

Appendix 12 TO GIP

ENERGY DISPLACEMENT AGREEMENT

THIS ENERGY DISPLACEMENT AGREEMENT (sometimes hereinafter referred to as “Agreement”) is made and entered into this ____ day of _____, 20__, by and among _____, organized and existing under the laws of the State of _____ (“Interconnection Customer”), _____, organized and existing under the laws of the State of _____ (“Existing Generator Owner”), and _____, organized and existing under the laws of the State of _____ (“Transmission Owner or Operator”). Interconnection Customer, Existing Generator Owner, or Transmission Owner (or Operator) each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Existing Generator Owner and Interconnection Customer each owns (or will own) electric facilities and is (or will be) engaged in generation and/or sale of electric power and energy; and

WHEREAS, Interconnection Customer intends to own, and operate, or manage the generating facility located in _____ County, and State of _____ (“Generating Facility” or “Facility”) with an expected Commercial Operation Date of _____ pursuant to its planned Interconnection Request and will interconnect either to the facilities owned by Existing Generator Owner or to the transmission system of _____, which system is part of the Transmission System; and

WHEREAS, Existing Generator Owner owns, operates, or manages the existing generating facility located in _____ County, and State of _____ which interconnects to the transmission system of _____, which system is part of the Transmission System.

Interconnection Customer's Generating Facility as detailed in Attachment A of this Agreement shall connect at the same Point of Interconnection as the existing generating facility. The Generating Facility Interconnection Customer has made a Surplus Interconnection Service Interconnection Request pursuant to MISO Tariff Attachment X Generator Interconnection Process ("GIP").

The Generating Facility Interconnection Customer and existing generating facility interconnection customer shall file the financial compensation (Rates, Terms and Conditions) arrangement with FERC separately.

[Interconnection Customer, Existing Generator Owner, or Transmission Owner (or Operator)], in accordance with its obligations under the Generator Interconnection Agreement when the Generator Interconnection Agreement becomes effective, shall be responsible for the maintaining the net injection at the Point of Interconnection ("POI") such that the sum of the simultaneous energy output of the Generating Facility and the existing generating facility shall not exceed the Interconnection Service limit in Attachment A of this Agreement.

The generation dispatch arrangements are shown in Attachment A. This Agreement does not amend, modify or supplement any agreement between the Existing Generator Owner and the Midcontinent Independent System Operator, Inc. ("MISO") regarding the interconnection and operation of the existing generating facility.

This Agreement shall become Exhibit I-2 in the Generator Interconnection Agreement and shall be in effect during the term of the Surplus Interconnection Service under the Generator Interconnection Agreement. Interconnection Customer's output shall be limited to zero under its Generator Interconnection Agreement during all periods for which this Agreement is not in effect.

Termination.

This Agreement shall have a termination date of _____; provided that sixty (60) Calendar Days prior to the Agreement termination date, the Parties agree on a new termination date that is at a minimum one year after the termination date.

Unless previously terminated, this Agreement shall terminate if (i) Interconnection Customer's Interconnection Request is withdrawn; or (ii) the required executed Generator Interconnection Agreement for the Generating Facility terminates. The existing generating facility may terminate this agreement due to Interconnection Customer -Interconnection Service limit violation events exceeding one (1) in a month or six (6) in a year. Each fifteen (15) minute interval where the Interconnection Service limit is exceeded shall be defined as a reliability service limit violation event.

Events of Breach. A Breach of this Agreement shall include:

- (a) Interconnection Service limit violation events exceeding one (1) in a month or six (6) in a year. Each 15 minute interval where the Interconnection Service limit is exceeded shall be defined as a reliability service limit violation event.
- (b) The failure to pay any amount when due;
- (c) The failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty or covenant made in this Agreement;
- (d) If a Party (i) is adjudicated bankrupt; (ii) files a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; (iii) makes a general assignment for the benefit of its creditors; or (iv) consents to the appointment of a receiver, trustee or liquidator; or
- (e) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under

this Agreement requires such information or data to satisfy its obligations under this Agreement.

Notice of Breach and Cure and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party, and Transmission Provider. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

Upon the occurrence described in part (d) of **Events of Breach**, the Party experiencing such occurrence shall notify the other Party and Transmission Provider in writing within seven (7) Calendar Days after the commencement of such occurrence. Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (sometimes hereinafter referred as (“Cure Period”) which shall be 30 Calendar Days unless such Breach is due to an occurrence under **Events of Breach** (a), (b) or (d) in which case the cure period will be five (5) Calendar Days.

If the Breach is such that it cannot be cured within the Cure Period, the Breaching Party will commence in good faith all steps as are reasonable and appropriate to cure the Breach within such Cure Period and thereafter diligently pursue such action to completion. In the event the Breaching Party fails to:

- (A) cure the Breach, or to commence reasonable and appropriate steps to cure the Breach, within the Cure Period; or,
- (B) completely cure the Breach within sixty (60) Calendar Days if the Breach occurs pursuant to **Events of Breach** (c) or (e),

the Breaching Party will be in Default of this Agreement and the non-Breaching Parties may, at their option, either in concert or individually, (1) act to terminate this Agreement for cause by notifying the other Parties in writing, or (2) take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of an event of Default, any non Defaulting Party shall be entitled to exercise all rights and remedies it may have in equity or at law.

Notices

General. Any notice, demand or request required or permitted to be given by a Party to another Party and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party may be so given, tendered or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Transmission Provider:

MISO
Attn: Director, Transmission Access Planning
720 City Center Drive
Carmel, IN 46032

To Transmission Owner (or Operator):

To Interconnection Customer:

To existing generating facility customer:

Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 15.1 unless otherwise agreed to by the Parties.

To Interconnection Customer:

To existing generating facility customer:

Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to another Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out below:

To Transmission Provider:

Voice telephone – (317)249-5700

Facsimile telephone – (317) 249-5358

Email address – misotap@misoenergy.org

To Transmission Owner (or Operator):

To Interconnection Customer:

To existing generating facility customer:

DUNS #. If existing generating facility customer and Interconnection Customer have not obtained DUNS numbers by the time this Agreement is executed, Transmission Owner and Interconnection Customer will forward their DUNS numbers within five (5) Business Days of having obtained such numbers to Transmission Provider by facsimile telephone or email to the fax number or email set out below:

Interconnection Customer

DUNS Number:

To existing generating facility customer:

DUNS Number:

[Interconnection Customer]

By: _____

Name: _____

Title: _____

Transmission Provider

[Existing Generator Owner]

By: _____

Name: _____

Title: _____

If Applicable, Transmission Provider Project No. _____

[Transmission Owner (or Operator)]

By: _____

Name: _____

Title: _____

Effect of Midcontinent Independent System Operator, Inc., (“MISO”) signature. The Parties acknowledge and understand that the signature of the authorized officer of MISO on this Agreement is for the limited purpose of acknowledging that the representative of MISO has read the terms of this Agreement. The Parties and MISO further state that they understand that FERC desires that the Parties keep MISO fully apprised of the matters addressed herein as well as any reliability and planning issues that may arise under this Agreement, and that the signature of the officer of MISO shall not in any way be deemed to imply that MISO is taking responsibility for the actions of either Party, that MISO has any affirmative duties under this Agreement or that MISO is liable in any way under this Agreement.

The signature below of the authorized officer of MISO is for the limited purpose of acknowledging that an authorized officer of MISO has read this Agreement.

Midcontinent Independent System Operator, Inc.

By: _____

Name: _____

Title: _____

ENERGY DISPLACEMENT AGREEMENT

Attachment A

- 1 Existing generating facility Point of Interconnection (POI):

- 2 Generating Facility POI: _____
- 3 Existing generating facility capacity (lower of demonstrated capability or study output limit at the POI:
(MW): _____ (MVAR): _____ (MVA): _____
- 4 Generating Facility Interconnection Request capacity
(MW): _____ (MVAR): _____ (MVA): _____
- 5 Interconnection Service limit of the Generating Facility and existing generating facility capacity at the POI shall not be greater than 2) above :
(MW): _____ (MVAR): _____ (MVA):

Check Only One: Transmission Owner (or Operator) ____ or existing generating facility ____ or Generating Facility ____ shall be solely responsible for the coordinated automatic generation control of the combined output of Interconnection Customer's Generating Facility and existing generating facility.