

SAMPLE ONLY

Final Document shall include requirements identified in the System
Impact Study.

**AMENDED AND RESTATED SMALL GENERATOR
INTERCONNECTION AGREEMENT**

BETWEEN

GUAM POWER AUTHORITY

AND



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[Attachment 1](#) – Glossary of Terms

[Attachment 2](#) – Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

[Attachment 3](#) – One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Network Upgrades

[Attachment 4](#) – Milestones

[Attachment 5](#) – Additional Operating Requirements for the Transmission System Needed to Support the Interconnection Customer’s Needs

[Attachment 6](#) – Transmission Provider's Description of its Network Upgrades and Best Estimate of Network Upgrade Costs

[Attachment 7](#) - Bill of Sale

**AMENDED AND RESTATED SMALL GENERATOR INTERCONNECTION
AGREEMENT**

This Amended and Restated Small Generator Interconnection Agreement ("Agreement") is made and entered into this [___] day of _____, 201__ (the "Effective Date"), by Guam Power Authority ("GPA" or "Transmission Provider"), and _____ ("_____" or "Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Transmission Provider Information

Transmission Provider: Guam Power Authority
Attention: _____
Address: _____

Physical Address: _____

Phone: _____
Email: _____
Fax: _____

Interconnection Customer Information

Interconnection Customer:
Attention: _____
Address: _____

Physical Address: _____

Phone: _____
Email: _____
Fax: _____

Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission System. This Agreement amends and restates in its entirety that certain Small Generator Interconnection Agreement between Interconnection Customer and GPA dated as of _____, 201__.
- 1.2 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under a separate agreement. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity to GPA in accordance with GPA's standard procedures, as provided by GPA to Interconnection Customer no later than ninety (90) days prior to commencement of testing of the Small Generating Facility.
- 1.3 Nothing in this Agreement is intended to affect any other agreement between the Parties. In particular, with respect to the Additional Customer,
 - 1.3.1 the Parties acknowledge and agree that although Additional Customer may enter into a power purchase agreement and an interconnection agreement in connection with its proposed wind project, Interconnection Customer shall have no responsibility or liability to GPA with respect to any such agreements. All obligations of Interconnection Customer with respect to the Additional Customer or with respect to its wind project are explicitly limited to and prescribed by the provisions in this Agreement relating to the installation of certain Interconnection Facilities and Network Upgrades, and in such respect only to the extent set forth and described in this Agreement; and
 - 1.3.2 the Parties acknowledge and agree that this Agreement shall serve as the sole interconnection agreement with respect to any solar power generating facilities to which Additional Customer has rights or agreements with GPA in place on or prior to the Effective Date, inasmuch as all such rights and agreements have been or will be assigned to Interconnection Customer.
- 1.4 Responsibilities of the Parties
 - 1.4.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
 - 1.4.2 The Interconnection Customer shall construct, interconnect, operate and maintain Small Generator Interconnection Agreement (SGIA)

its Small Generating Facility and construct or cause to be constructed the Interconnection Facilities in accordance with this Agreement, Good Utility Practice and the requirements of Section 1.4.4 below.

- 1.4.2.1 The cost of constructing, interconnecting, operating and maintaining the Small Generating Facility shall be borne entirely by Interconnection Customer.
- 1.4.2.2 The cost of developing, designing, procuring, constructing and installing the Interconnection Facilities shall be borne by Interconnection Customer, but shall in no event exceed \$_____. Any verified costs in excess of such amount shall be reimbursed by GPA to Interconnection Customer.
- 1.4.2.3 In the event that the Additional Customer(s) connects its facilities to the Interconnection Facilities, then (i) Interconnection Customer shall provide, at the Point of Interconnection, space in the switchyard and access to the bus for the benefit of the Additional Customer, and (ii) GPA shall cause the Additional Customer to (A) connect to the Interconnection Facilities at the Point of Interconnection and in the manner depicted in Attachment 3 and (B) reimburse Interconnection Customer for ____% of its verified costs of constructing the Interconnection Facilities.
- 1.4.2.4 On or before the Commercial Operation Date (as defined in the Power Purchase Agreement), the Interconnection Customer shall transfer the Interconnection Facilities (other than _____) to GPA by execution and delivery of the Bill of Sale attached hereto as Attachment 7. Likewise, if the Additional Customer _____ is installed, the Interconnection Customer shall transfer such asset to GPA by execution and delivery of the Bill of Sale attached hereto as Attachment 7.
- 1.4.3 GPA shall operate and maintain the Transmission System, the Interconnection Facilities and the Network Upgrades in accordance with this Agreement and Good Utility Practice.
 - 1.4.3.1 The Parties agree that _____ Network Upgrades **will/will not** be required solely as a result of Interconnection Customer installing the Small Generating Facility and the Interconnection Facilities.
 - 1.4.3.2 In the event Additional Customer(s) connects its facilities to the Interconnection Facilities, then in addition to the Additional Customer interconnection requirements, certain Network Upgrades may be required. Interconnection Customer may, but shall not be obligated, to install such Network Upgrades and Additional Customer interconnection

requirements in accordance with Section 5.2. GPA or Interconnection Customer, as applicable, shall construct, or cause to be constructed, and shall operate and maintain, such Network Upgrades and Additional Customer Conductor in accordance with this Agreement and Good Utility Practice.

1.4.3.3 Interconnection Customer shall bear _____% of the direct, verified costs of construction of such Network Upgrades which are defined/detailed in Section 1.4.4 below and in Attachment 6, but such costs shall in no event exceed \$_____. Any verified costs in excess of such amount shall be reimbursed by GPA to Interconnection Customer. Interconnection Customer shall be liable for costs including additional capital recovery charges if Network Upgrades are performed by Additional Customer. GPA shall procure that the Additional Customer shall be liable for the remaining _____% of such Network Upgrades, including any capital recovery charges, if Network Upgrades are constructed by Interconnection Customer.

1.4.3.4 Except as set forth in this Section 1.4.3, Interconnection Customer shall bear no cost or liability with respect to any Network Upgrades.

1.4.4 The Interconnection Customer agrees to construct the Interconnection Facilities in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE Standards, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design and install its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of GPA.

1.4.5 Interconnection Customer shall be responsible for the safe installation of the Interconnection Facilities. Following transfer by Interconnection Customer in accordance with Section 1.4.2.4, GPA shall be responsible for the safe operation, maintenance, repair, inspection and condition of the Interconnection Facilities and the Transmission System, including Network Upgrades. Interconnection Customer shall design and construct Interconnection Facilities that adequately protect GPA's Transmission System, personnel, and other persons from damage and injury.

1.4.6 ~~GPA shall provide without cost to Interconnection Customer the reasonable use of labor, personnel and equipment necessary for Interconnection Customer's installation of the Small Generating Facility and the Interconnection Facilities (and the Network Upgrades if applicable), so long as GPA does not incur material out of pocket cost or constraint of resources as a result thereof. The foregoing includes, by way of example, (i) providing access to GPA technical information and engineering personnel as needed for questions and answers, (ii) utilizing GPA~~

~~equipment and trucks as needed for GPA support, (iii) receiving and loading wire reels at the Port of Guam and bringing the same to the Small Generating Facility lay down area, (iv) providing electricians and equipment for wire installation, splicing, terminations and testing, and (v) providing flag men for traffic control during wire installation, splicing and testing.~~

1.5 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the Guam control area, including, but not limited to: 1) the rules and procedures concerning the operation of generation set forth by the Transmission Provider for the Transmission System and 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.6 Metering

The Parties' responsibilities with respect to purchase, installation, operation, maintenance, testing, repair and replacement of metering and data acquisition equipment are specified in Section 7.4 of the Power Purchase Agreement.

1.7 Reactive Power

The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at all power factors over the range of **0.95 leading to 0.95 lagging**, unless GPA has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The Generating Facility shall be capable of continuous dynamic operation throughout the power factor design range as measured at the Point of Interconnection.

1.8 Definitions

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and the Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify GPA of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. The notification shall be made by submitting a test plan for GPA's approval prior to the first scheduled testing date. GPA shall provide feedback within ten (10) business days. The test plan shall include all relevant testing details including but not limited to the date and time of each test, and expected MW and MVAR output

of the Small Generating Facility. Testing and inspection shall occur on a Business Day. GPA may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide GPA a written test report when such testing and inspection is completed.

- 2.1.2 GPA shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by GPA of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

- 2.2.1 GPA has listed applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, GPA shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. GPA shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission System without the one-time prior written authorization of GPA. GPA will provide such authorization once GPA receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements set forth in Attachment 5. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

- 2.3.1 Upon reasonable notice, GPA may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, GPA shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers. Within forty-eight

(48) hours after a GPA access due to an emergency or hazardous condition, GPA shall provide a written summary of any such access and of any work performed during such access.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective on the Effective Date.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of twenty-five (25) years from the Commercial Operation Date (as defined in the Power Purchase Agreement), or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.3 of this Agreement. In no event, however, shall GPA be entitled to terminate this Agreement unless and until each Power Purchase Agreement is terminated.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving GPA twenty (20) Business Days written notice.

3.3.2 Transmission Provider may terminate this Agreement if the Small Generating Facility has ceased commercial operation for three (3) consecutive years, beginning with the last date of commercial operation for the Small Generating Facility, after giving the Interconnection Customer twenty (20) Business Days advance written notice. The Small Generating Facility will not be deemed to have ceased Commercial Operation for purposes of this Article 3.3.2 if the Interconnection Customer can document that it has taken other significant steps to maintain or restore operational readiness of the Small Generating Facility for the purpose of returning the Small Generating Facility to commercial operation as soon as possible.

3.3.3 Either Party may terminate this Agreement after Default pursuant to Article 7.6.

3.3.4 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination

resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

3.3.5 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.6 This provisions of this Article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of GPA, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Transmission System or the Interconnection Facilities; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility, or with respect to the Interconnection Facilities until transferred to GPA pursuant to this Agreement. Under Emergency Conditions, GPA may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. GPA shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify GPA promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission System. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

GPA may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission System. GPA shall provide the Interconnection Customer with five Business Days notice prior to such interruption. GPA shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, GPA may suspend interconnection service to effect

immediate repairs on the Transmission System. GPA shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, GPA shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

GPA shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause damage to the Transmission System. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, GPA may disconnect the Small Generating Facility. GPA shall provide the Interconnection Customer with five (5) Business Day notice of such disconnection, unless the provisions of Article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from GPA before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without GPA's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities

4.1 Interconnection Facilities

The Interconnection Customer shall install and pay for (subject to partial reimbursement as set forth herein) the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement, and as further set forth in Section 1.4.

4.2 System Stability Upgrades

It is agreed that apart from the identified Network Upgrades in Attachment 6, (i) Transmission System stability upgrades, system operational characteristic changes or Small Generator Facility modifications **shall/shall not** be required to be installed by the Interconnection Customer as a result of the development, installation or operation of the

~~Small Generating Facility or other generation installed in Guam and (ii) ramp-downs will be controlled to the extent possible by the Interconnection Customer selected inverters, since energy storage is not included in the installation.~~

Article 5. Network Upgrades and System Stability Upgrades

5.1 Applicability

No portion of this Article 5 shall apply unless the interconnection of the Additional Customer to the Point of Interconnection requires Network Upgrades.

5.2 Network Upgrades

GPA shall own and operate the Network Upgrades described in Attachment 6 of this Agreement, which will be installed as and to the extent required as a result of the **Interconnection Customer and/or the** Additional Customer connecting to the Interconnection Facilities. All actual costs of such required Network Upgrades, including overheads, shall be borne by the Interconnection Customer and the Additional Customer(s) as set forth in Section 1.4, but only to the extent and in the proportion set forth in Section 1.4, it being agreed that no such upgrades will be required solely as a result of the installation of the Small Generating Facility. **Interconnection Customer shall seek approval from GPA prior to proceeding with any work of which its expense would exceed the caps set forth in Attachment 6.** In no event, however, shall Interconnection Customer and Additional Customer together be required to bear more than \$_____ further upgrade costs. Interconnection Customer at its option may design, procure, construct (or cause to be constructed) and install (or cause to be installed) the Network Upgrades, in which case it shall transfer such Network Upgrades to GPA by instrument substantially in the form of Attachment 7.

5.3 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 If GPA installs the Network Upgrades, GPA shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of

Network Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties, up to but not in excess of the limit set forth in Section 5.2. The Interconnection Customer shall pay each bill within thirty (30) calendar days of receipt, or as otherwise agreed to by the Parties.

- 6.1.2 Within three months of completing the construction and installation of any Network Upgrades installed by GPA and described in the Attachments to this Agreement, GPA shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Network Upgrades, and (2) the Interconnection Customer's previous aggregate payments to GPA for such facilities or Network Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, GPA shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to GPA within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, GPA shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will (1) suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon fifteen (15) Business Days prior written notice and opportunity to object by the other Party; provided that:

- 7.1.1 Either Party may assign this Agreement without the consent of the other Party to (i) any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the assigning Party promptly

notifies the other Party of any such assignment or (ii) to any person or entity succeeding to all or substantially all of the assets of such Party, and whose creditworthiness is equal to or higher than that of such Party;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of GPA, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify GPA of any such assignment.

7.1.3 Any attempted assignment that violates this Article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other 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 other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this Article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person 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.

- 7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, or cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Effective Date, which is not within the reasonable control of, or the result of the negligence of, the Affected Party, and which, by the exercise of due diligence, the Affected Party is unable to overcome or avoid or cause to be avoided. So long as the requirements of the preceding sentence are met, a Force Majeure Event shall include, without limitation, any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing.

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in

reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

- 7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party may give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2, the defaulting Party shall have sixty (60) calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within sixty (60) calendar days, the defaulting Party shall commence such cure within twenty (20) calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.
- 7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting 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 Article will survive termination of this Agreement.

Article 8. [Not Used]

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to any permitted disclosee of confidential information pursuant to the Power Purchase Agreement, to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this Article to the contrary, if during the course of an investigation by a Governmental Authority or otherwise, a Governmental Authority requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party receiving the request, if required under Applicable Laws and Regulations, shall provide the requested information to the Governmental Authority conducting the investigation, within the time provided for in the request for information. In providing the information, the Party may request that the information be treated as confidential and non-public by the Governmental Authority and that the information be withheld from public disclosure. The Party shall notify the other Party to this Agreement when it is notified by a Governmental Authority that a request to release Confidential Information has been received, at which time either of the Parties may respond before such information would be made public. .

Article 10. Disputes

- 10.1 The Parties agree to resolve all disputes arising out of this Agreement according to the provisions of the Power Purchase Agreement.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable Guam tax laws and regulations.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt

status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the Territory of Guam (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities 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.

12.4 Waiver

12.4.1 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.

12.4.2 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 the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from GPA. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, 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.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 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.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. Both Parties are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 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 Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

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 primarily liable to the other Party for the performance of such

subcontractor.

12.11.1 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 a Party be liable for the actions or inactions of the other Party or its subcontractors with respect to obligations of the first Party under this Agreement. 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.

12.11.2 The obligations under this Article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Waiver of Sovereign Immunity

To the extent that GPA may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to GPA or its assets or revenues such immunity (whether or not claimed), GPA agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____

Physical Address: _____

Phone: _____
Email: _____
Fax: _____

If to the Transmission Provider:

Guam Power Authority

Attention: _____
Address: _____
Physical Address: _____
Phone: _____
Email: _____
Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
Physical Address: _____
Phone: _____
Email: _____
Fax: _____

Transmission Provider:

Guam Power Authority

Attention: _____
Address: _____
Physical Address: _____
Phone: _____
Email: _____
Fax: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____

Physical Address: _____

Phone: _____
Email: _____
Fax: _____

If to the Transmission Provider:

Guam Power Authority
Attention: _____
Address: _____

Physical Address: _____

Phone: _____
Email: _____
Fax: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____

Physical Address: _____

Phone: _____
Email: _____
Fax: _____

Transmission Provider's Operating Representative:

Guam Power Authority

Attention: _____
Address: _____

Physical Address: _____

Phone: _____
Email: _____
Fax: _____

With a copy of all notices, including notices of any defaults, sent to legal counsel of the applicable Party, as follows:

Interconnection Customer: _____
Attention: _____
Address: _____

Physical Address: _____

Phone: _____
Email: _____
Fax: _____

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

[Signature page follows]

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider

By: _____

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Glossary of Terms

Additional Customer -- _____, with respect to the planned _____ MW _____ power generating facilities to be constructed **near the** Small Generating Facility site and connected to the Interconnection Facilities at the Point of Interconnection.

Additional Customer Conductor – As described in sub-item (d) of Attachment 2.

Applicable Laws and Regulations – All duly promulgated applicable federal, state, territorial and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under this Agreement, within the time periods provided in Section 7.6 hereof.

Effective Date -- The date first set forth in the preamble hereto.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be generally acceptable and consistently adhered to acceptable practices, methods, or acts.

Governmental Authority – Any federal, territorial or local governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

IEEE Standards - The standards of the Institute of Electrical and Electronics Engineers (IEEE), or its IEEE Standards Association (IEEE-SA), in effect as of the Effective Date.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Customer or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission System.

Interconnection Facilities – The Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Talofofa Substation, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small

Generating Facility to such facilities. The Interconnection Facilities include the Additional Customer Conductor (if and when installed), and are described in more detail in Attachment 2 and Attachment 3 hereto.

Network Upgrades – Additions, modifications, and upgrades to the Transmission System required for system stability at or beyond GPA’s Talofofa Substation to accommodate the interconnection, at the Point of Interconnection, of the Additional Customer’s facility with the Interconnection Facilities. Network Upgrades are summarized in Attachment 6 and do not include the Interconnection Facilities.

Operating Requirements – Any operating and technical requirements that may be applicable and are set forth in the Power Purchase Agreement or in this Small Generator Interconnection Agreement, including Attachment 5 hereto.

Party or Parties – The Transmission Provider, Interconnection Customer or any combination of the above.

Point of Interconnection – The point at the Small Generating Facility site (_____) where the Small Generating Facility connects with the Interconnection Facilities, and where the Additional Customer’s facility interconnects with the Interconnection Facilities, as shown in Attachment 3.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production of electricity, but shall not include the Interconnection Facilities.

Power Purchase Agreement -- (i) The Renewable Energy Purchase Agreement for the sale by Interconnection Customer and the purchase by GPA of renewable solar energy from the Small Generating Facility, dated as of _____, 201____.

Tariff – The Transmission Provider’s tariff through which open access transmission service and interconnection services are offered and as amended or supplemented from time to time, or any successor tariff.

Transmission Provider – As defined in the preamble hereto.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider that connect to the Interconnection Facilities and are used to provide transmission service under the Tariff.

**Description of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or by GPA.

Interconnection Facilities

The Interconnection Facilities and the capped amounts with respect thereto (beyond which GPA will reimburse Interconnection Customer as set forth in this Agreement) include the following:

Small Generating Facility

The general location of the Small Generating Facility and the _____ Substation are noted on the attached picture. The Small Generating Facility will be a _____

Addendum to Attachment 2 -- Project Site Picture

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, Network Upgrades and Additional Customer Tie-In Location and Requirements

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	Preliminary design for Interconnection Facilities (_____)	Interconnection Customer
(2)	GPA approval of design basis (_____)	GPA
(3)	Interconnection Customer to have all permits in hand for Interconnection Customer construction to start on public roads (supported by GPA engineering) (_____)	Interconnection Customer
(4)	Construction completion (one year after permits are in hand)	Interconnection Customer

Agreed to by:

For the GPA (If Applicable) _____ Date _____

For the Interconnection Customer _____ Date _____

**Additional Operating Requirements for the Transmission Provider's
Transmission System Needed to Support
the Interconnection Customer's Needs**

The following requirements must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System:

Ramp controls for the Facility will be as follows:

The Facility is intended to operate at a power factor of 1.0.

**Transmission Provider's Description of its Network Upgrades
and Network Upgrade Costs**

Bill of Sale

THIS BILL OF SALE (this "Bill of Sale") is made and entered into by _____ ("Seller"), and Guam Power Authority ("Buyer", and together with Seller, the "Parties"), effective as of [____], 20__.

RECITALS

WHEREAS, Seller in connection with the development, construction and ownership of a solar power generating station and related assets located in the Territory of Guam (the "Project") has designed, developed and constructed, and owns, certain transmission, switching and related assets described more fully on Exhibit "A" hereto, together with all ancillary rights and interests (including all manufacturers' and contractors' warranties) relating thereto and further described on Exhibit "A" hereto (the "Assets"); and

WHEREAS, Seller and Buyer entered into a Renewable Energy Purchase Agreement dated as of _____, 201__, pursuant to which Seller and Buyer have agreed to sell and purchase renewable energy generated by the Project (the "Seller Purchase Agreement"), Purchase Agreement, the "Purchase Agreement") and Seller and Buyer entered into an Small Generator Interconnection Agreement dated as of _____, 201__, pursuant to which Seller and Buyer have agreed to the installation and interconnection of the Project with Buyer's transmission system (the "SGIA"); and

WHEREAS, as contemplated by the SGIA, and in connection with the operation of the Project by Seller and the purchase and sale of renewable energy pursuant to the Purchase Agreement, Seller desires to transfer and Buyer desires to receive the Assets.

NOW, THEREFORE, BE IT KNOWN THAT:

1. Conveyance and Assignment. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby **GRANT, BARGAIN, ASSIGN, TRANSFER, SET OVER, DELIVER AND CONVEY** to Buyer all of Seller's right, title and interest in and to the Assets, **TO HAVE AND TO HOLD** the Assets by Buyer and its successors and permitted assigns, forever.

2. NO WARRANTY. **THE ASSETS ARE HEREBY CONVEYED AS IS, WHERE IS, AND SELLER HEREBY GIVES NO WARRANTY OF DESIGN, MATERIALS, WORKMANSHIP OR PERFORMANCE OF THE ASSETS, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** However, Seller covenants and agrees that the manufacturers' and contractors' warranties transferred hereby as part of the Assets shall extend for a period of at least one (1) year from the acceptance of the Assets by Seller.

3. Further Assurances. Seller for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time upon the written request of Buyer, Seller will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required in order to assign, transfer, set over, convey, assure and confirm unto and vest in Buyer, its successors and assigns, title to the assets sold, conveyed and transferred by this Bill of Sale.

4. Counterparts. This Bill of Sale may be executed in counterparts.

5. Governing Law. This Bill of Sale shall be governed by and construed in and interpreted in accordance with the laws of the Territory of Guam.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Bill of Sale as of the date above first written.

Seller:

By: _____

Name: _____

Title: _____

Buyer:

GUAM POWER AUTHORITY

By: _____

Name: _____

Title: _____

A C K N O W L E D G E M E N T S

GUAM, U.S.A.)
) **SS:**
MUNICIPALITY OF)
_____)

ON THIS ____ day of _____, 20____, before me, a notary public in and for Guam, personally appeared _____, known or identified to me to be the _____ of Guam Power Authority, an autonomous instrumentality of the government of the Territory of Guam, whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same on behalf of said corporation, in such capacity, being fully authorized to do so, and for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

GUAM, U.S.A.)
) **SS:**
MUNICIPALITY OF)
_____)

ON THIS ____ day of _____, 20____, before me, a notary public in and for Guam, personally appeared _____, known or identified to me to be the _____ of _____, whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same on behalf of said corporation, in such capacity, being fully authorized to do so, and for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Exhibit “A”

Description of Assets

[Description of Interconnection Facilities; see § 1.4.2.4 of SGIA]

[Description of Network Upgrades; see § 5.2 of SGIA]