

For Settlement Purposes Only
September 1, 2023

Appendix 1:
TERMS

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Appendix 1: Terms

1. Bonneville will:

- a. Change its Open Access Transmission (Tariff) Attachment L: Standard Large Generator Interconnection Procedures (LGIP) to include terms and conditions in Section 2 of this Appendix 1 to establish a two-phased First-Ready, First-Served Cluster Study Process, as detailed in Appendix 2;
- b. Adopt Attachment R: Large Generator Interconnection Transition Process (Transition Process) to include terms and conditions in Section 3 of this Appendix 1 to establish a transition process for transitioning from the First-Come, First-Served LGIP to a First-Ready, First-Served LGIP, as detailed in Appendix 2;
- c. Retain the existing Attachment L: Standard Large Generator Interconnection Agreement (LGIA), as detailed in Appendix 2 for requests that are processed prior to the Transition Process; during TC-26 propose necessary revisions to the LGIA to align with this Appendix 1 and 2.
- d. Within a reasonable time after the Administrator issues the TC-25 Final Record of Decision (TC-25 ROD), develop and propose new and/or revised Business Practices in accordance with Section 4 of this Appendix 1 pursuant to Bonneville's Business Practice Process; and
- e. Make future commitments regarding workshops, regional engagement, and Integrated Program Review (IPR) as indicated in Section 5 through 7 of this Appendix 1.

To the extent there are any conflicts or inconsistencies between this Appendix 1 and Appendix 2, Appendix 2 controls. Terms with initial capitalization not otherwise defined in this Appendix 1 have the meanings ascribed to such terms in Attachment L, or, if applicable, Attachment R.

2. **LGIP: Reforms to Implement a First-Ready, First Served Cluster Study Process.**

- a. **Cadence.** Bonneville shall use Reasonable Efforts to conduct its Cluster Study on a three-year cycle. Bonneville may in its sole discretion conduct a Cluster Study sooner than a three-year cycle.
- b. **Interconnection Requests.** Bonneville will only accept Interconnection Requests when the Cluster Request Window is open as follows: Starting from 90 Calendar Days after Bonneville closes the Cluster Request Window and ending 90 Calendar Days before the start of the next Cluster Study.

c. Notice. Bonneville will provide Interconnection Customers with no less than 180 Calendar Days of advance notice of the start date of each Cluster Study.

d. Application Fee. Each Interconnection Customer shall submit a non-refundable application fee of \$10,000, per Interconnection Request, no later than the Cluster Request Window.

e. Site Control:

- i.** Interconnection Customer shall include the required Site Control with the Interconnection Request.
- ii.** Interconnection Customers shall submit evidence of exclusive Site Control to Bonneville for public/non-public lands. Interconnection Customer shall ensure that Site Control is effective through the Commercial Operating Date of the Large Generating Facility.
- iii.** Bonneville will not accept a financial deposit in lieu of evidence of exclusive site control.
- iv.** Interconnection Customers shall re-demonstrate Site Control during the Phase One and Phase Two Customer Review Periods.

f. Individual Scoping Meetings:

- i.** Bonneville will allow Interconnection Customers to request one Individual Scoping Meeting no later than 15 Calendar Days following the close of the Cluster Request Window.
- ii.** If Interconnection Customer provides a requested Point of Interconnection in the application (optional), Bonneville may discuss that requested Point of Interconnection at the Individual Scoping Meeting. However, discussions will be limited to general feasibility of the Point of Interconnection.
- iii.** If Interconnection Customer requests an Individual Scoping Meeting, that customer shall be solely responsible for any costs associated with that meeting.
- iv.** Bonneville shall use Reasonable Efforts to accommodate an Interconnection Customer's request for an Individual Scoping Meeting to the extent that the Individual Scoping Meeting will not delay the start of the Phase One Cluster Study.

g. Cluster Scoping Meeting. If Interconnection Customer provides a requested Point of Interconnection in the application, Bonneville will use Reasonable Efforts to discuss the Point of Interconnection generally at Cluster Scoping Meeting, to the extent that this meeting will not delay the start of the Phase One Cluster Study.

h. Point of Interconnection:

- i.** Interconnection Customers have the option to propose a Point of Interconnection upon submitting their application to Bonneville.
- ii.** Bonneville will not provide a Point of Interconnection in the Phase One Cluster Study Agreement unless the Interconnection Customer provided a Point of Interconnection in the application.
- iii.** During the Phase One Cluster Study, Bonneville will determine the Point of Interconnection at its sole discretion to improve: the reliability benefits, cost and/or benefits of the interconnection for the Cluster Area. In the event that Bonneville determines that a requested Point of Interconnection is not feasible or may need to be relocated, Bonneville will make reasonable efforts to consult with the impacted Interconnection Customer, so long as these meetings will not delay the issuance of the Phase One Cluster Study Report.
- iv.** Bonneville will share the Point of Interconnection as part of the Phase One Cluster Study Report.

i. Queue Priority. Transmission Customer's queue position in the Transmission Service Queue will have no bearing on Interconnection Customer's Queue Position in the Large Generator Interconnection Request Queue.

j. Scope of Phase One Cluster Study Report. At the conclusion of the Phase One Cluster Study, Bonneville will provide a Phase One Cluster Study Report that includes: a short circuit, power flow and preliminary analysis of the necessary Interconnection Facilities and Network Upgrades for each Cluster Area; a non-binding good faith estimate of cost; and estimated time for construction.

k. Commercial Readiness and Models:

- i. Phase One Cluster Study Report:** No later than 90 Calendar Days after Bonneville posts the Phase One Cluster Study Report (Phase One Customer Review Period), Interconnection Customers shall provide Bonneville with Commercial Readiness Demonstrations and validated detailed models.

- ii. **Phase Two Cluster Study Report:** No later than 90 Calendar Days after Bonneville posts the Phase Two Cluster Study Report (Phase Two Customer Review Period), Interconnection Customers shall provide Bonneville with Commercial Readiness Demonstrations and technical data.

I. Cluster Areas and Scalable Plan Blocks:

- i. **Scalable Plan Blocks Identification.** Bonneville may:

1. Identify plans of service for a subset of Interconnection Requests within a Cluster Area (“Scalable Plan Blocks”);
2. Allocate the costs of the Network Upgrades for each Interconnection Request within a Scalable Plan Block.

- ii. **Timing.** Bonneville at its sole discretion may allow Interconnection Requests in a Cluster Area or Scalable Plan Block to advance to a later phase on a separate schedule than other Cluster Areas or identified Scalable Plan Blocks.

- iii. **Study Results.** Bonneville will only provide study results based on Cluster Areas or Scalable Plan Blocks, if applicable, and not on an individualized basis.

- iv. **Tie Breaker for Scalable Plan Blocks.** Bonneville will use the Queue Position for an Interconnection Customer’s Interconnection Request to determine priority placement within a Scalable Plan Block, so long as the Interconnection Customer’s readiness demonstrations are met.

- m. **MW Reductions.** During the Phase One and Phase Two Customer Review Periods, Interconnection Customer may reduce the MW amount for its Interconnection Request by 60% during Phase One and 15% during Phase Two.

n. Co-Location of Interconnection Facilities:

- i. Interconnection Customer may submit co-located resources as one Interconnection Request.
- ii. Under the Material Modification Process Bonneville will allow Interconnection Customers to request an increase to the name plate of their Interconnection Request, so long as there is no change to the Interconnection Service Level of the original Interconnection Request.

o. Study Deposits. Interconnection Customers shall pay the following study deposits for Bonneville to perform the Phase One Cluster, Phase Two Cluster, and Facilities Studies:

- i. Phase One Cluster Study Deposit.** \$25,000 base and \$500 per MW the deposit is limited to \$100,000.
- ii. Phase Two Cluster Study Deposit.** \$50,000 base and \$1,000 per MW the deposit is limited to \$250,000.
- iii. Facilities Study.** A good faith estimate of the Interconnection Request's allocated share of the cost for Bonneville to perform the preliminary engineering that is necessary to complete the Facilities Study Report on a non-clustered basis for a Cluster Area or Scalable Plan Blocks for a network plan of service.

p. Study Cost Allocation. Bonneville will allocate cluster study or cluster re-study costs as follows:

- i.** 50% of the study costs will be allocated to Interconnection Customers based on the number of participants in a Cluster Study.
- ii.** 50% of the study costs will be allocated to Interconnection Customers based on the amount of MWs participating in the Cluster Study.

q. Study Deposit Refunds. If Interconnection Customer's request is withdrawn, then Bonneville shall pay Interconnection Customers interest on refunds of study deposits at Bonneville's rate assumed for Transmission interest income.

r. Commercial Readiness Demonstrations. Bonneville will not require Interconnection Customers to demonstrate Commercial Readiness to enter the Phase One Cluster Study. In accordance with Section 2.k of this Appendix 1, Interconnection Customer shall provide and Bonneville will accept any of the following Commercial Readiness Demonstrations. Where applicable, Interconnection Customer's Commercial Readiness Demonstration must amount to 100% of the requested Interconnection Service Level:

- i.** Executed term sheet (or comparable evidence) related to a contract for sale, where the term of the sale is not less than five years, for: (1) the constructed Generating Facility, (2) the Generating Facility's energy or capacity, or (3) the Generating Facility's Ancillary Services;
- ii.** Documentation from a Load Serving Entity (LSE), commercial, industrial, large end-use customer, competitive retail supplier, power

marketer, or other wholesale buyer of active negotiations (or the equivalent, e.g., for an ongoing relationship) for purchase of the output of the Interconnection Customer's Large Generating Facility. During the Phase Two Customer Review Period, Interconnection Customer shall provide documentation that they continue to meet commercial readiness by providing evidence of another Commercial Readiness Milestone (e.g., executed term sheet under Section 2.r.i of this Appendix 1);

- iii.** Executed contract binding upon the parties for sale to a LSE, competitive retail supplier, power marketer, or other wholesale buyer, or to a commercial, industrial, or other large end-use customer for : (i) the constructed Generating Facility, (ii) the Generating Facility's energy or capacity where the term of sale is not less than five (5) years, or (iii) the Generating Facility's Ancillary Services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;
- iv.** Reasonable evidence that the Generating Facility has been selected by or for a Load-Serving Entity in a Resource Plan or is on the final shortlist for a Resource Solicitation Process by or for a Load-Serving Entity, if such a plan or final short list has been approved or acknowledged by the applicable authority (including for an Investor-Owned Utility its state utility commission, as applicable);
- v.** Site specific purchase order for Generating and/or Interconnection Facilities equipment specific to the Queue Position;
- vi.** Documentation from the Interconnection Customer of reasonable evidence of transmission service reservation (or comparable evidence) for the Generating Facility. Bonneville in its sole discretion may evaluate individual facts and circumstances of reasonable evidence of transmission service that originates from the Point of Interconnection, such as: a confirmed Long-Term firm transmission service reservation, confirmed Long-Term conditional firm transmission service reservation with roll over rights, Designation of a Network Resource, a long term confirmed redirect, or a Long-Term firm transmission service offer that will be confirmed following a transmission expansion project that has been securitized; or
- vii.** A cash deposit, irrevocable letter of credit, or deposit into an escrow account that is established by the Interconnection Customer for the following amounts:

1. During the Phase One Customer Review Period: Two times the Phase Two Cluster Study deposit, with a limit of \$500,000;
2. During the Phase Two Customer Review Period: Amount equal to 20% of Interconnection Customer's allocated Network Upgrade facility costs.

s. Commercial Readiness Refunds. Bonneville will not pay interest on refunds of Interconnection Customers' Commercial Readiness Deposits.

t. Cure Period. If an Interconnection Customer fails to adhere to the requirements of the LGIP, Bonneville will deem the request withdrawn and provide written notice to an Interconnection Customer of the deemed withdrawal. Interconnection Customer shall have 15 Business Days in which to cure the deficiency from the date Interconnection Customer receives written notice of the withdrawal.

3. Attachment R.

a. Bypass the Transition Process. If an Interconnection Customer has an Interconnection Request that has completed all interconnection studies (Feasibility Study (if applicable), System Impact Study and Facilities Study), then that request will bypass the Transition Process and continue in an un-clustered manner to contract execution (e.g., Environmental Study Agreement, Engineering & Procurement Agreement, if applicable an LGIA) without Scalable Plan Blocks and cost sharing of Network Upgrades.

b. Requirements to Qualify as a Late-Stage Project and continue to the Serial Process. No later than 90 Calendar Days after June 30, 2024 (Transition Request Window), Interconnection Customer may request that Bonneville consider a valid Interconnection Request as a Late-Stage Project if that Interconnection Request meets all of the following requirements:

- i. That Interconnection Request was submitted into the large generator interconnection queue, no later than 15 days after Bonneville issues the Federal Register Notice (FRN) initiating the TC-25 proceeding;
- ii. A System Impact Study Report was issued by Bonneville for that Interconnection Request by June 30, 2024;
- iii. Interconnection Customer meets the Commercial Readiness Requirements for that request in Section 2.r.i. through 2.r.vi of this Appendix 1 by the close of the Transition Request Window. Interconnection Customer may also meet Commercial Readiness Requirements by submitting a cash deposit, irrevocable letter of credit,

or deposit into an escrow account, established by the Interconnection Customer, that is equal to 100% of Interconnection Customer's allocated interconnection facility and network upgrade costs identified in the system impact study report by the close of the Transition Request Window; and

- iv. Interconnection Customer meets Site Control requirements for that Interconnection Request in Sections 2.e.ii and 2.e.iii of this Appendix 1 by the close of the Transition Request Window.

If Bonneville determines the requirements in Section 3.b of this Appendix 1 are met, then the Interconnection Request will be considered a Late-Stage Project and the Interconnection Request will continue serially.

c. Requirements for Late-Stage Projects in the Serial Process.

- i. **Commercial Readiness Requirements.** Notwithstanding Section 2.r.ii of this Appendix 1, if Interconnection Customer demonstrates Commercial Readiness under Section 2.r.ii of this Appendix 1, then 120 days after the Interconnection Customer has been issued a Facilities Study Report, Interconnection Customer shall provide documentation that they continue to meet commercial readiness by providing evidence of another Commercial Readiness Milestone (e.g., executed term sheet under Section 2.r.i of this Appendix 1).
- ii. **Study Deposits for Late-Stage Project.** Interconnection Customer shall pay the following study deposits for Bonneville to perform the Facilities Study: a good faith estimate of the Interconnection Request's allocated share of the cost for Bonneville to perform the preliminary engineering that is necessary to complete the Facilities Study Report on a non-clustered basis for a network plan of service.
- iii. **Executed Facilities Studies Agreements.** If an Interconnection Customer has already executed a Facilities Study Agreement, then Bonneville will amend that agreement.

d. Fast Track Eligibility Requirements. If an Interconnection Customer has met all of the requirements in Sections 3.b.i, 3.b.iii, and 3.b.iv of this Appendix 1, and all of the following:

- i. The Interconnection Customer's Interconnection Request either (1) does not need any Network Upgrades, or (2) the scope of Network Upgrades is limited to upgrades at the Point of Interconnection and generally on the scale of a bay addition required, or less. Anticipated costs for these types of upgrades would be \$5M or less, but eligibility

will be determined under Bonneville's sole discretion and based primarily on simplicity of the required scope of work;

- ii. During the Transition Request Window, the Interconnection Customer has submitted their completed study results identifying plans of service that are consistent with the requirements above for evaluation and decision by Bonneville;
- iii. The Interconnection Customer's Interconnection Request has no impact on an Affected System;
- iv. The Interconnection Customer has received an interconnection study and report and have no pending re-study or report revisions needed for the Interconnection Request;
- v. The Interconnection Request has no impact to other Interconnection Requests in the queue; and
- vi. The Interconnection Request does not require contingent or shared Network Upgrades;

Then, no later than the close of the Transition Request Window, Interconnection Customer can request Bonneville to evaluate their valid Interconnection Request to determine whether or not it is eligible to be considered as a Late-Stage Project that is eligible to continue serially.

e. Requirements to Qualify for the Transition Cluster Study. No later than the close of the Transition Request Window, Interconnection Customer may request that Bonneville consider a valid Interconnection Request as eligible for the Transition Cluster Study if that Interconnection Request meets all of the following requirements:

- i. That Interconnection Request was submitted into the Large Generator Interconnection Queue, no later than 15 days after Bonneville issues the FRN;
- ii. Interconnection Customer meets the Commercial Readiness Requirements in Section 2.r.i. through 2.r.vi of this Appendix 1 by the close of the Transition Request Window. Interconnection Customer may also meet the Commercial Readiness Requirement by submitting a cash deposit, irrevocable letter of credit, or deposit into an escrow account that is established by the Interconnection Customer for \$6,000 per MW by the close of the Transition Request Window; and

- iii. Interconnection Customer meets Site Control requirements for that Interconnection Request in Sections 2.e.ii, and 2.e.iii of this Appendix 1 by the close of the Transition Request Window.

If Bonneville determines the requirements in Section 3.e of this Appendix 1 are met, then the Interconnection Request will be considered as eligible for the Transition Cluster Study.

f. Terms and Conditions for the Transition Cluster Study.

- i. Interconnection Customers shall be subject to all terms and conditions under the Transition Cluster Study as described in Section 2 of this Appendix 1 unless otherwise specified in Section 3.e or this Section 3.f of this Appendix 1.
- ii. **Executed Interconnection Studies Agreements.** After Bonneville has determined that an Interconnection Customer's request is eligible for the Transition Cluster Study, then Bonneville will terminate any executed agreements (Feasibility Study Agreement and System Impact Study Agreement) and tender new study agreements.
- iii. **Network Cost Allocation.** Bonneville will allocate network costs to each individual Interconnection Customer as follows:
 - 1. Interconnection Customers shall be responsible for station equipment Network Upgrades based on the number of Generating Facilities interconnecting at an individual station at a per capita basis.
 - 2. Interconnection Customers shall be responsible for transmission and distribution Network Upgrades based on the level of the service selected by the Interconnection Customer's share of the proportional capacity of each generating facility in the cluster.
- iv. **Ongoing Commercial Readiness Demonstrations.** In accordance with Section 2.r through 2.r.vi of this Appendix 1, Interconnection Customer shall continue to meet Commercial Readiness Demonstrations throughout the transition cluster or submit a cash deposit, irrevocable letter of credit, or deposit into an escrow account as follows:
 - 1. **During the Phase One Customer Review Period:** Amount equal to 10% of Interconnection Customer's allocated network facility costs; and

- 2. During the Phase Two Customer Review Period:** Amount equal to 20% of Interconnection Customer's allocated network facility costs.
- g.** If Interconnection Customer's Interconnection Request is ineligible to proceed serially under Section 3.a of this Appendix 1 and Interconnection Customer fails to:
 - i.** Submit a request in accordance with Sections 3.b, 3.d, or 3.e of this Appendix 1 prior to the close of the Transition Request Window; or
 - ii.** Submit a transition request for which they are eligible;

Then Bonneville will deem the request withdrawn and will terminate any applicable agreements.

4. Business Practices. Bonneville will develop and propose new and/or revised Business Practices pursuant to Bonneville's Business Practice Process in order to implement Appendix 2 (e.g., Commercial Readiness, Scalable Plan Blocks, Site Control), including the following details:

a. Site Control.

- i. Off Shore Wind.** A lease agreement with the Bureau of Ocean Energy Management (BOEM) to pursue development of an offshore wind generating facility can serve as a sufficient demonstration of site control under the site control definition under the LGIP.
- ii. Acreage Requirements:**
 - 1.** Battery: 0.1 acre/MW
 - 2.** Solar: 4 acres/MW
 - 3.** Synchronous and Pump Storage: 10 acre/facility
 - 4.** Wind: 30 acres/MW
 - 5.** Hybrid: Summation of the various fuel types represented in the Hybrid facility based on each fuel type's acres per MW.
- iii. Acreage Dispute.** In the event of a disagreement between Bonneville and an Interconnection Customer over the site control acreage requirement, Bonneville may accept a site plan drawing that depicts the proposed generation arrangement and specifies the Maximum Facility

Output. This drawing must be stamped by a Professional Engineer who is licensed in the state where the Large Generating Facility will be located.

b. Dispute Resolution. If an Interconnection Customer raises a dispute under Section 3.7 of the LGIP, and the outcome of the Dispute Resolution is in Interconnection Customer's favor, then the Queue Position associated with the dispute would be restored in the current Cluster Study, unless Bonneville determines that doing so would delay the cluster study process, in which case the Queue Position would be restored in the next Cluster Study and may be used for priority placement within a Scalable Plan Block, consistent with Section 2.I.iv of this Term Sheet. Notwithstanding the foregoing, Bonneville will make best efforts to avoid Interconnection Customer being delayed to the next Cluster Study.

c. Generation Integration.

- i. If all of the following criteria is met, Integration Customer may bypass Phase One and Phase Two Cluster Studies and proceed to the Facilities Study:
 1. The Integration Request has no impact on any utility other than Bonneville or the host utility;
 2. Integration Customer has received an Interconnection System Impact Study Report or the equivalent of a System Impact Study Report from the host utility and there are no pending re-studies or revisions to study reports needed for the Integration Request. The plan of service must be fully identified with no outstanding issues;
 3. Integration Customer has provided Bonneville with a completed System Impact Study Report (or equivalent from the host utility), which identifies the plan of service for Bonneville's evaluation;
 4. Based on Bonneville's review of the System Impact Study Report (or equivalent) no Network Upgrades on Bonneville's Transmission System are required. Meters, telemetry, relay upgrades, or other direct assigned equipment will not disqualify the Integration Request from proceeding to the Facilities Study;
 5. The Integration Request has no impact on any other Interconnection or Integration Request in the queue unless the

impact is limited to other Integration Requests connecting to the same host utility and such impacts do not result in Network Upgrades on Bonneville's Transmission System, Remedial Action Schemes, or operating conditions needing significant study or management by Bonneville;

6. The Integration Request does not require Bonneville's contingent facilities; and does not share upgrades with any other Interconnection or Integration Request.

5. Workshop Commitments. Bonneville will hold the following stakeholder workshops:

- a. **LGIA.** Before the TC-26 proceedings, discuss necessary revisions to the LGIA to align with this Appendix 1 and 2.
- b. **Transmission Service Request Study and Expansion Process (TSEP) and Line and Load Interconnection.** To discuss and evaluate opportunities to better align the TSEP and Line and Load Interconnection processes and queues with the LGIP.
- c. **Network Cost Allocation.** After the Transition Period, to discuss lessons learned from network cost allocation and the potential for future implementation of Distribution Factor Method (DFAX) for network cost allocation.
- d. **Withdrawal Penalties.** Before the BP-26 and TC-26 proceedings, to discuss proposals for withdrawal penalties under the LGIP and necessary revisions to the LGIA study deposits and commercial readiness deposits.
- e. **Facilities Study and Environmental Study Process:** To explore ways to improve the facilities study and environmental study process.

6. Regional Engagement. Bonneville shall conduct outreach with LSEs to determine if there is any interest in discussing a regional approach to procurement practices for the output of Large Generating Facilities.

7. IPR. In the 2024 IPR, or other appropriate forum, Bonneville will propose the addition of necessary Full-Time Employees who are necessary to implement the revised LGIP.

8. Out of Scope. Bonneville will not propose the following:

- a. Interconnection Capacity Heat Map.
- b. Revisions to the Standard Small Generator Interconnection Procedures (SGIP) and Agreements (SGIA).