed or upgraded for the purpose of interconnecting the Resource Facility with the remainder of the T&D System, as further described in Appendix I (*Interconnection Description and Specifications*) of the Customer Contract, excluding any Network Upgrades.

“**Owner’s Interconnection Facilities Works**” means the design, permitting, construction, installation, testing and commissioning of the Owner’s Interconnection Facilities.

“**P3A**” means the Public-Private Partnerships Authority of Puerto Rico or any successor thereto.

“**Party**” or “**Parties**” has the meaning given to it in the preamble of this Agreement.

“**PDF**” has the meaning set forth in Section 30.8 (*Multiple Counterparts*).

“**Pending Permit Delay**” means, for any Permit for which Interconnection Customer has duly and properly applied and has exercised / continues to exercise diligent efforts to obtain, the denial of or delay in granting such Permit by the relevant Governmental Authority for any reason, other than Interconnection Customer’s failure to comply with the requirements for the issuance of such Permit, which impairs the ability of Interconnection Customer to achieve Commercial Operation or otherwise perform its obligations under this Agreement.

“**Permits**” has the meaning given to it in the Customer Contract.

“**Person**” means an individual, partnership, corporation, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or a government or agency or political subdivision thereof.

“**PREB**” refers to the Puerto Rico Energy Bureau or any successor thereto.

“**PREPA**” has the meaning given to it in the preamble of this Agreement.

“**PREPA Final Costs**” has the meaning given to it in the Customer Contract.

“**PREPA Interconnection and System Upgrade Cost**” has the meaning given to it in the Customer Contract.

“**PROMESA**” means Public Law No: 114-187 (June 30, 2016), otherwise known as the Puerto Rico Oversight, Management, and Economic Stability Act.

“**PROMESA Court**” means the United States District Court for the District of Puerto Rico.

“**Proposed Initial Synchronization Date**” has the meaning given to it in paragraph (a) of Section 9.4 (*Start-Up and Synchronization*).

“**Project Lenders**” means any Person providing, arranging, insuring or guaranteeing all or part of the construction or permanent financing, refinancing or other funding, including any tax equity financing, for the Resource Facility, the Interconnection Customer’s Interconnection Facilities or any portion thereof, or any agent, trustee or other Person representing or acting on behalf of any such Person.

“**Prudent Utility Practice**” means the spectrum of possible practices, methods, conduct, and actions (including the practices, methods, conduct, and actions engaged in or approved by a significant portion of the power industry in the United States) that, at a particular time, in the exercise of reasonable discretion at the time a decision was made, could have been expected to accomplish the desired result in a manner consistent with Applicable Law and Applicable Standards for reliability, safety and economy.

“**Reasonable Efforts**” means, with respect to an action required to be attempted or taken by a Party under this Agreement, a timely action taken in accordance with Prudent Utility Practice and otherwise substantially equivalent to the action that a Person would use to protect its own interests.

“**Receiving Party**” has the meaning given to it in paragraph (a) of Section 22 (*Confidentiality*).

“**Resource Capacity**” means the net power production capacity of the Resource Facility and the aggregate net capacity of the Resource Facility where such facility includes multiple energy production devices.

“**Resource Facility**” means the Large Resource Facility other than the Interconnection Customer’s Interconnection Facilities.

“**Scoping Meeting**” means the meeting between representatives of the Interconnection Customer and T&D System Operator conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Interconnection Points.

“**Site**” has the meaning given to it in the Customer Contract.

“**Substantial Completion Notice**” has the meaning given to it in the Customer Contract.

“**Substitute Provider**” has the meaning given to it in Appendix X (*Form of Direct Agreement*) of the Customer Contract.

“**System Impact Study**” means a study that will, at a minimum, (i) determine the power capabilities of the major interconnection equipment required to complete the Interconnection Facilities, (ii) specify the maximum fault currents necessary to specify short circuit duty and interrupting ratings for the electrical equipment, (iii) approve or disapprove generator step-up (GSU) transformer impedance and reactive compensation equipment for proper control of voltage and reactive power flow, (iv) quantify the impact of the Resource Facility to the T&D System and the actions required to mitigate such impact, and (v) specify the proposed design requirements for the Resource Facility and the Interconnection Facilities.

“**System Operation Principles**” or “**SOP**” means the documentation conditionally approved by the PREB on May 31st, 2021 via resolution and order under the docket number NEPR-MI-2021-001 which defines how the T&D System in Puerto Rico is managed by LUMA as per the terms of the OMA.

“**System Protection Facilities**” means the equipment, including necessary protection signal communications equipment, required to protect (i) the T&D System from faults or other electrical disturbances occurring at the Resource Facility, and (ii) the Resource Facility from faults or other electrical system disturbances occurring on the T&D System.

“**T&D System**” means Owner’s transmission and distribution system and related facilities, equipment and other assets related to the transmission and distribution system in which PREPA has an ownership or leasehold interest, and which is operated by the T&D System Operator pursuant to the OMA.

“**T&D System Operator**” has the meaning given to it in the preamble of this Agreement.

“**T&D System Operator’s Interconnection Facilities Works**” means, if applicable, the Owner’s Interconnection Facilities Works and the LUMA Interconnection Services.

“**Technical Dispute**” has the meaning given to it in paragraph (b) of Section 27.3 (*Negotiation*).

“**Technical Recommendation**” has the meaning given to it in paragraph (a) of Section 27.4 (*Technical Recommendation*).

“**Term**” has the meaning given to it in Section 2.2 (*Term of Agreement*).

“**Termination Costs**” means, with respect to any Party, all costs incurred by such Party in association with the Interconnection Facilities and System Upgrades, including the cost of (i) any cancellation of orders or contracts, (ii) the removal, relocation or other disposition or retirement of materials, equipment, or facilities, delivered to, or installed at, the site of the Interconnection Facilities or System Upgrades, and (iii) disconnecting the Resource Facility from the T&D System.

“**Transfer**” has the meaning given to it in Section 19.2 (*T&D System Operator’s Right to Assign*).

“**Trial Operation**” means the period during which Interconnection Customer conducts on-site test operations and commissioning of the Resource Facility prior to the Commercial Operation Date.

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“**Variable Energy Resource**” means a source of renewable electric energy, which (i) cannot be stored by, and (ii) produces a variable quantity of energy beyond the control of, in each case the owner or operator of such resource.

2. CLOSING DATE, TERM, AND TERMINATION

2.1 Initial Effectiveness & Closing Date

The rights and obligations of the Parties under Article 1 (*Definitions*), this Article 2 (*Closing Date, Term, and Termination*), Articles 14 (*Regulatory Requirements and Governing Law*) to 22 (*Confidentiality*), Article 27 (*Disputes*), Article 28 (*Representations, Warranties, and Covenants*) and Article 30 (*Miscellaneous*) shall enter into full force and effect on the Agreement Date. T&D System Operator shall notify the Interconnection Customer of the Agreement Date within five (5) Business Days after the T&D System Operator executes this Agreement. Subject to the foregoing rights and obligations that become effective on the Agreement Date, the remaining provisions of this Agreement shall become effective on the Closing Date.

2.2 Term of Agreement

Subject to the provisions of Section 2.3 (*Termination Procedures*), the term of this Agreement (the “**Term**”) shall commence on the Agreement Date and continue until the expiration or earlier termination of the Customer Contract.

2.3 Termination Procedures

- a. Interconnection Customer may terminate this Agreement after giving T&D System Operator ninety (90) Days advance written notice.
- b. Either Party may terminate this Agreement in accordance with Section 17.2 (*Right to Terminate*).
- c. Notwithstanding paragraphs (a) and (b) above, no termination shall become effective until the Parties have complied with all Applicable Law relating to such termination, including the filing with PREB of a notice of termination of this Agreement, which PREB accepts for filing.

2.4 Termination Costs

- a. In the event that (i) Interconnection Customer elects to terminate this Agreement pursuant to paragraph (a) of Section 2.3 (*Termination Procedures*), or (ii) T&D System Operator terminates this Agreement pursuant to paragraph (b) of Section 2.3 (*Termination Procedures*), Interconnection Customer shall pay the Termination Costs to T&D System Operator.
- b. In the event that Interconnection Customer terminates this Agreement pursuant to paragraph (b) of Section 2.3 (*Termination Procedures*), T&D System Operator shall pay the Termination Costs to Interconnection Customer.
- c. In the event of a termination of this Agreement by either Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of such termination.



2.5 Disconnection

Upon termination of this Agreement, the Parties will take all appropriate steps to disconnect the Resource Facility from the T&D System.

2.6 Survival

This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect, and to permit each Party to have access to the real property of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

2.7 LUMA as Owner's Agent

Interconnection Customer acknowledges and agrees that (i) Owner has appointed T&D System Operator as its authorized agent to act for and on behalf of Owner under this Agreement until the date of the expiration or early termination of the OMA (the "**Agency Expiration Date**"), and (ii) any approval, communication, notification or other action issued or taken by T&D System Operator in relation to this Agreement prior to the Agency Expiration Date shall be deemed an approval, communication, notification or other action issued or taken by Owner under this Agreement. If the Agency Expiration Date occurs before any expiration or termination of this Agreement, all references herein to T&D System Operator shall be understood to refer to Owner directly.

2.8 Signing Conditions

The Interconnection Customer shall satisfy the requirements set forth in Appendix A (*Signing Conditions*) prior to the Agreement Date. If, in connection with the execution of the Customer Contract, the Interconnection Customer satisfies a requirement included in Appendix A and the document submitted by Interconnection Customer to Owner to satisfy such requirement remains in effect upon execution of this Agreement, Interconnection Customer will not be required to separately satisfy that requirement in connection with the execution of this Agreement. The Interconnection Customer acknowledges and agrees that submission of completed and duly executed certifications and documents set out in Appendix A (*Signing Conditions*) (as specified in this Section 2.8) forms an essential condition of this Agreement.

3. **REGULATORY FILINGS**

T&D System Operator may file this Agreement (and any amendment hereto) with PREB. Interconnection Customer may request that T&D System Operator presents to PREB any information so provided under a request of confidential treatment, in accordance with the provisions of Article 22 (*Confidentiality*). Interconnection Customer acknowledges, however, that it is in PREB's discretion to grant or not such confidential treatment. If Interconnection Customer has executed this Agreement, or any amendment thereto, Interconnection Customer shall reasonably cooperate with T&D System Operator with respect to such filing and provide any information reasonably requested by T&D System Operator needed to comply with Applicable Law and regulatory requirements.

4. SCOPE OF INTERCONNECTION SERVICE

4.1 Network Resource Interconnection Service

- a. T&D System Operator shall conduct the necessary studies and procure the construction of the Owner's Interconnection Facilities and Network Upgrades needed to integrate the Resource Facility in a manner consistent with Network Resource Interconnection Service.
- b. Interconnection Customer acknowledges that (i) the Network Resource Interconnection Service endeavors to allow the Resource Facility to deliver output to any load connected to the T&D System, up to the Resource Capacity, on the same basis as other resources interconnected to the T&D System, (ii) the Network Resource Interconnection Service does not convey a reservation of transmission service and any customer or load connected to the T&D System can utilize whatever transmission service it possesses to obtain delivery of energy from the Resource Facility, and (iii) the Resource Facility receiving Network Resource Interconnection Service may also provide Ancillary Services after T&D System Operator performs technical studies and/or periodic analyses of the ability of the Resource Facility to provide any such Ancillary Services.
- c. Once an Interconnection Customer satisfies the requirements for obtaining the Network Resource Interconnection Service, any future transmission service request for delivery from the Resource Facility within the T&D System of any amount of capacity and/or energy, up to the Resource Capacity, will not require that any additional studies be performed or that any further upgrades associated with the Resource Facility be undertaken. However, the reduction or elimination of congestion or redispatch costs, should they be imposed in the future, may require additional studies and the construction of additional upgrades, which shall be performed and constructed at no additional cost to Interconnection Customer under this Agreement.

4.2 Provision of Service

T&D System Operator shall provide Interconnection Service for the Resource Facility at the Interconnection Point.

4.3 Performance Standards

Each Party shall perform all of its obligations under this Agreement in accordance with Applicable Law, the System Operation Principles, any future reliability requirements as approved by PREB, and Prudent Utility Practice. To the extent that an event of Force Majeure or a Change-of-Law prohibits or limits the ability of the Affected Party to take any action contemplated by the foregoing requirements and standards, such Party shall not be deemed in Breach of this Agreement for its non-compliance therewith. In each instance where such Force Majeure or Change-of-Law affects T&D System Operator, the Parties shall amend this Agreement to address the circumstances which led to such Breach and submit the amendment to PREB for approval (as applicable).

4.3.1 Consistent with section 4.1, Interconnection Customer may be charged for ancillary services as such terms are defined in the form of Large Generator Interconnection Agreement approved by the Federal Energy Regulatory Commission, as such form of agreement may be amended or superseded from time to time, including but not limited to Scheduling, System Control, and Dispatch; Reactive Supply and Voltage Control; Regulation and Frequency Response; Energy Imbalance; Operating Reserves – Spinning; and Operating Reserves – Supplemental, only in the

event that PREB approves such a charge. The Parties acknowledge that no charge for ancillary services exists at this time.

This Section 4.3.1 shall be applicable only to retail wheeling service Customer Contracts and does not apply to PPOAs, ESSAs or GSAs with owners or operators of Large Resource Facilities.

4.4 No Transmission Delivery Service

The execution of this Agreement does not constitute a request for, nor an agreement for the provision of, any transmission delivery service, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

5. **INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION**

5.1 Construction of Interconnection Facilities & System Upgrades

- a. Interconnection Customer shall fund, procure the design and construction of, operate or cause the operation of, and own the Interconnection Customer's Interconnection Facilities in accordance with this Agreement and the Customer Contract. Unless otherwise mutually agreed between the Parties, Interconnection Customer shall notify T&D System Operator in writing of the proposed In-Service Date, Initial Synchronization Date and Commercial Operation Date no later than ninety (90) Days prior to such relevant proposed date. Unless the Parties agree otherwise, the date of the actual Initial Synchronization Date shall not occur earlier than the date for the occurrence of "*Initial Synchronization*" in the Milestone Schedule. If T&D System Operator has reason to reject any of the dates designated by Interconnection Customer, T&D System Operator shall so notify Interconnection Customer within thirty (30) Days of receiving the notification from Interconnection Customer. Upon receipt by the Interconnection Customer of such notification, the Parties shall attempt, in good faith, to resolve the dispute informally within thirty (30) Days. If the Parties cannot agree on acceptable dates and options within thirty (30) Days, then the Parties shall use the procedures contained within Article 27 (*Disputes*).
- b. T&D System Operator shall procure the design, and construction of, the Owner's Interconnection Facilities and Network Upgrades using Reasonable Efforts to complete such facilities and upgrades by the dates set forth in the Milestone Schedule. T&D System Operator shall not be required to undertake any action which conflicts with its standard safety practices, its material and equipment specifications, its design criteria and construction, procedures, its labor agreements, and Applicable Law. In the event that T&D System Operator reasonably expects that it cannot complete Owner's Interconnection Facilities and Network Upgrades by the specified dates, T&D System Operator shall promptly provide written notice to Interconnection Customer and undertake Reasonable Efforts to meet the earliest dates thereafter.
- c. Interconnection Customer and T&D System Operator shall each perform the roles and undertake the responsibilities for coordinating the design, construction and interconnection of Interconnection Customer's Interconnection Facilities and Owner's Interconnection Facilities assigned to them in Appendix G (*Roles and Responsibilities*).

5.2 Intentionally Omitted.

5.3 Design and Equipment Procurement; Upfront Payment

T&D System Operator shall commence the procurement of the design of the T&D System Operator's Interconnection Facilities Works and procure necessary equipment as soon as practicable after Interconnection Customer has satisfied the following conditions:

- a. T&D System Operator receives written authorization from Interconnection Customer to proceed with a competitive procurement process for the procurement of the design and construction of the T&D System Operator's Interconnection Facilities Works by the date specified in Appendix B (*OTHER MILESTONES*) which costs shall be determined pursuant to this Section 5.3 and paid pursuant to Section 12.1 (*Invoicing for T&D System Operator's Interconnection Facilities Works*); and
- b. In the event that the fixed and firm price of the T&D System Operator's Interconnection Facilities Works ("**Fixed and Firm Price**") results in an amount higher than the cost estimates that resulted from the Interconnection Studies (which cost estimates are set forth in Appendix B (*OTHER MILESTONES*) as "Estimated Costs" ("**Estimated Costs**"), the total amount due from the Interconnection Customer to the T&D System Operator for the T&D System Operator's Interconnection Facilities Works pursuant to this Agreement shall be capped at the Estimated Costs ("**Cap Amount**"). If, instead, the Fixed and Firm Price results in an amount lower than the Estimated Costs, then the total amount due from Interconnection Customer to the T&D System Operator for the T&D System Operator's Interconnection Facilities Works shall be the Fixed and Firm Price. The total amount due by the Interconnection Customer to T&D System Operator for the T&D System Operator's Interconnection Facilities Works as per the foregoing provisions shall be referred to as the "**Upfront Payment**".
- c. Upon acceptance of the amount of the Upfront Payment, Interconnection Customer shall remit payment in full of the Upfront Payment, to an account designated by PREPA (or T&D System Operator as agent for PREPA) and administered by T&D System Operator as agent for PREPA, for the cost to perform the T&D System Operator's Interconnection Facilities Works. T&D System Operator, as agent for PREPA, shall tender the designated account information in writing to Interconnection Customer in advance of payment being made. In lieu of payment in full of the Upfront Payment, Interconnection Customer shall have the option of posting security to cover the entire Upfront Payment in the form of an irrevocable, first demand, letter of credit executable in Puerto Rico. In the event Interconnection Customer elects the use of security in lieu of upfront payment in full of the Upfront Payment, T&D System Operator shall provide Interconnection Customer with an estimated drawdown schedule for amounts covered by this security which schedule shall be set forth in Appendix B (*OTHER MILESTONES*).

5.4 Construction Commencement

T&D System Operator shall commence construction of the Owner's Interconnection Facilities and the Network Upgrades as soon as practicable after the satisfaction of the following additional conditions:

- a. T&D System Operator has obtained the approval of the appropriate Governmental Authority for any facilities requiring regulatory approval prior to the commencement of construction of such facility;
- b. T&D System Operator has obtained the necessary rights-of-way and other real property rights to the extent required for the construction of any discrete aspect of the Owner's Interconnection Facilities and the Network Upgrades; and
- c. T&D System Operator has received written authorization from Interconnection Customer to proceed with construction of Owner's Interconnection Facilities and the Network Upgrades by the date specified in *Appendix B (OTHER MILESTONES)*.

5.5 Work Progress

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, upon receipt of a request for information from any Governmental authority or lender, request a progress report from the other Party and each Party. If, at any time, Interconnection Customer determines that the completion of the T&D System Operator's Interconnection Facilities Works will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to T&D System Operator of such later date and T&D System Operator will exercise Reasonable Efforts to complete the T&D System Operator's Interconnection Facilities Works by such later date.

5.6 Information Exchange

As soon as reasonably practicable after the Closing Date, the Parties shall exchange information regarding the design and compatibility of the Parties' respective Interconnection Facilities and compatibility of the Interconnection Facilities with the T&D System and shall work diligently and in good faith to make any necessary design changes.

5.7 Other Interconnection Options - Greenfield Interconnection Facilities; Interconnection Customer Construction of Owner's Interconnection Facilities

- a. The T&D System Operator reserves the right to permit the Interconnection Customer to procure the design and construction of Greenfield Interconnection Facilities in the event that those facilities shall be located on property that is not owned by Owner. Upon completion and commissioning of the Greenfield Interconnection Facilities, Interconnection Customer will transfer ownership of such facilities free and clear of any liens or adverse claims to Owner at no cost. Interconnection Customer shall not undertake any action which conflicts with T&D System Operator's standard safety practices, its material and equipment specifications, its design criteria and construction, procedures, its labor agreements, and Applicable Law.
- b. The T&D System Operator reserves the right to permit the Interconnection Customer to procure the design and construction of Owner's Interconnection Facilities, subject to the Parties' execution of a mutually acceptable agreement defining Interconnection Customer's rights and responsibilities in respect of the relevant T&D System Operator's

Interconnection Facilities Works (including any necessary amendments to the Customer Contract to relieve Owner from related liability and reflect Interconnection Customer taking on such responsibilities and corresponding risk) and compliance with T&D System Operator's standard safety practices, its material and equipment specifications, its design criteria and construction, procedures, its labor agreements, and Applicable Law and to supervision by T&D System Operator.

- c. In the event that Interconnection Customer reasonably expects that it cannot complete construction of the Greenfield Interconnection Facilities or Owner's Interconnection Facilities by the specified dates, Interconnection Customer shall promptly provide written notice to T&D System Operator and undertake Reasonable Efforts to meet the earliest dates thereafter.

5.8 Interconnection Customer's Interconnection Facilities

- a. Interconnection Customer shall submit (i) initial specifications for the ICIF to T&D System Operator at least one hundred eighty (180) Days prior to the Initial Synchronization Date, and (ii) final specifications for review and comment at least ninety (90) Days prior to the Initial Synchronization Date. T&D System Operator shall review such specifications to ensure the compatibility of the ICIF with the technical specifications, operational control and safety requirements of T&D System Operator and comment on such specifications within thirty (30) Days of such submission.
- b. T&D System Operator's review of Interconnection Customer's final specifications for the ICIF shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability, or reliability of the Resource Facility or the ICIF. Interconnection Customer shall make such changes to the ICIF as T&D System Operator may reasonably require in accordance with Prudent Utility Practice to ensure the compatibility of the ICIF with the technical specifications, operational control and safety requirements of T&D System Operator as well as the System Operation Principles.
- c. Interconnection Customer shall (i) design and construct, or cause to be designed and constructed, the ICIF in accordance with Prudent Utility Practice, and (ii) deliver to T&D System Operator "as-built" drawings, information and documents for the ICIF, including a one-line diagram, a site plan showing the Resource Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Resource Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Resource Facility, within ninety (90) Days after the Commercial Operation Date and within ninety (90) Days after any material modification of the ICIF or remainder of the Resource Facility to the extent that such modification affects such as-built drawings. Interconnection Customer shall provide T&D System Operator specifications for the excitation system, automatic voltage regulator, Resource Facility control and protection settings, transformer tap settings and communications (as applicable).

5.9 Access Rights

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (the "**Granting Party**") shall furnish at no cost to the other Party (the

“Access Party”) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to (i) interconnect the Resource Facility with the T&D System, (ii) operate and maintain the Resource Facility, the Interconnection Facilities and the T&D System, and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety and security rules and procedures established in advance, as the Granting Party may change from time to time and provide to the Access Party.

5.10 [Intentionally Omitted]

5.11 Permits

Interconnection Customer shall obtain and maintain all Permits required to construct, test and commission Interconnection Customer’s Interconnection Facilities in compliance with Applicable Law. T&D System Operator shall obtain and maintain all Permits required to construct, test and commission Owner’s Interconnection Facilities and Network Upgrades in compliance with Applicable Law. T&D System Operator and Interconnection Customer shall cooperate with each other in good faith in obtaining all such permits. With respect to this paragraph, T&D System Operator shall provide permitting assistance to Interconnection Customer comparable to that provided to any other interconnection or transmission customer.

5.12 Taxes

The Parties intend that all payments made by Interconnection Customer to T&D System Operator in respect of the Owner’s Interconnection Facilities Works shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.13 Tax Status

The Parties (i) shall cooperate with each other to maintain the other Party’s tax status, and (ii) acknowledge that they have no intention of adversely affecting the T&D System Operator’s or Owner’s tax status with respect to the issuance of bonds under this Agreement.

5.14 Modifications

- a. Either Party may undertake modifications to its facilities. If a Party reasonably expects that a planned modification of a facility will affect the other Party’s facilities, then the first Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Resource Facility. The Party desiring to make such modification shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Days in advance

of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned, or delayed.

- b. In the event that Interconnection Customer desires to modify the Resource Facility and such modification will not require an Interconnection Request, at Interconnection Customer's request T&D System Operator shall provide, within thirty (30) Days (or such other reasonable amount of time), an estimate of any additional modifications to the T&D System, the Owner's Interconnection Facilities or the Network Upgrades necessitated by such modification and a good faith estimate of the costs thereof.
- c. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this Agreement and Prudent Utility Practice.
- b. d. T&D System Operator shall not directly assign to Interconnection Customer the costs of any additions, modifications or replacements that T&D System Operator makes to (i) Interconnection Facilities or the T&D System to facilitate the interconnection of a third party to Owner's Interconnection Facilities or the T&D System, or (ii) provide transmission service to a third party under an agreement or T&D System Operator's transmission tariff should PREB implement such tariff. Interconnection Customer shall fund the costs of any additions, modifications or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such facilities to comply with Applicable Law, Applicable Reliability Standards or Prudent Utility Practice. In the event such additions, modifications or replacements become necessary, the appropriate timing would be discussed between the Parties and determined based on the specific characteristics of the particular upgrade.

6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications

Prior to the Commercial Operation Date, T&D System Operator shall test the Owner's Interconnection Facilities and Network Upgrades, and Interconnection Customer shall test the Resource Facility and Interconnection Customer's Interconnection Facilities, in each case to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications of the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall generate test energy at the Resource Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Prudent Utility Practice as may be necessary to ensure the continued interconnection of the Resource Facility with the T&D System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, in accordance with Prudent Utility Practice.

6.3 Right to Observe Testing

Each Party shall notify the other Party in advance of its intention to conduct tests of its facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect

Each Party shall have the right (but shall have no obligation) to (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, (ii) review the settings of the other Party's System Protection Facilities and other protective equipment, and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Section 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 (*Confidentiality*) of this Agreement.

7. **METERING**

7.1 General

Unless otherwise agreed by the Parties, Interconnection Customer shall install the Main Meters at the Interconnection Point prior to any operation of the Resource Facility and shall transfer ownership of the Main Meters to Owner in accordance with the Customer Contract. Upon the completion of such transfer, T&D System Operator shall operate, test, and maintain such Main Meters. The Main Meters shall measure power flows to and from the Resource Facility at the Interconnection Point. T&D System Operator shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request.

7.2 Check Meters

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Interconnection Point, one or more meters to check the Main Meters. The Parties shall utilize such meters for check purposes and not use such check meters for the measurement of power flows relating to this Agreement, except as provided in Section 7.4 (*Testing of Main Meters*) below. T&D System Operator (and / or its designee) shall have the right to inspect and examine the check meters at all reasonable times. Interconnection Customer shall perform the installation, operation and maintenance of such check meters in accordance with Prudent Utility Practice.

7.3 Standards

T&D System Operator shall calibrate and test the Main Meters in accordance with applicable American National Standards Institute (ANSI) standards, and as required in accordance with the Customer Contract.

7.4 Testing of Main Meters

T&D System Operator shall inspect and test all of the Main Meters upon installation and at least annually thereafter. In addition, if requested to do so by Interconnection Customer, T&D System Operator shall, at Interconnection Customer's expense, inspect or test the Main Meters at any time

during the term of this Agreement. T&D System Operator shall give reasonable notice to Interconnection Customer of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. T&D System Operator shall, as soon as practicable after Interconnection Customer's request in writing, provide or make available to Interconnection Customer any test reports with respect to such test of the Main Meters. If at any time the Parties determine that the Main Meters evidence a defect or produce inaccurate information, then T&D System Operator shall adjust, repair and/or replace the Main Meters at Interconnection Customer's expense in order to resolve such defect or inaccuracy unless T&D System Operator's failure to maintain the Main Meters caused such defect or inaccuracy in which case T&D System Operator shall pay for such adjustment, repair or replacement. If the Main Meters fail to register, or if the measurement made by Main Meters during a test varies by more than two percent (2%) from the measurement made by the standard meter used in the test, T&D System Operator shall adjust the measurements by correcting all measurements for the period during which the Main Meters produced inaccurate information using Interconnection Customer's check meters, if installed. In the event that Interconnection Customer did not install check meters or if the Parties cannot reasonably ascertain such period, the Parties shall adjust the measurements for the period immediately preceding the most recent test of the Main Meters equal to one-half of the time from the date of the last previous test of the Main Meters.

7.5 Metering Data

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by T&D System Operator and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from and delivered to the Resource Facility at the Interconnection Point.

8. **COMMUNICATIONS**

8.1 Interconnection Customer Obligations

Interconnection Customer shall maintain its communication system in accordance with the Customer Contract and shall at all times comply with the requirements for communication set forth in the Operating Procedures. Interconnection Customer shall comply with the system security and data protection requirements set forth in Appendix D (*SECURITY ARRANGEMENT DETAILS*).

8.2 Remote Terminal Unit

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction at its own cost as soon as reasonably feasible.

8.3 No Annexation

Any and all equipment placed on the premises of a Party shall remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.



8.4 Provision of Data from a Variable Energy Resource

Where the Resource Facility qualifies as a Variable Energy Resource, the Interconnection Customer shall provide meteorological and forced outage data to T&D System Operator in accordance with the System Operations Principles, its procedures, and the Customer Contract.

9. OPERATIONS

9.1 General

Each Party shall provide to the other Party all information that such other Party may reasonably require to comply with Applicable Law.

9.2 T&D System Operator Obligations

T&D System Operator shall operate, maintain and control the T&D System, including the Owner's Interconnection Facilities and Network Upgrades, in a safe and reliable manner and in accordance with this Agreement. The Parties acknowledge that the T&D System Operator is operating the system "as is" and all Parties acknowledge the need for system improvements. T&D System Operator may provide operating instructions to Interconnection Customer consistent with this Agreement and the System Operation Principles as they may change from time to time. T&D System Operator will consider changes to the System Operation Principles proposed by Interconnection Customer but any such suggestions, if incorporated, will be subject to PREB approval.

9.3 Interconnection Customer Obligations

Interconnection Customer shall at its own expense operate, maintain, and control the Resource Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement. Interconnection Customer shall operate the Resource Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area that covers the Site set forth in Appendix C (*INTERCONNECTION DETAILS*). The Parties shall modify such requirements to reflect changes that may occur from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C of this Agreement. Interconnection Customer shall comply with all System Operation Principles, including as those System Operation Principles are communicated in writing by T&D System Operator. Interconnection Customer shall obey all instructions from T&D System Operator, including instructions to curtail output. Interconnection Customer shall also comply with applicable procedures promulgated pursuant to the System Operation Principles, all MTRs, and the Customer Contract.

9.4 Start-Up and Synchronization

- a. Interconnection Customer shall notify T&D System Operator in writing of the proposed Initial Synchronization Date (the "**Proposed Initial Synchronization Date**") and the start-up and testing schedule for the Facility and the Interconnection Customer's Interconnection Facilities no later than ninety (90) Days prior to the Proposed Initial Synchronization Date. Interconnection Customer shall have the right to postpone or accelerate such date with at least fourteen (14) Days' advance written notice to T&D System Operator. Upon the issuance of the Substantial Completion Notice, the Parties shall agree on the actual Initial Synchronization Date at least seven (7) Days in advance of such date. For the avoidance

of doubt, Interconnection Customer shall not, during the Term attempt to start-up or synchronize its Resource Facility without communicating and coordinating such start-up and synchronization with the T&D System Operator.

- b. Interconnection Customer shall not energize, back-feed, or synchronize the Resource Facility or Interconnection Facilities without T&D System Operator's prior approval, which approval T&D System Operator shall not unreasonably withhold or delay. Subject to Interconnection Customer's compliance with the other terms of this Agreement, T&D System Operator agrees to allow the Resource Facility to interconnect to the T&D System at the Interconnection Point from the Initial Synchronization Date. T&D System Operator shall have the right to have a representative present at the Facility to witness the synchronization process from and after the Initial Synchronization Date. Notwithstanding any other provision herein, Interconnection Customer shall install Automatic Generation Control Equipment (as defined in the MTRs) and shall demonstrate that such Automatic Generation Control equipment is operational prior to and on the Initial Synchronization Date. Interconnection Customer shall properly maintain Automatic Generation Control Equipment during the Term.

9.5 Reactive Power and Primary Frequency Response

Interconnection Customer shall design and operate the Resource Facility to comply with the MTRs per Appendix F of this Agreement.

9.6 Outages & Interruptions

- a. The following provisions shall apply to outages:
 1. Each Party may, in accordance with Prudent Utility Practice and consistent with the System Operation Principles, and in coordination with the other Party, remove from service that portion of the Interconnection Facilities under its ownership and/or control that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Interconnection Customer shall schedule all maintenance subject to and in accordance with the Customer Contract. Absent an Emergency Condition, T&D System Operator shall exercise Reasonable Efforts to schedule the removal of the Owner's Interconnection Facilities from service on a date and time acceptable to Interconnection Customer. In all circumstances, any Party planning to remove its facility(ies) from service shall exercise Reasonable Efforts to minimize the effect on the other Party of such removal.
 2. T&D System Operator shall notify Interconnection Customer of scheduled outages of the T&D System. Interconnection Customer shall submit its planned maintenance schedules for the Resource Facility to T&D System Operator in accordance with the Customer Contract and the System Operating Principles. Interconnection Customer shall update its planned maintenance schedules as necessary. T&D System Operator may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the T&D System; provided, however, adequacy of generation supply shall not be a criterion in determining T&D System reliability, and Interconnection Customer shall exercise Reasonable Efforts to accommodate any such request from T&D System Operator. If Interconnection Customer cannot accommodate T&D System

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Operator's request to reschedule the maintenance, Interconnection Customer shall provide to T&D System Operator reasons therefor and alternative dates for its scheduled maintenance. T&D System Operator shall select between the alternative dates proposed by Interconnection Customer to finalize the maintenance schedule.

3. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall exercise Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party with known information on the nature of the Emergency Condition, an estimated time of restoration and any corrective actions required. Initial oral notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.
- b. If required by Prudent Utility Practice to do so, T&D System Operator may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect T&D System Operator's ability to perform such activities as are necessary to safely and reliably operate and maintain the T&D System. The following provisions shall apply to any interruption or reduction permitted under this paragraph (b) of this Section 9.6:
1. The interruption or reduction shall continue only for so long as reasonably necessary under Prudent Utility Practice.
 2. Any such interruption or reduction shall be made in accordance with the System Operation Principles and the procedures promulgated in pursuance thereof; and on an equitable, non-discriminatory basis with respect to all resource facilities directly connected to the T&D System to the extent possible.
 3. When T&D System Operator must make an interruption or reduction under circumstances which do not allow for advance notice, T&D System Operator shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable.
 4. Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, T&D System Operator shall notify Interconnection Customer as far in advance as possible regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. T&D System Operator shall coordinate with Interconnection Customer using Prudent Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and T&D System Operator.
 5. The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Resource Facility, Interconnection Facilities and the T&D System to their normal operating state, consistent with system conditions, Prudent Utility Practice, the System Operation Procedures, and the applicable procedures promulgated pursuant to the System Operation Principles.

- c. Subject to the manufacturer's design limitations of the Resource Facility's equipment that is in service and physically available for operation at that time, Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Resource Facility if required by PREB to ensure "ride through" capability of the T&D System. Interconnection Customer shall study and coordinate with T&D System Operator Resource Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, in accordance with Prudent Utility Practice. The term "ride through" as used herein means the ability of the Resource Facility to stay connected to (and synchronized with) the T&D System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Prudent Utility Practice.
- d. The following provisions apply to the protection of the T&D System and other control requirements.
 - 1. Interconnection Customer shall, at its expense, install, operate, and maintain System Protection Facilities as a part of the Resource Facility or Interconnection Customer's Interconnection Facilities in accordance with the Customer Contract. T&D System Operator shall install any System Protection Facilities that may be required for the Owner's Interconnection Facilities or the T&D System as a result of the interconnection of the Resource Facility and Interconnection Customer's Interconnection Facilities.
 - 2. Each Party shall design its respective System Protection Facilities in accordance with Prudent Utility Practice in coordination with the other Party.
 - 3. Each Party shall be responsible for protection of its facilities consistent with Prudent Utility Practice.
 - 4. Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6 (*Testing and Inspection*). The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the Resource Facility.
 - 5. Each Party will test, operate, and maintain System Protection Facilities in accordance with Prudent Utility Practice.
 - 6. Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Prudent Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.
- e. In compliance with Prudent Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Resource Facility to any short circuit occurring on the T&D System not otherwise isolated by T&D System Operator's equipment, such that the

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removal of the fault contribution shall be coordinated with the protective requirements of the T&D System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Resource Facility and the T&D System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Resource Facility and Interconnection Customer's Interconnection Facilities from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall disconnect the Resource Facility and Interconnection Customer's Interconnection Facilities if conditions on the T&D System could adversely affect the Resource Facility.

- f. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard.

9.7 Switching and Tagging Rules

Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.8 Use of Interconnection Facilities by Third Parties

- a. Except as may be required by Applicable Law, or as otherwise agreed among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Resource Facility to the T&D System and shall be used for no other purpose.
- b. T&D System Operator shall have the right to permit one or more third parties to use Owner's Interconnection Facilities, or any part thereof, in accordance with Applicable Law.

9.9 Disturbance Analysis Data Exchange

The Parties will cooperate with one another in the analysis of disturbances to either the Resource Facility or the T&D System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Prudent Utility Practice.

10. MAINTENANCE

10.1 T&D System Operator Obligations

T&D System Operator shall maintain the T&D System and Owner's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement. The Parties acknowledge that T&D System Operator is operating the T&D System "as is" and that system improvements are needed.



10.2 Interconnection Customer Obligations

Interconnection Customer shall maintain the Resource Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.

10.3 Coordination

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Resource Facility and the Interconnection Facilities, including pursuant to Article 9 (*Operations*) of this Agreement. The Parties shall coordinate on planned and forced outages, both generator and transmission-related, in accord with the System Operation Principles, and the procedures promulgated pursuant to the System Operating Principles.

10.4 Secondary Systems

Each Party shall cooperate with the other in the inspection, maintenance, and testing of 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 that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses

- a. Interconnection Customer shall be responsible for all reasonable expenses, including overheads, associated with owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities.
- b. T&D System Operator shall be responsible for maintenance of the Owner's Interconnection Facilities and Network Upgrades for the term of this Agreement.

11. **PERFORMANCE OBLIGATION**

11.1 Interconnection Customer Interconnection Facilities

Interconnection Customer shall own and procure the design, construction, installation and control of the Interconnection Customer's Interconnection Facilities at its sole expense.

11.2 Owner's Interconnection Facilities & Network Upgrades

T&D System Operator shall procure the design, and construction, and control the Owner's Interconnection Facilities and Network Upgrades at the sole expense of the Interconnection Customer. T&D System Operator acknowledges and agrees that the payment by Interconnection Customer of the PREPA Final Costs, which forms a condition precedent to the Closing Date, satisfies the Interconnection Customer's obligation to fund the Owner's Interconnection Facilities and Network Upgrades in full and shall include their maintenance as per Section 10.5.b.

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12. INVOICES

12.1 Invoicing for T&D System Operator's Interconnection Facilities Works

T&D System Operator, as agent for PREPA, shall invoice Interconnection Customer for the Upfront Payment promptly following acceptance by the Interconnection Customer of such amount as per Section 5.3. If after the completion of the T&D System Operator's Interconnection Facilities Works the final actual costs for the T&D System Operator's Interconnection Facilities Works ("**Actual Costs**") are lower than the Upfront Payment, T&D System Operator shall give a credit to Interconnection Customer equal to such difference to be applied to the future costs under this Agreement, if any, or if there are no such future costs, refund the difference to Interconnection Customer. Interconnection Customer shall pay all amounts due under this Section 12.1 within ten (10) days of receipt of such invoice from LUMA or the next Business Day if the tenth (10th) day is not a Business Day. For the avoidance of doubt, the Parties acknowledge that the amounts paid by Interconnection Customer under Section 5.3 and this Section 12.1 shall include the PREPA Interconnection and System Upgrade Cost, including for the LUMA Interconnection Services.

13. EMERGENCIES

13.1 Obligations

Each Party shall comply with the Emergency Condition plans developed in accordance with the Customer Contract, the System Operation Principles and the procedures promulgated pursuant to the System Operation Principles.

13.2 Notice

T&D System Operator shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Owner's Interconnection Facilities or the T&D System that may reasonably be expected to affect Interconnection Customer's operation of the Resource Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify T&D System Operator promptly when it becomes aware of an Emergency Condition that affects the Resource Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the T&D System or Owner's Interconnection Facilities in accordance with the System Operation Principles and the Operating Procedures.

13.3 Immediate Action

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of T&D System Operator, such consent to not be unreasonably withheld or delayed, prior to performing any manual switching operations at the Resource Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by T&D System Operator or otherwise regarding the T&D System.

13.4 T&D System Operator Authority

- a. T&D System Operator may take such actions or may refrain from acting with regard to the T&D System or Owner's Interconnection Facilities as it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the

reliability of the T&D System or Owner's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

- b. T&D System Operator shall exercise Reasonable Efforts to minimize the effect of its actions or inactions on the Resource Facility or Interconnection Customer's Interconnection Facilities. T&D System Operator may, on the basis of technical considerations, require the Resource Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Resource Facility; implementing a reduction or disconnection pursuant to paragraph (c) of Section 13.4 (*T&D System Operator Authority*); directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Resource Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of T&D System Operator's operating instructions concerning Resource Facility real power and reactive power output within the manufacturer's design limitations of the Resource Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Law.

- c. T&D System Operator may reduce Interconnection Service or disconnect the Resource Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Prudent Utility Practice due to Emergency Conditions. When T&D System Operator can schedule the reduction or disconnection in advance, T&D System Operator shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. T&D System Operator shall coordinate with Interconnection Customer using Prudent Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and T&D System Operator. Any reduction or disconnection shall continue only for so long as reasonably necessary under Prudent Utility Practice. The Parties shall cooperate with each other to restore the Resource Facility, the Interconnection Facilities, and the T&D System to their normal operating state as soon as practicable consistent with Prudent Utility Practice.

13.5 Interconnection Customer Authority

Consistent with Prudent Utility Practice and this Agreement, and consistent with the System Operation Principles, Interconnection Customer may take actions or may refrain from acting with regard to the Resource Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Resource Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the T&D System and Owner's Interconnection Facilities. T&D System Operator shall exercise Reasonable Efforts to assist Interconnection Customer in such actions. For the avoidance of doubt, however, in no case

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shall Interconnection Customer re-start or attempt to synchronize its Resource Facility without coordinating, communicating, and obtaining the authorization of T&D System Operator.

13.6 Limited Liability

Neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Prudent Utility Practice.

14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements

Interconnection Customer shall comply with all requirements of Applicable Law during the performance of its obligations arising under this Agreement. Nothing in this Agreement shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law

This Agreement shall be governed by, construed, and enforced in accordance with the Laws of the Commonwealth of Puerto Rico without regard to any contrary result required under applicable conflicts of laws rules. The Parties herein agree that all Disputes arising hereunder shall be resolved pursuant to Article 27 (*Disputes*).

15. NOTICES

15.1 General.

All notices and other communications hereunder shall be in writing, other than Dispatch Notices, curtailment or disconnect orders, which may be oral and immediately confirmed via e-mail, and shall be deemed duly given upon receipt after being delivered by hand or sent by e-mail with read receipt confirmation, registered or certified mail, return receipt requested, postage prepaid or by recognized overnight courier service, addressed as follows:

IF TO INTERCONNECTION CUSTOMER:

SOLANER PUERTO RICO ONE, LLC
P.O. Box 70364
San Juan, Puerto Rico 00936-8364
Attention: Francisco Caballero Herrera
E-mail: [REDACTED]

IF TO T&D SYSTEM OPERATOR:

For notifications delivered prior to the Agency Expiration Date:

LUMA Energy ServCo LLC
Juan Ruiz Velez Building, Office 04-015

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1110 Ponce de León Avenue
San Juan, Puerto Rico
Attention: Brian Walsh
E-mail: [REDACTED]

Thereafter:

Puerto Rico Electric Power Authority
1110 Ponce de León Avenue, Office #808
San Juan, Puerto Rico
Deputy Director of Operations Office
E-mail: [REDACTED]

provided that Interconnection Customer shall provide PREPA with a copy of any notice delivered to T&D System Operator under this Agreement concurrently with the delivery of such notice.

15.2 Change of Address or Persons.

Either Party hereto may change, by notice as above provided, the Persons or addresses to which such notices are sent.

16. **FORCE MAJEURE**

16.1 General

“**Force Majeure**” means, subject to Section 16.2 (*Instances of Force Majeure*), any event or circumstance beyond the reasonable control of the affected Party (the “**Affected Party**”) and not resulting from the fault or negligence of the Affected Party claiming the Force Majeure, which wholly or partially prevents the Affected Party from performing any of its obligations under this Agreement, but only if and to the extent that:

- a. the Affected Party could not have prevented, avoided, or removed such circumstance, despite the exercise of reasonable diligence in accordance with consistent with Prudent Utility Practice;
- b. the Affected Party has taken all reasonable precautions, due care, and reasonable alternative measures in order to (i) avoid the effect of such event or circumstance on the Affected Party’s ability to perform such obligation under this Agreement, and (ii) mitigate the consequences thereof;
- c. such event or circumstance did not directly or indirectly arise out of the Breach by the Affected Party of any of its obligations under this Agreement or the fault or negligence of the Affected Party; and
- d. the Affected Party has given the other Party (the “**Non-Affected Party**”) notice of such event or circumstance in accordance with Section 16.3 (*Notice*).

Except as provided in Section 16.4 (*Consequences*), Force Majeure shall excuse the Affected Party claiming the Force Majeure from performing the obligation affected by such Force Majeure and the Affected Party shall have no liability for damages or otherwise to the extent caused by such

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non-performance. The Affected Party shall bear the burden of proving whether Force Majeure has occurred.

16.2 Instances of Force Majeure

Provided that a claim of Force Majeure satisfies the requirements of Section 16.1 (*General*), Force Majeure may include the following events: (i) the act or failure to act of any Governmental Authority, any Pending Permit Delay, acts of public or foreign enemy, war, invasion, rebellion, terrorism, riots, insurrections, civil or industrial disturbances, strikes (national and other general strikes), lockouts, boycotts, works to rule, go-slows and other public agitation, and blockades; (ii) acts of God, epidemics, pandemics, earthquakes, tornado, drought, hail, plague, lightning, hurricane, natural calamity, floods, fires, and explosions; (iii) failure or delay of any subcontractor or supplier of the Affected Party to perform as a result of an event that itself would constitute Force Majeure hereunder; (iv) port congestion or closure or (v) prior to the Initial Synchronization Date, inability to secure necessary project goods or labor at prices less than ten percent (10%) above prevailing market prices as of the Agreement Date as a result of one or more events that materially limit the availability, materially delay the delivery, or materially increase the cost, of such necessary project goods or labor after such date. Notwithstanding the foregoing, Force Majeure shall expressly not include:

- A. the bankruptcy of a Party or any of its subcontractors or suppliers at any tier;
- B. breakdown or defect of temporary works or the Interconnection Customer's equipment or any subcontractor's equipment, other than breakdown caused by a separate event or circumstance with constitutes Force Majeure;
- C. any changes in prevailing market prices for goods, fuel, or labor, other than as described in clause (v) of this Section 16.2;
- D. strikes, lockouts, works to rule, go-slows, and other industrial disturbances that are limited to personnel of Interconnection Customer and a Party or any of its Affiliates;
- E. any failure by a Party to obtain and/or maintain a Permit, other than in the case of a Pending Permit Delay;
- F. any Pending Permit Delays in excess of eighteen (18) Months; or
- G. any promulgation by the U.S. Department of Energy of implementation rules for the Bulk-Power System EO after the Agreement Date that causes delay in excess of twelve (12) Months.

16.3 Notice

A Party claiming Force Majeure shall, within ten (10) Days after becoming aware of the occurrence of the event(s) which forms the basis for such claim, give the Non-Affected Party written notice thereof, describing (i) the particulars of such occurrence, (ii) an estimate of the duration of the impact of such event on the Affected Party's ability to perform its obligations, and (iii) how such claim otherwise satisfies the requirements of Section 16.1 (*General*), provided that if the Affected Party fails to notify the other Party within such ten (10) Day period, the Affected Party will not be



precluded from claiming Force Majeure, but Force Majeure will be deemed to have commenced as of the date on which such notice is given.

16.4 Consequences

Neither Party shall be excused by reason of Force Majeure from the obligation to make any payments when due to the other Party.

16.5 Disputes

If a Dispute arises relating to the Affected Party's claim of Force Majeure, the Parties shall resolve such Dispute pursuant to Article 27 (*Disputes*).

17. DEFAULTS

17.1 General

- a. No Default shall exist where such failure to discharge an obligation (other than the payment of money) results from a Force Majeure or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in this Section 17.1, the breaching Party shall have thirty (30) Days from receipt of the Default notice within which to cure such Breach; provided however, that if the breaching Party cannot cure such Breach within thirty (30) Days, the breaching Party shall commence such cure within thirty (30) Days after notice and continuously and diligently complete such cure within one hundred and fifty (150) Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 Right to Terminate

If the breaching Party fails to cure a Breach as provided in this Article 17 (*Defaults*) or cannot cure a Breach within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, regardless of whether that Party terminates this Agreement, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Section 17.2 will survive termination of this Agreement.

18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnification

Subject to Sections 13.6, 16.1, 18.2 and such other provisions as are applicable, each Party (the "**Indemnifying Party**") shall at all times indemnify, defend, and hold the other Party (the "**Indemnified Party**") harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnifying Party's action or inactions in breach of its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

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- a. If this Section 18.1 entitles an Indemnified Party to indemnification as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this Section 18.1, to assume the defense of such claim, then such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- b. If this Section 18.1 obligates an Indemnifying Party to indemnify and hold any Indemnified Party harmless, then the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual Loss, net of any insurance or other recovery.
- c. Promptly after receipt by the Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided in this Section 18.1 may apply, the following procedures shall apply:
 1. The Indemnified Party shall notify the Indemnifying Party of such claim. Any failure of or delay in such notification shall not affect the Indemnifying Party's obligation unless such failure or delay prejudices the Indemnifying Party in a material way.
 2. The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the action involving the claim involves more than one third party defendant and the Indemnified Party reasonably concludes that there may be legal defenses available to it which differ from or could be asserted in addition to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only have the obligation to pay the fees and expenses of one additional attorney to represent an Indemnified Party.
 3. The Indemnified Party shall have the right, at its expense, to participate in any such action, suit or proceeding, where the Indemnifying Party has assumed the defense. Notwithstanding the foregoing, the Indemnifying Party shall not (i) have the right to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.
- d. Notwithstanding any provision to the contrary contained in this Agreement, in no event shall Owner or T&D System Operator have any liability to Interconnection Customer under this Agreement for delay in Interconnection Customer's ability to achieve Commercial Operation as a result of any PREPA Risk Event (as defined in the Customer Contract). PREPA Delay Liquidated Damages (as defined in the Customer Contract), if any, under the Customer Contract shall be Interconnection Customer's sole and exclusive remedy in respect of any such delay. Notwithstanding any provision to the contrary contained in this

Agreement, in no event shall Interconnection Customer be entitled to bring a claim against Owner or T&D System Operator or recover damages from Owner or T&D System Operator under Section 18.1 or otherwise under this Agreement with respect to (i) any claim which Interconnection Customer brought or could bring against Owner or any other Person under the Customer Contract or (ii) any damages recovered from Owner or any other Person under the Customer Contract.

18.2 Consequential Damages

Neither Party nor its officers, directors, shareholders, agents, employees, and representatives shall, in any event, be liable to the other Party or its officers, directors, shareholders, agents, employees or representatives for claims for incidental, consequential, special, punitive, or indirect damages to persons or property, whether arising in tort, contract or otherwise, connected with or resulting from performance or non-performance under this Agreement, including without limitation, claims made by either Party's customers or suppliers, claims made by third parties, claims made by either Party for lost profits (other than payments expressly contemplated by any provision of this Agreement) or claims arising from Force Majeure; provided that nothing contained in this Section 18.2 shall exclude or limit a Party's liability for fraud, willful misconduct or gross negligence, and further provided that this mutual waiver shall not apply to a Party's obligation to indemnify the other from claims made by third parties in accordance with Section 18.1 (*Indemnification*).

18.3 Insurance

(A) The Interconnection Customer shall at all times maintain insurance coverages as required under the Customer Contract. The Interconnection Customer shall name T&D Operator as additionally named insured under such policies in the same manner as it names PREPA as additionally named insured.

(B) Each Party agrees to maintain general liability insurance consistent with such Party's or its predecessor's commercial practice; provided that in any event such insurance shall include coverage for such Party's liabilities under this Agreement.

(C) The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages to persons or property that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

(D) The requirements contained herein as to the types of insurance to be maintained by the Parties are not intended to, and shall not in any manner, limit or qualify the liabilities and obligations of the Parties under this Agreement.

19. **ASSIGNMENT & TRANSFER**

19.1 Restriction on Assignment

Except as otherwise provided in this Article 19, neither Party shall assign or transfer this Agreement without the prior written consent of the other Party, which consent such Party shall not unreasonably withhold or delay. Any attempt to assign this Agreement without the prior written consent of the corresponding Party shall be void. Any failure of a Party to respond to any request by the other Party for consent to assignment pursuant to this Section 19.1 shall not be deemed or construed as an acceptance or consent to such proposed assignment.

19.2 T&D System Operator's Right to Assign

Notwithstanding the provisions of Section 19.1 (*Restriction on Assignment*), the Parties acknowledge that Owner is undergoing a transformation process, and therefore agree that, to the extent contemplated in the OMA, or to the extent applicable and as may be required in connection with a PREPA Transaction (as these terms are defined in Act 120-2018), T&D System Operator may sell, assign, convey, transfer, pledge, mortgage, sublease, delegate, hypothecate, or otherwise convey (each, a "**Transfer**") any of its rights, title, or interest in this Agreement as permitted by Applicable Law and at any time, including but not limited to the Administrator or a Person designated by the Administrator, without Interconnection Customer's consent, and without cost, expense, or incremental liability to PREPA, the T&D System Operator, an Affiliate of T&D System Operator, the Administrator or any other Governmental Authority of Puerto Rico; provided that T&D System Operator shall notify Interconnection Customer no later than thirty (30) Days before the effective date of any such Transfer. Unless otherwise agreed by the T&D System Operator, following the Transfer, T&D System Operator shall be released from all obligations, under this Agreement to the extent such transferee assumes such obligations, duties and liabilities in writing and agrees to be bound by the terms and conditions of this Agreement, as amended, provided that, for any Transfer to an Affiliate of T&D System Operator, T&D System Operator shall guarantee the payment obligations of such Affiliate arising out of this Agreement following such assignment.

19.3 Interconnection Customer's Right to Assign

Notwithstanding the provisions of Section 19.1 (*Restriction on Assignment*), Interconnection Customer shall have the right to assign, pledge or encumber this Agreement in its entirety or in part without T&D System Operator's consent to the Project Lenders as collateral security in order to obtain financing or other funding. T&D System Operator agrees to execute and deliver an agreement consenting to any assignment as collateral security in favor of the Project Lenders containing terms and conditions that are customary for transactions of this kind. T&D System Operator agrees to cooperate in good faith in this regard and to provide other customary and reasonable documents and acknowledgments as the Project Lenders may reasonably request in connection with the financing of the Facility, including estoppel certificates and direct agreement or consent to an assignment in accordance with this Section 19.3 and a legal opinion addressed to the Project Lenders with respect to due authorization and capacity of T&D System Operator to enter into such agreement or consent, and enforceability thereof, in each case as reasonably acceptable to T&D System Operator, provided that Interconnection Customer shall reimburse T&D System Operator for the documented out-of-pocket costs of negotiating and providing such documents, acknowledgments, opinions, certificates, consents, and agreements. In addition, Interconnection Customer shall have the right to assign this Agreement as collateral security to any agent, trustee, or other Person (including any corporation or partnership) representing the Project Lenders under the financing documents. If Interconnection Customer shall assign this Agreement as collateral security pursuant to this Section 19.3, then so long as the secured obligations, or any consolidation, modification, or extension of such obligation shall remain outstanding, the following provisions shall apply:

- a. The making of an assignment pursuant to the preceding provisions of this Section 19.3 shall not be deemed to constitute an assignment or transfer of this Agreement, nor shall any assignee referred to above, as such, be deemed to be an assignee or transferee of this Agreement so as to require such assignee, as such, to assume the performance of any of the terms and conditions of Interconnection Customer to be performed hereunder; provided that the purchaser at any sale of this Agreement in any proceeding for the foreclosure of any assignment, or the assignee or transferee of this Agreement in any proceedings for the

foreclosure of any assignment, or the assignee or transferee of this Agreement under any instrument of assignment or transfer in lieu of the foreclosure of any assignment, shall be deemed to be an assignee or transferee within the meaning of this paragraph (a) of this Section 19.3 and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Interconnection Customer to be performed hereunder from and after the date of such purchase and assignment.

- b. Notwithstanding any other provision of this Agreement, any sale of Interconnection Customer's rights in this Agreement in any secured creditor's sale, any proceeding for the foreclosure of any assignment, or the assignment or transfer of this Agreement in lieu of the foreclosure of any assignment, shall be deemed to be a permitted sale, transfer or assignment of this Agreement, and this Agreement shall continue in full force and effect following any such sale, transfer or assignment.
- c. If T&D System Operator terminates this Agreement prior to the expiration of the Term due to a Default by Interconnection Customer or rejects or disaffirms this Agreement pursuant to any bankruptcy Law or proceeding or other similar Applicable Law or proceedings affecting creditors' rights generally with respect to a bankruptcy proceeding relating to Interconnection Customer or otherwise, T&D System Operator agrees, if outstanding obligations to a Project Lender exist, and subject to the receipt of all necessary approvals, to enter into a new interconnection agreement with the Project Lender (or its designee or nominee) on substantially similar terms to this Agreement; provided that such designee or nominee (i) qualifies as a Substitute Provider, (ii) has provided to T&D System Operator (x) its audited financial statements prepared in accordance with GAAP, demonstrating that such new designee or nominee has an Unrestricted Net Worth of at least twenty-five million dollars (\$25,000,000) (or that its direct or indirect parent has an Unrestricted Net Worth of at least seventy-five million dollars (\$75,000,000)), and (y) the certifications and documentation required by Appendix A (*SIGNING CONDITIONS*), but construing references to Interconnection Customer therein as references to such new designee or nominee, and (iii) has accepted all terms, provisions and limitations of this Agreement, effective as of the date of such termination.
- d. Subject to the other provisions of this Section 19.3, Interconnection Customer shall not have the right to assign its rights, title, or interest under this Agreement to any other Person without the prior express written consent of T&D System Operator.

20. SEVERABILITY

If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

21. COMPARABILITY

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as may be promulgated from time-to-time.

22. CONFIDENTIALITY

- a. Each Party (the "**Receiving Party**") shall keep all Agreement terms and information obtained from the other Party (the "**Disclosing Party**"), and not otherwise generally

available to the public (but without limitation of any liability the Receiving Party may have to the Disclosing Party for information that becomes generally available to the public through the negligence or willful misconduct of any of the Receiving Party, its Affiliates or their respective employees, agents and representatives), confidential and use such information solely in connection with the performance of its obligations under this Agreement. Disclosure of such information may be made only within the Receiving Party's organization to key personnel, to third parties serving as the Receiving Party's legal, financial or technical advisors whose duties justify their need to review and know such material, and to lenders, prospective lenders, investors and prospective investors. The Receiving Party shall require each Person (and personnel thereof) to agree in writing for the benefit of the Disclosing Party to maintain the confidentiality of such information.

- b. To the extent any Governmental Authority requires a Receiving Party to disclose such information or requires such information to secure a governmental approval or authorization, such Receiving Party shall promptly notify the Disclosing Party and use its commercially reasonable efforts to seek a confidentiality agreement that assures confidential treatment of the information consistent with the terms of this paragraph (b) of this Section 22. In the event the Receiving Party cannot obtain a confidentiality agreement, such Receiving Party shall use commercially reasonable efforts to obtain through court action the appropriate protective order. Notwithstanding the foregoing and paragraph (a) of this Section 22, T&D System Operator may disclose the terms and conditions of this Agreement to (i) FOMB, PREB, COR3, P3A, the PROMESA Court, and any Governmental Authority for the purpose of obtaining the consents and approvals, together with such additional information as may be required to obtain such consents and approvals, (ii) COR3, P3A, any owner of the T&D System, and any potential or then-existing T&D System Operator and their respective advisors and lenders, and (iii) the Puerto Rico Controller through the filings required by Applicable Law, which will make this Agreement subject to the open records requirement.

23. ENVIRONMENTAL RELEASES

Each Party shall notify the other 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 Resource Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence, and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authority addressing such events.

24. INFORMATION REQUIREMENTS

24.1 Information Acquisition

T&D System Operator and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with System Operation Principles.

24.2 Information Submission by T&D System Operator

The initial information submission by T&D System Operator shall occur no later than one hundred eighty (180) Days prior to Trial Operation and shall include T&D System information necessary to

allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a periodic basis, T&D System Operator shall provide Interconnection Customer a status report on the construction and installation of Owner's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (i) progress to date; (ii) a description of the activities since the last report; (iii) a description of the action items for the next period; and (iv) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer

- a. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Resource Facility data requirements, which shall also include any additional information provided to T&D System Operator for the Feasibility and Facilities Study. Information in this submission shall be the most current Resource Facility design or expected performance data. Information submitted for stability models shall be compatible with T&D System Operator standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed by the Parties to develop and supply a standard model and associated information at the Interconnection Customer's cost.
- b. If Interconnection Customer's data materially differs from what the data originally provided to T&D System Operator during the Interconnection Studies, then T&D System Operator will conduct appropriate studies to determine the impact on the T&D System based on the actual data submitted pursuant to this Section 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation

- a. Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Resource Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Resource Facility as required by Prudent Utility Practice such as an open circuit "step voltage" test on the Resource Facility to verify proper operation of the Resource Facility's automatic voltage regulator.
- b. Unless otherwise agreed, the test conditions shall include (i) Resource Facility at synchronous speed, and (ii) automatic voltage regulator on and in voltage control mode; and a five percent (5 %) change in Resource Facility terminal voltage initiated by a change in the voltage regulator's reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Resource Facility terminal and field voltages. In the event that direct recordings of these voltages are impractical, recordings of other voltages or currents that mirror the response of the Resource Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Resource Facility terminal or field voltages is provided. Resource Facility testing shall be conducted, and results provided to T&D System Operator for each individual generating unit in a station.
- c. Following the Commercial Operation Date, Interconnection Customer shall provide T&D System Operator any information changes due to equipment replacement, repair, or

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adjustment. T&D System Operator shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent T&D System Operator-controlled substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Days after the date of the equipment replacement, repair or adjustment.

25. INFORMATION ACCESS

Each Party shall make available to the other Party information within the possession of the disclosing Party and required for the other Party to carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 25 and to enforce their rights under this Agreement.

26. SUBCONTRACTORS

26.1 General

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain solely liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall T&D System Operator be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 (*Interconnection Facilities Engineering, Procurement, and Construction*). Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance

The obligations under this Article 26 (*Subcontractors*) will not be limited in any way by any limitation of subcontractor's insurance.

27. DISPUTES

27.1 Scope of the Dispute Resolution Provisions

Except as otherwise expressly provided in this Agreement, the Parties shall resolve any dispute arising out of, relating to or in connection with this Agreement, including the existence, interpretation, breach, termination or validity of this Agreement (a "**Dispute**") in accordance with the procedures set forth in this Article 27 (*Disputes*), which shall constitute the sole and exclusive procedures for the resolution of each such Dispute (the "**Dispute Resolution Procedure**").

27.2 Commencement of the Dispute Resolution Procedure

- a. If a Dispute arises, then either Party may initiate the Dispute Resolution Procedure by giving a written notice of the Dispute to the other Party (each, a “**Dispute Notice**”).
- b. The delivery of a Dispute Notice pursuant to this Section 27.2 shall toll any limitation period imposed by either this Agreement or Applicable Law in respect of a Dispute.

27.3 Negotiation

- a. Upon receipt of a Dispute Notice from a Party, each Party shall nominate a member of its respective senior management, who shall have decision-making authority on behalf of such Party (each, a “**Designated Person**”), and shall cause its Designated Person to promptly meet and negotiate in good faith with the other Designated Person and attempt to resolve the Dispute within thirty (30) days after the date of the delivery of the Dispute Notice, or such longer period as the Designated Persons may otherwise agree (the “**Negotiation Period**”).
- b. If the Dispute remains unresolved at the end of the Negotiation Period, then (i) if the Parties agree, the Parties may refer the Dispute for technical review in proceedings before an Independent Expert in accordance with Section 27.4 (*Technical Recommendation*) such Dispute (a “**Technical Dispute**”) or (ii) either Party may refer the Dispute to arbitration pursuant to Section 27.5 (*Arbitration*).

27.4 Technical Recommendation

- a. If the Parties agree that a Dispute qualifies as a Technical Dispute, then the Parties shall refer such Dispute to the Independent Expert for a recommended resolution (a “**Technical Recommendation**”) by providing to the Independent Expert a written notice, specifying the matter for determination. The Parties shall conduct hearings before the Independent Expert in San Juan, Puerto Rico, unless otherwise agreed in writing by the Parties. Within thirty (30) Days of the engagement of the Independent Expert for a Technical Dispute (or such longer period of time as the Parties may mutually agree in writing), the Parties shall require that the Independent Expert conducts a hearing; provided that the Parties may agree in writing to waive the hearing and have the Independent Expert issue the Technical Recommendation on the basis of written submissions alone. The Parties shall require that the Independent Expert render a written recommendation on the Technical Dispute as soon as practicable after the close of the hearing but, in any case, no later than fifteen (15) Days after the close of the hearing. The Parties will share equally in paying the costs of the Independent Expert.
- b. The Parties may resolve the Technical Dispute based on the Technical Recommendation or any mutually agreed modification thereof. If the Parties cannot resolve the Technical Dispute following the issuance of the Technical Recommendation, then either Party may submit the matter for final determination by arbitration in accordance with Section 27.5 (*Arbitration*).

27.5 Arbitration

- a. Either Party may initiate mandatory binding arbitration by providing written notice of a demand thereof in accordance with Article 6.33 of Act No. 57 of May 27, 2014, as

amended, known as the Puerto Rico Energy Transformation and RELIEF Act, and the Regulation on Mediation and Arbitration Procedures of the Puerto Rico Energy Commission, Regulation Number 8558 dated February 6, 2015, which shall govern the arbitration proceeding, as supplemented by the Arbitration Rules of the International Chamber of Commerce then in effect (collectively, the “**Arbitration Rules**”). Arbitration shall be conducted before a sole qualified arbitrator (the “**Arbitrator**”). To be qualified as an Arbitrator, the Parties shall select each candidate from PREB’s list of arbitrators (as supplemented by the list of arbitrators available from the International Chamber of Commerce). The Arbitrator shall be impartial and independent of either Party. The Arbitrator shall not be a past employee or contractor of any of the Parties during the past two (2) years prior to an Arbitration conducted pursuant to this Section.

- b. Notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, the place of the arbitration will be in San Juan, Puerto Rico.
- c. The Arbitrator will have the authority to grant any form of equitable or legal relief a Party might recover in a court action. Each of the Parties (the “**First Party**”) acknowledges and agrees that (i) the other Party would suffer irreparable damage in the event that the First Party fails to perform certain provisions of this Agreement in accordance with the terms of the Agreement, (ii) monetary damages will not provide a sufficient remedy for any breach of these provisions of this Agreement by the First Party, and (iii) the other Party shall be entitled, without the requirement of posting a bond or other security, to specific performance and injunctive or other equitable relief as a remedy for a breach of this Agreement by the First Party.
- d. Either Party may request the Puerto Rico Court of First Instance, San Juan Superior Court for judgement to be entered confirming the award.
- e. The Arbitrator shall have discretion to allocate any portion of the costs of the arbitration (other than each Party’s individual attorneys’ fees and costs related to the Party’s participation in the arbitration, which fees and costs will be borne by such Party), including the fees of the Arbitrator and any expert witnesses, against the Party that the Arbitrator determines did not prevail. Until the Arbitrator renders such award, however, the Parties will share equally in paying the costs of the arbitration. Notwithstanding the foregoing, any costs incurred by a Party in seeking judicial enforcement of any written decision of the Arbitrator shall be chargeable to, and borne exclusively by, the Party against whom such court order is successfully obtained.
- f. At the conclusion of the arbitration hearing, the Arbitrator shall prepare in writing and provide to each Party a decision setting forth factual findings, legal analysis, and the reasons on which the Arbitrator’s decision is based.
- g. To the extent possible, with reference to the Arbitration Rules, the Parties agree to the consolidation into a single arbitration of two or more arbitrations pending under the Arbitration Rules and commenced under Article 27 (*Disputes*) of this Agreement and/or the relevant provisions setting out the arbitration agreement under the Customer Contract.

28. REPRESENTATIONS, WARRANTIES, AND COVENANTS

Each Party makes the following representations, warranties and covenants:

- a. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, or the Commonwealth of Puerto Rico, as applicable; that it is qualified to do business in the Commonwealth of Puerto Rico; and with respect to Owner, that it is an instrumentality of the Government of Puerto Rico created pursuant to Act No. 83 of May 2, 1941, as amended; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.
- b. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party 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).
- c. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.
- d. Such Party has sought or obtained, or, in accordance with this 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 this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Law.

29. JOINT OPERATING COMMITTEE

29.1 Joint Operating Committee

The Parties shall constitute a Joint Operating Committee to coordinate operating and technical considerations of the Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, the Parties shall each appoint one representative and one alternate to the Joint Operating Committee. Each Party shall notify the other Party of its appointment in writing. A Party may change such appointments at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this Agreement. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- a. Establish data requirements and operating record requirements.
- b. Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

- c. Annually review the one (1) year forecast of maintenance and planned outage schedules of Owner's and Interconnection Customer's facilities at the Interconnection Point.
- d. Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Resource Facility and other facilities that impact the normal operation of the interconnection of the Resource Facility to the T&D System.
- e. Ensure that information is being provided by each Party regarding equipment availability; and
- f. Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

30. MISCELLANEOUS

30.1 Binding Effect

This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts

In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

- a. System Operation Principles. In the event of a conflict between the requirements of this Agreement and the System Operation Principles, the System Operation Principles shall govern. The Parties shall make good faith efforts to interpret the provisions of this Agreement consistent with the requirements of the System Operation Principles.
- b. Customer Contract. The Parties acknowledge that Interconnection Customer and Owner have executed the Customer Contract dated June 30, 2022, as amended by that certain First Amendment dated February 24, 2023, that Second Amendment dated April 26, 2023 and that Third Amendment dated May 31, 2023. In the event of a conflict between this Agreement and the Customer Contract referenced in this section 30.2.2, this Agreement shall govern; provided, however, that the economic impacts to the Interconnection Customer which result from the actions of T&D System Operator in its operation, maintenance, and dispatch responsibilities for the T&D System pursuant to this Agreement shall be governed by the Customer Contract. For the avoidance of doubt, compensation for curtailments or disconnection of the Resource Facility shall be subject to and governed by the terms of the Customer Contract.

30.3 Rules of Interpretation

This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (i) the singular number includes the plural number and vice versa; (ii) reference to any Person includes such Person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually; (iii) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the

terms thereof and, if applicable, the terms hereof; (iv) reference to any Applicable Law means such Applicable Law as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (v) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, as the case may be; (vi) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision hereof or thereof; (vii) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (viii) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

30.4 Entire Agreement

This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this Agreement.

30.5 No Third-Party Beneficiaries

The Parties acknowledge and agree that this Agreement shall not create any rights, remedies or benefits of any character whatsoever in favor of any Person other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver

The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or Default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer’s legal rights to obtain an interconnection from T&D System Operator. Any waiver of this Agreement shall, if requested, be provided in writing.

30.7 Headings

The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

30.8 Multiple Counterparts

This Agreement may be executed in any number of counterparts, and may be delivered originally, by facsimile or by Portable Document Format (“PDF”) or other electronic means and each such original, facsimile copy, PDF, or other electronic document when so executed and delivered shall

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be deemed to be an original and all of which taken together shall constitute one and the same agreement.

30.9 Amendment

The Parties may by mutual agreement amend this Agreement, including the Appendices to this Agreement, by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Law.

30.10 Reservation of Rights

T&D System Operator shall have the right to make a unilateral filing with PREB to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation, and Interconnection Customer shall have the right to protest any such filing by the T&D System Operator and to participate fully in any proceeding before PREB in which such modifications may be considered.

30.11 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

30.12 No Economic Interest

Interconnection Customer represents, warrants, and certifies as of the Closing Date, to its actual knowledge, that no employee of T&D System Operator has any personal or economic interest in this Agreement.

30.13 Anticorruption & Antibribery

Interconnection Customer certifies as of the Closing Date that, to its actual knowledge, it does not receive payment or benefit of any nature for services rendered regularly through an appointment to a Governmental Authority of Puerto Rico.

30.14 Registration at the Office of the Comptroller

T&D System Operator shall submit this Agreement for registration with the Office of the Comptroller of Puerto Rico, in accordance with the provisions of Act No. 18 of October 30, 1975, as amended. Such filing shall be made no later than fifteen (15) days from the date hereof. The Parties agree that no performance of either Party's obligations hereunder may be required by the other Party until the Agreement has been signed by both Parties and submitted for registration as described above.

IN WITNESS WHEREOF, the Parties hereto have agreed to execute this Agreement in San Juan, Puerto Rico as of the Agreement Date.

**PUERTO RICO ELECTRIC POWER
AUTHORITY** as “Owner”
Represented by its agent:
LUMA Energy ServCo, LLC acting on behalf of
Owner, as “T&D System Operator”



**Raphael
Gignac** Digitally signed by
Raphael Gignac
Date: 2023.10.31
10:00:29 -04'00'

Name: _____
Authorized Representative of T&D System
Operator

acting pursuant to the authority delegated by System Operator to LUMA under the Operation and Maintenance Agreement, dated June 22, 2020, among System Operator, P3A and LUMA.

SC _____ LC
as _____
By _____ ra

By: _____
Name: _____
Tax ID Number: _____

APPENDIX A

SIGNING CONDITIONS

1. Together with the signing of this Agreement by the T&D System Operator, Interconnection Customer shall provide:
 - a. a certificate of tax status and compliance from the Commonwealth of Puerto Rico for the five (5) previous years, confirming that it does not owe Taxes to the Commonwealth of Puerto Rico or is paying such Taxes by an installment plan in full compliance with its terms;
 - b. an income tax return filing certificate issued by the Treasury Department of Puerto Rico, Area of Internal Revenues assuring that Interconnection Customer has filed its Income Tax Return for the last five (5) years (obtained by using the Request for Copy and/or Certification of Income Tax Returns Form issued by the Treasury Department of Puerto Rico);
 - c. a certificate of debt issued by the Treasury Department of Puerto Rico, Area of Internal Revenues;
 - d. a certificate issued by the Municipal Revenues Collection Center assuring that Interconnection Customer does not owe any Taxes to such governmental agency;
 - e. a certificate issued by the Department of Labor and Human Resources of Puerto Rico, evidencing that Interconnection Customer has paid to the Department of Labor and Human Resources of Puerto Rico, if applicable, its employees' contributions, in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness or social security for chauffeurs) or is paying such contributions by an installment plan in full compliance with its terms;
 - f. a certificate issued by the Child Support Administration (ASUME) evidencing that Interconnection Customer has complied with the retention, if applicable, that an employer must do;
 - g. a sworn and notarized statement, as of the Agreement Date, evidencing compliance with Section 3.3 Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico of the Commonwealth of Puerto Rico, as amended, in the form set forth in Appendix E (*Form of Sworn Statement*);
 - h. a certification, as of the Agreement Date, that, to its actual knowledge, no public employee has any personal or economic interest in this Agreement, under Section 30.12 (*No Economic Interest*) (which certification requirement is met by execution of the Interconnection Agreement containing this provision);
 - i. a certification, as of the Agreement Date, that, to its actual knowledge, it does not receive payment or benefit of any nature for services rendered regularly through an appointment to a Governmental Authority of Puerto Rico, under Section 30.13 (*Anticorruption & Antibribery*) (which certification requirement is met by execution of the Interconnection Agreement containing this provision);

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- j. if any of the previously required certifications show a debt, and Interconnection Customer has requested a review or adjustment of this debt from the pertinent Governmental Authority, a certification that Interconnection Customer has made such request at the Agreement Date; and if the pertinent Governmental Authority denies the requested review or adjustment and such determination is final, proof of payment of this debt to the pertinent Governmental Authority or confirmation that Interconnection Customer accepts that System Operator shall offset the owed amount from the corresponding payments; and

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APPENDIX B

OTHER MILESTONES

[The Parties will use Reasonable Efforts to develop this Appendix B after the Agreement Date]

Date of Initial Synchronization:

Deadline to issue written authorization from Interconnection Customer for T&D System Operator to proceed with a competitive procurement process for the procurement of the design and construction of the T&D System Operator's Interconnection Facilities Works:

Estimated Costs: _____

B-1 Estimated Security Drawdown Schedule

FEY

APPENDIX C

INTERCONNECTION DETAILS

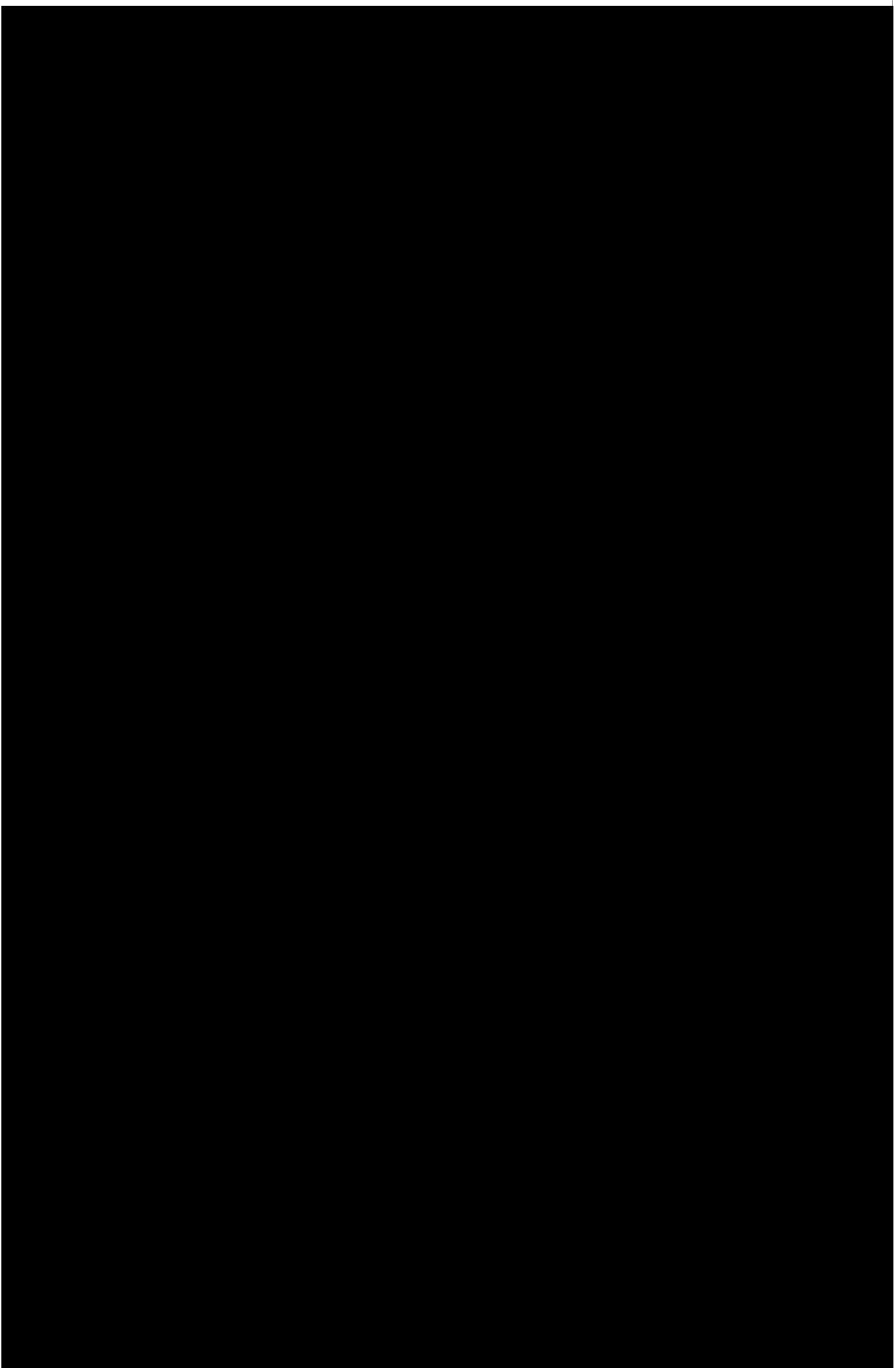
The initial Interconnection Details shall be as approved by PREPA and attached to the Customer Contract between PREPA and the Interconnection Customer. Upon receipt by T&D System Operator of (A) the updated, ready-for construction Interconnection Details and (B) the as-built diagrams of the Interconnection Details, T&D System Operator shall promptly attach such updated Interconnection Details to Appendix C – 2 and Appendix C – 3, as applicable, and upon such attachment the updated Interconnection Details shall be deemed to be the Interconnection Details for the purposes of this Appendix C and this Agreement.

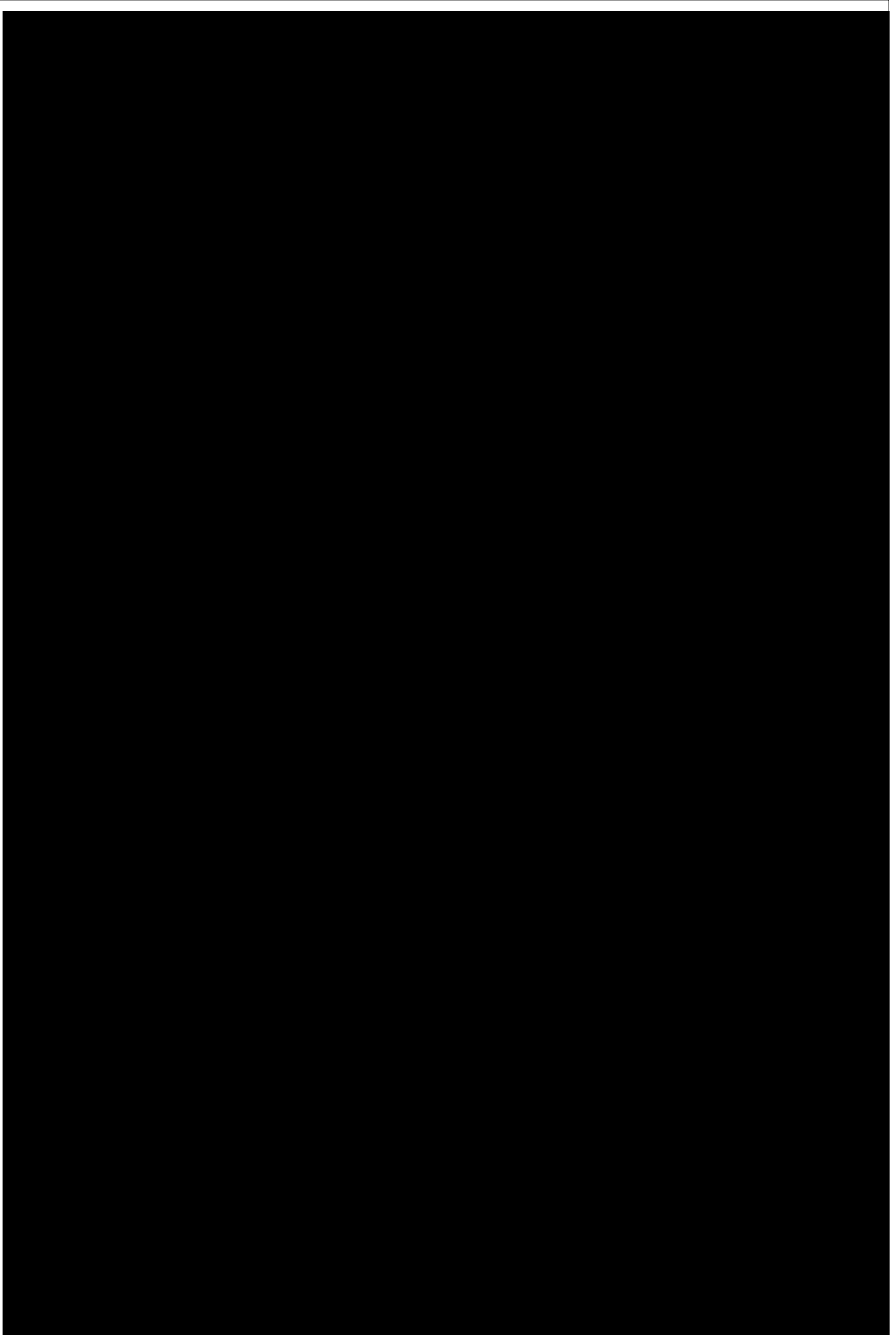
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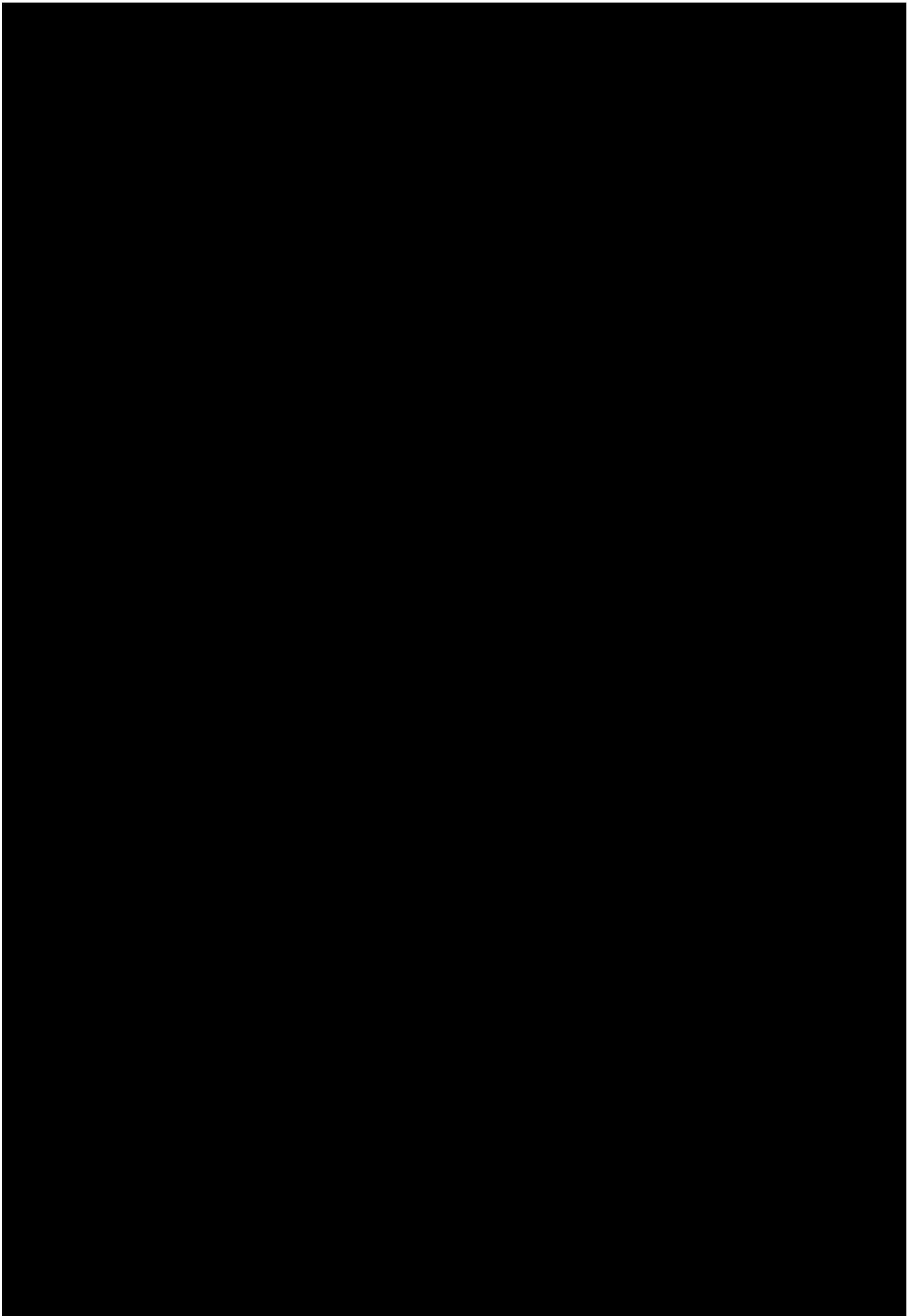
Appendix C – 1
PREPA-Approved Initial Interconnection Details

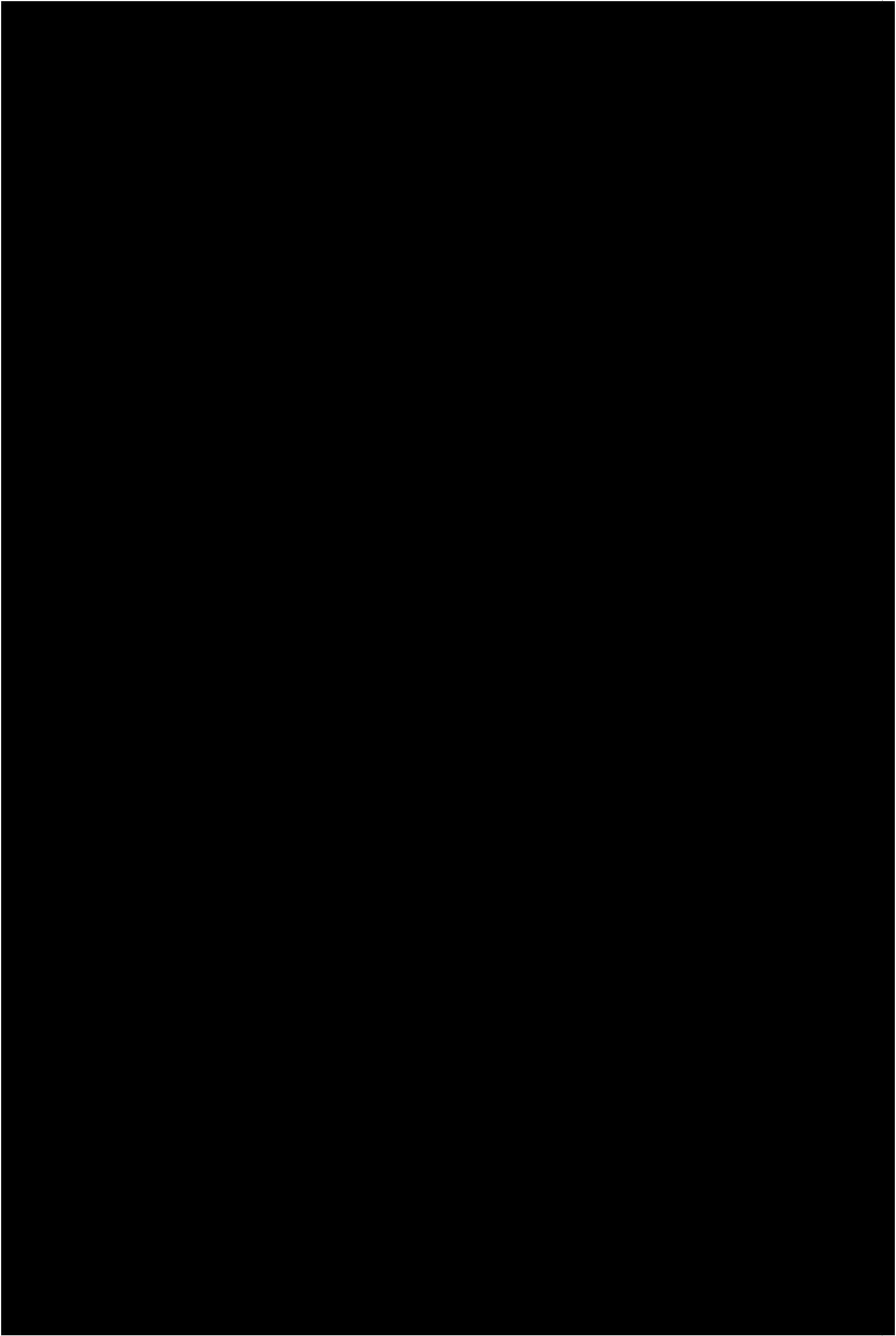
[To be attached]

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Appendix C – 2
Ready-for-Construction Interconnection Details

[To be attached]

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Appendix C – 3
As-Built Interconnection Details

[To be attached]

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APPENDIX D

SECURITY ARRANGEMENT DETAILS

Interconnection Customer shall use commercially reasonable efforts to prevent malware from accessing any aspect of the Resource Facility, or any other information systems, operating environments and processes used or relied upon by Interconnection Customer to provide the services under the Customer Contract, including the information, data and other materials delivered by or on behalf of Interconnection Customer to System Operator, the customers of System Operator, or any third party providers (collectively, the “**Environment**”). Throughout the Term, Interconnection Customer shall implement improvements to, and upgrades of, its malware prevention and correction programs and processes consistent with the then-current National Institute of Standards and Technology industry standards and, in any case, no less robust than the programs and processes implemented by Interconnection Customer in respect of its own information systems. If malware enters the Environment, Interconnection Customer shall notify System Operator as soon as it becomes aware of such presence and take immediate action, at Interconnection Customer’s cost, to eliminate and remediate the malware effects. Interconnection Customer shall regularly, and otherwise at the request of System Operator, provide sufficient evidence of its efforts to continuously monitor and evaluate the effectiveness of Interconnection Customer’s information security safeguards.

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APPENDIX E

FORM OF SWORN STATEMENT

SWORN STATEMENT

Comes now, [INSERT NAME] organized and existing under the laws of the Commonwealth of Puerto Rico, with employer identification number _____, represented in this act by [•], of legal age, [single/married], and a resident of [•] and under the most Solemn oath declares the following:

1. That my name and other personal circumstances are the aforementioned.
2. That I hold the position of [Title] in the aforementioned company.
3. That the undersigned or [•], its president, vice-president, directors, executive director, members of its board of directors, board of directors, nor any of its officials or person performing equivalent functions for [•]; or its subsidiaries or alter egos:
 - a. Have not pled guilty to, or have not been convicted of, to any of the crimes enumerated in the Section 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.
 - b. Have not pled guilty or have not been convicted in Puerto Rico or United States Federal court for under Sections 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Sections 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves the misuse of public funds or property, including but not limited to the crimes mentioned in Section 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.
4. The undersigned expressly recognizes that the conviction in Puerto Rico or United States Federal court for under Sections 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Sections 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves the misuse of public funds or property, including but not limited to the crimes mentioned in Section 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico will result in automatic termination of any contract in the Government of Puerto Rico.
5. That this statement complies with Act 8-2017, as amended, and Act 2-2018.



IN WITNESS WHEREOF, I affirm and sign the herein document in _____, this _____ day of _____, 20____.

Representative's Signature

Affidavit No. _____

Duly sworn and subscribed to before me by _____, whose personal circumstances are the above mentioned and who to me is personally known, or have identified by means of _____, in _____, this _____ day of _____, 20____.

Notary Public

Seal

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APPENDIX F

MINIMUM TECHNICAL REQUIREMENTS

[See attached]

The attached Minimum Technical Requirements are those approved under the Customer Contract as of the date of this Agreement. This Appendix F will be updated to incorporate any revised Minimum Technical Requirements, if any, that are approved by amendment to the Customer Contract.

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MINIMUM TECHNICAL REQUIREMENTS FOR INTERCONNECTION OF SOLAR PV PROJECTS

The SELLER shall comply with the following minimum technical requirements:

1. Voltage Ride-Through:

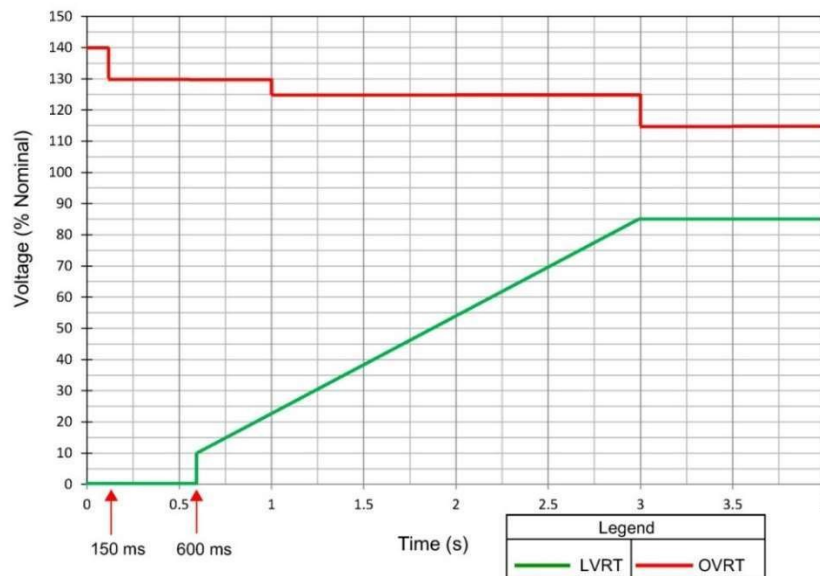


Figure 1 Voltage Ride-Through Requirements

- a. T&D OPERATOR's Low Voltage Ride-Through (LVRT) Requirements:
 - i. From Figure 1, all generation shall remain online and able to ride-through three phase and single-phase faults down to 0.0 per-unit (measured at the point of interconnection), for up to 600 ms.
 - ii. All generation shall remain online and operating during and after normally cleared faults on the point of interconnection.
 - iii. All generation shall remain online and operating during backup-cleared faults on the point of interconnection.

- iv. During low voltage fault conditions, the Facility shall operate on reactive current injection mode. This mode of operation shall be implemented with a reactive current droop characteristic, which shall have an adjustable slope from 1 to 5%. A dead band of 15 % is required.
- b. T&D OPERATOR’s Overvoltage Ride-Through (OVRT) Requirements:
 - i. All generation shall remain online and able to ride-through symmetrical and asymmetrical overvoltage conditions specified in the following values (illustrated in Figure 1 above):

Overvoltage (pu)	Minimum time to remain online
1.4 – 1.3	150 ms
1.3 – 1.25	1 s
1.25 – 1.15	3 s
1.15 or lower	indefinitely

2. Voltage Regulation System (VRS):

T&D OPERATOR requires constant voltage control. Photovoltaic System technologies in combination with Static Var Controls, such as Static Var Compensators (SVCs) and STATCOMs are acceptable options to comply with this requirement. SELLER shall submit a complete and detailed description of the VRS control strategy for T&D OPERATOR’s evaluation.

- a. The Facility must have a continuously-variable, continuously-acting, closed loop control VRS; i.e. an equivalent to the Automatic Voltage Regulator in conventional machines.
- b. The VRS set-point shall be adjustable between 95% to 105% of rated voltage at the Interconnection Facilities (connection to T&D OPERATOR TC, sectionalizer). T&D OPERATOR’s Energy Control Center (via SCADA) must have the ability to adjust the VRS set point.
- c. The voltage regulation at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer) shall be based in direct measurement of the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer) voltage. Line drop compensation or similar strategies shall not be permitted.
- d. The VRS shall only operate in a voltage set point control mode. Controllers such as Power Factor or constant VAR are not permitted.
- e. The VRS controller regulation strategy shall be based on proportional plus integral (PI) control actions with parallel reactive droop compensation. The VRS Droop shall be adjustable from 0 to 10%.

- f. At zero percent (0%) droop, the VRS shall achieve a steady-state voltage regulation accuracy of +/- 0.5% of the controlled voltage at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer).
- g. The VRS shall be calibrated such that a change in reactive power will achieve 95% of its final value no later than one (1) second following a step change in voltage. The change in reactive power should not cause excessive voltage excursions or overshoot. If a voltage overshoot is generated during a change in reactive power its value shall be less than 1%.
- h. The VRS must be in service at any time the Facility is electrically connected to the grid regardless of the Facility MW output.
- i. The VRS dead band shall not exceed 0.1%.

3. Reactive Power Capability and Minimum Power Factor Requirements:

- a. The total power factor range shall be from 0.85 lagging to 0.85 leading at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer). The reactive power requirements are necessary to provide support to the system operation based on the voltage profile and reactive power needs. The Facility shall ramp the reactive power from 0.85 lagging to 0.85 leading in a smooth continuous fashion at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer).
- b. The +/- 0.85 power factor range should be dynamic and continuous at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer). The Facility shall respond to power system voltage fluctuations by continuously varying the reactive output within the specified limits. The power factor dynamic range herein specified could be expanded if studies indicate that additional continuous, dynamic compensation is required. The Facility must have a reactive capability that meets +/- 0.85 Power Factor (PF) range based on the Facility Aggregated MW Output, which is the maximum MVA_r capability corresponding to maximum MW Output. Positive (+) PF means the Facility is producing MVA_r, and negative (-) PF means the Facility is absorbing MVA_r.
- c. The MVA_r capability at maximum output shall be sustained throughout the complete range of operation of the Facility as established in Figure 2. The MVA_r capability shall also be sustained throughout the complete Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer) voltage regulation range (95% to 105% of rated voltage at the Interconnection Facilities).

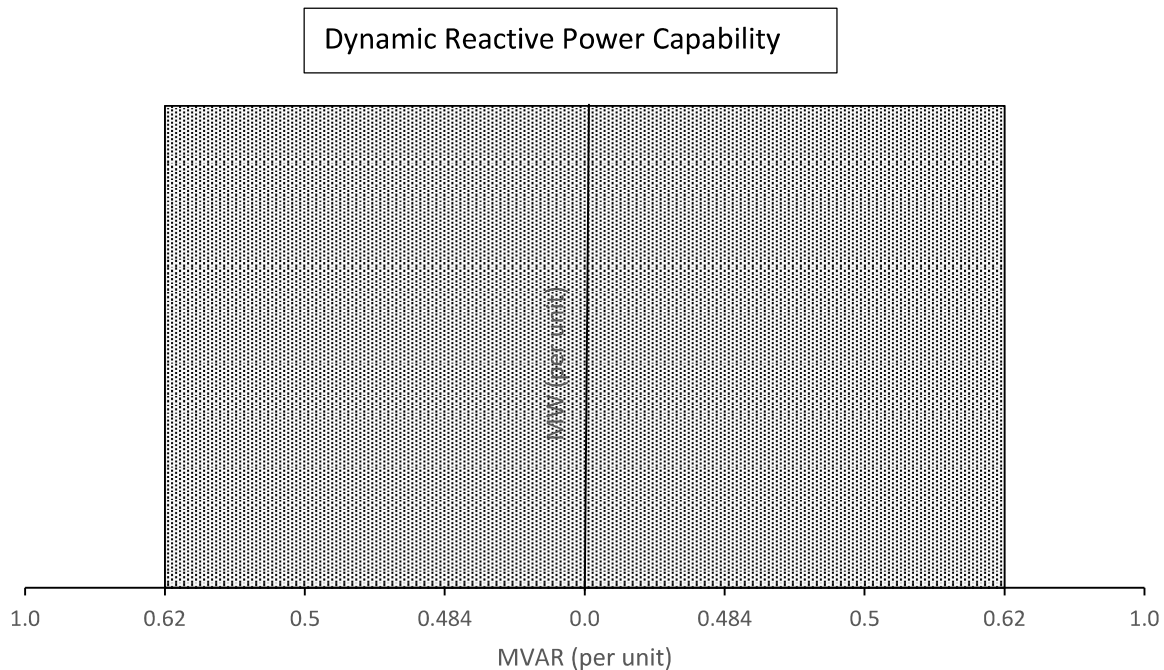


Figure 2 Reactive Power Capability Curve

4. Short Circuit Ratio (SCR) Requirements:

T&D OPERATOR does not permit Short Circuit Ratio values (System Short Circuit MVA at POI/PV Facility MVA Capacity) under 5. SELLER shall be responsible for the installation of additional equipment, such as synchronous condensers and controls, necessary to comply with T&D OPERATOR's minimum short circuit requirements.

T&D OPERATOR will study the short-circuit strength requirements using the equivalent short-circuit ratio (ESCR) as part of system impact studies and will advise the developer of any required upgrades.

5. Frequency Ride Through (FRT):

57.5 - 61.5 Hz	No tripping (continuous)
61.5 - 62.5 Hz	30 sec
56.5 - 57.5 Hz	10 sec
< 56.5 or > 62.5 Hz	Instantaneous trip

6. Frequency Response/Regulation:

- a. The Facility shall provide an immediate real power primary frequency response, proportional to frequency deviations from scheduled frequency, similar to governor

response. The rate of real power response to frequency deviations shall be similar to or more responsive than the conventional generators' droop characteristic of 3-5% range. The Facility shall have controls that provide both for down-regulation and up-regulation. PV technologies, in combination with energy storage systems such as, but not limited to battery energy storage systems (BESS), and flywheels are acceptable options to comply with T&D OPERATOR's frequency response and regulation requirements.

- b. The Facility response shall be proportional to the frequency deviation, based on the specified 3-5% range droop characteristic. The droop shall be configurable from 3% to 5% in steps of 0.5% (e.g. 3.0%, 3.5%, 4.0%, 4.5%, 5%). The frequency response dead band shall not exceed 0.02%. For large frequency deviations (i.e. in excess of 0.3 Hz), the Facility shall provide an immediate real power primary frequency response of at least 10% of the maximum AC active power capacity (established in the Agreement). The time response (full 10% frequency response) shall be less than one (1) second. Frequency response shall not be limited by, and shall be decoupled from, the ramp rate control. The frequency response of the Facility shall be continuously in operation, even during ramp rate events. After the two (2) decoupled functions are added together, the Facility shall be able to simultaneously comply with both requirements.
- c. If energy storage systems are utilized to comply with the frequency regulation requirements, and during a disturbance the system frequency stays below 59.7 Hz, the Facility frequency response shall be maintained for at least nine (9) minutes. After the ninth (9th) minute the real power primary frequency response shall not decrease at a ramp rate higher than 10% of the maximum AC active power capacity per minute. The energy storage systems utilized to comply with the frequency regulation requirement shall be designed based on a storage capacity equivalent to at least nine and a half (9.5) minutes of the 10 % AC contracted capacity measured at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer) for downward and for upward frequency events. This represents an equivalent of nine (9) minutes full participation, plus one (1)-minute ramp down complying with the ramp rate requirement. This energy will be used on a continuous basis for regulation against frequency deviations. During periods of time where the energy storage system utilized to comply with the frequency regulation requirement is completely charged (i.e. cannot absorb more power), the PV inverters will assume the responsibility of the upward frequency events. If the energy available for frequency regulation is drained, the function shall be restored in a time period less than ten (10) minutes and with at least 95% of the energy capacity restored. The energy charging process shall not affect the ramp rate control requirement or the frequency regulation of the grid.
- d. The operational range of the frequency response and regulation system shall be 10% to 110% of the maximum AC active power capacity (established in the Agreement). The Facility power output at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer) shall not exceed the maximum AC active power (established in the Agreement) except to comply with the frequency response requirement.

7. Ramp Rate Control:

- a. Ramp Rate Control is required to smoothly transition from one output level to another. The Facility shall control the rate of change of power output during certain circumstances,

including but not limited to: (i) rate of increase of power; (ii) rate of decrease of power; (iii) rate of increase of power when a curtailment of power output is released; and (iv) rate of decrease in power when curtailment limit is engaged. T&D OPERATOR requires a limitation of 10 % per minute (0.1667 % per second) rate based on AC contracted capacity. This ramp rate limit applies both to the increase and decrease of power output and is independent of meteorological conditions. The ramp rate control tolerance shall be +10%.

- b. The energy storage system utilized to comply with the ramp rate control requirement shall be designed based on a minimum storage capacity equivalent to twenty-five (25) minutes of the thirty percent (30%) AC contracted capacity measured at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer). The minimum nominal power output capacity of the energy storage system utilized to comply with the ramp rate control requirement shall be thirty percent (30%) of AC contracted capacity measured at Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer); and for at least one (1) minute, a minimum effective power output capacity of 45% of AC contracted capacity measured at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer). The transition from effective power output capacity to nominal power output capacity shall not exceed the ramp rate requirement of 10% per minute.
- c. The Frequency Response/Regulation and Ramp Rate Control functions shall be decoupled, continuously in operation. The Facility shall be able to comply simultaneously with both requirements while generating and injecting power to the grid. For this reason, the energy storage system shall include, as a minimum: 10% of the contracted capacity for Frequency Response/Regulation for at least nine and a half (9.5) minutes (see Section 6 herein for details) and 30% of contracted capacity for Ramp Rate Control for at least twenty five (25) minutes. The energy storage system shall also be able to provide a minimum effective capacity of 45% of the contracted capacity for at least one (1) minute at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer). Therefore, the minimum acceptable capacity for the energy storage system is a total combined size of 40% of the contracted capacity, and for at least one (1) minute, the system has to have an effective capacity of 45% of the contracted capacity.
- d. If the energy storage system cannot control the ramp rate as required herein because it does not perform according to the minimum required capabilities herein specified, the Facility will be considered in non-compliance. However, (i) rates of change in active power at the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer) in excess of the 10 % per minute rate requirement caused by the loss of generating resource (solar irradiance) that require more than the minimum storage capacity herein defined will not be considered non-compliant with the ramp rate control requirement, and (ii) if the ramp rate is controlled within the limits specified in the ramp rate control requirement, or if the storage system cannot control the ramp rate because it is outside of its minimum required capabilities, but performs as specified, the Facility will not be considered in non-compliance.

8. Auto-Curtailment:

SELLER shall implement an auto-curtailment strategy for the Facility to address and compensate deficiencies that can affect the Facility compliance with the MTRs. The conditions to apply auto-curtailment include but are not limited to the following:

- a. A reduction on the reactive power capacity of the Facility (e.g. due to inverters out of service, or any other condition that can reduce the required reactive power capacity of the Facility).
- b. A reduction in the active power capacity of the energy storage system (e.g. loss of some of the battery strings, a BESS inverter out of service, or any other condition that can reduce the required active power capacity of the energy storage system).
- c. Loss of the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer) readings used for the different controls (voltage, frequency, ramp, etc.) of the Facility. This can happen due to a malfunction of the equipment used for the Interconnection Facilities (connection to T&D OPERATOR TC or sectionalizer) readings. In this case the Facility should be curtailed to zero (0) output.
- d. A fault in the Voltage Control, Frequency Response Control, Ramp Rate Control. In this case the Facility should be curtailed to zero (0) output.
- e. Any other condition based in the Facility design that can cause a non-compliance with the MTRs.

SELLER must submit to T&D OPERATOR a complete and detailed description of the auto-curtailment strategy for T&D OPERATOR's evaluation.

9. Power Quality Requirements:

SELLER shall address in the design of the Facility potential sources and mitigation of power quality degradation prior to interconnection. Design considerations should include Applicable Standards including, but not limited to IEEE Standards 142, 519, 1100, 1159, and ANSI C84.1. Typical forms of power quality degradation include, but are not limited to voltage regulation, voltage unbalance, harmonic distortion, flicker, voltage sags/interruptions and transients

10. Power Management:

The Facility shall provide adequate technology (communicating technology and the corresponding control equipment) and implement T&D OPERATOR's power management requirements (ramp rate limits, output limits, curtailment).

11. Special Protection Schemes:

The Facility shall provide adequate technology and implement T&D OPERATOR's special protection schemes, in coordination with power management requirements.

12. General Interconnection Substation Configuration:

An interconnecting generation producer must interconnect at an existing T&D OPERATOR switchyard, unless T&D OPERATOR agrees otherwise in the Agreement. The configuration requirements of the interconnection depend on where the physical interconnection is to occur and the performance of the system with the proposed interconnection. The interconnection must conform, at a minimum, to the original designed configuration of the switchyard. T&D OPERATOR, at its sole discretion, may consider different configurations due to physical limitations at the site.

13. Modeling and Validation:

- a. Once final adjustments and parameter settings related with commissioning and MTR compliance tests are completed, SELLER shall submit a mathematical model compatible with version 34 of PSS/E and validation report. When referred to mathematical model, this shall include but is not limited to PV inverters, transformers, collector systems, plant controllers, control systems and any other equipment necessary to properly model the Facility for both steady-state and dynamic simulation modules.
- b. SELLER must submit user manuals for both the PV inverter and the Facility models including a complete and detailed description of the voltage regulation system (VRS) and frequency regulation system model implementation. The mathematical models shall be fully compatible with version 34 of PSS/E. SELLER shall use PSS/E standard models. In case that SELLER submits user written models, SELLER shall be required to keep such models current with the future versions of the PSS/E program until such time that PSS/E has implemented a standard model. SELLER shall submit to T&D OPERATOR an official report that validates and certifies the required mathematical models, including subsequent revisions. The SELLER shall be responsible of submitting the official reports and certifications, otherwise the mathematical model shall not be considered valid.
- c. SELLER shall be responsible to submit validated PSS/E mathematical models of any kind of compensation devices (e.g. SVC, STATCOMs, BESS, etc.) used on the Facility. SELLER shall use standard models provided with PSS/E. In the case that SELLER submits user written models, SELLER shall keep these models current with the future versions of the PSS/E program until such time that PSS/E has implemented a standard model. In its final form, the mathematical model shall be able to simulate each of the required control and operational modes available for the compensation device and shall be compatible with the latest and future versions of PSS/E. The model shall reflect final adjustments and parameters settings related with the control system commissioning process and shall be incorporated to the PSS/E mathematical model and tested accordingly by the PV facility SELLER and T&D OPERATOR system study groups. SELLER shall be responsible of submitting the official reports and certifications, otherwise the mathematical models shall not be considered valid.
- d. If SELLER provides user written model(s), it shall provide compiled code of the model and maintain the user written model compatible with current and new releases of PSS/E until such time a standard model is provided. SELLER must permit T&D OPERATOR to

make available the Facility models to external consultants with a non-disclosure agreement in place.

- e. SELLER shall submit a PSS/E model validation report. This report shall demonstrate PSS/E simulation results that show the model MTR compliance and performance, based on final adjustment and parameter settings of MTR and commissioning field tests. SELLER shall be responsible of submitting the official reports and certifications, otherwise the mathematical models shall not be considered valid.
- f. Additional details for the adequate PSS/E modelling and the contents of the PSS/E validation report can be found in T&D OPERATOR's "Guidelines on PSS/E Mathematical Models" document.

14. Transient Mathematical Model:

SELLER shall be responsible of providing a detailed transient model of the PFV and to demonstrate that it is capable of complying with T&D OPERATOR's transient MTRs.

PSCAD simulation shall be performed under as similar conditions as possible to the PSS/E simulations discussed above, for the best possible comparison.

PSCAD models are required to support current and future study efforts which are required to maintain a reliable power system. A study based on PSCAD would require a model which has the following characteristics, and unless specified otherwise, this type of model is what is required:

a. Model Accuracy Features

For the model to be sufficiently accurate, it shall:

- i. Represent the full detailed inner control loops of the power electronics. The model cannot use the same approximations classically used in transient stability modeling, and shall fully represent all fast inner controls, as implemented in the real equipment. It is possible to create models which embed the actual hardware code into a PSCAD component, and this is the best type of model.
- ii. Represent all pertinent control features (e.g., external voltage controllers, plant level controllers, phase locked loops, etc). Operating modes that require system specific during the system impact study adjustment shall be user-accessible. In particular, plant level voltage control shall be represented along with adjustable droop characteristics.
- iii. Represent all pertinent electrical and mechanical configurations, such as filters and specialized transformers. There may be other mechanical features (such as gearboxes, pitch controllers, etc.) which shall be modeled if they impact electrical performance.
- iv. Have all pertinent protections that are relevant to network performance shall be modeled in detail for both balanced and unbalanced fault conditions. Typically this

includes various OV and UV protections (individual phase and RMS), frequency protections, DC bus voltage protections, and overcurrent protection. There may be other pertinent protections that shall be included.

b. Model Usability Features

In order to allow study engineers to perform system analysis using the model, the PSCAD model must:

- i. Have control or hardware options which are pertinent to the study accessible to the user. (For example, adjustable protection thresholds or real power recovery ramp rates) Diagnostic flags (e.g. flags to show control mode changes or which protection has been activated) shall be accessible to aid in analysis.
- ii. Be capable of running at a minimum time step of 20 microseconds, or no less than 10 microseconds if required by specific control parameters. Most of the time, requiring a smaller time step means that the control implementation has not used the interpolation features of PSCAD, or is using inappropriate interfacing between the model and the larger network. Lack of interpolation support introduces inaccuracies into the model at higher time-steps.
- iii. Include user model guide and a sample implementation test case. Access to technical support engineers is desirable.

c. Model Efficiency Features

In addition, the following elements are required to improve study efficiency and enable other studies which include the model to be run as efficient as possible:

- i. Model should be compiled using Intel Fortran compiler version 12 or higher. Model should not be dependent on a specific Fortran sub-version to run.
- ii. Model must run on PSCAD version 4.6.3 or higher.
- iii. Initializes as quickly as possible (e.g. < 1-3 seconds) to user supplied terminal conditions.
- iv. Support multiple instances of the model in the same simulation.
- v. Support the PSCAD “snapshot” feature.
- vi. Support the PSCAD “multiple run” feature.

15. Dynamic System Monitoring Equipment:

SELLER shall be required to provide, install and commission a dynamic system monitoring equipment that conforms to T&D OPERATOR’s specifications.

APPENDIX G
ROLES AND RESPONSIBILITIES

[See attached]

FOI

Existing Interconnection Facilities/Switchyard

	LUMA*	Interconnection Customer	PREPA
Development and construction of Owner's Interconnection Facilities to the Interconnection Point	X		
Acquisition, permitting of real estate expansion for switchyard (if applicable) pursuant to the terms and conditions of the Agreement	N/A	N/A	N/A
Approval of Interconnection Facilities design documentation in accordance with T&D System Operator's design criteria and the other requirements of the Agreement	X		
Approvals of Interconnection Facilities design documentation when crossing PREPA facilities prior to arriving at T&D System Operator's switchyard			X
Engineering, Procurement, Construction of the Owner's Interconnection Facilities inside T&D System Operator's switchyard	X		
If applicable, land acquisition for switchyard expansion and demarcation fencing. Transfer of Real Estate to PREPA .	N/A	N/A	N/A
Commissioning and testing of the Owner's Interconnection Facilities at Interconnection Point (pursuant to the terms and conditions of the Agreement)	X	X	
Interconnection and testing of Interconnection Facilities in accordance with Customer Contract and the Agreement	X	X	

* LUMA as T&D System Operator