

System Impact Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State/Province of _____ ("Eligible Customer"), and the **Newfoundland Labrador System Operator** ("NLSO"). Eligible Customer and NLSO each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Eligible Customer is [proposing to develop or materially modify a generating facility to be interconnected with the NL Transmission System or NL Sub-Transmission System/requesting the provision of transmission service over the NL Transmission System or NL Sub-Transmission System] consistent with the Completed Application submitted by the Eligible Customer dated _____; and

WHEREAS, the Eligible Customer has requested the NLSO to perform a System Impact Study to assess the impact of [the requested interconnection service/the requested transmission service];

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have meanings specified in the [NL Transmission Policies and Procedures or Generator Interconnection Procedures].
- 2.0 The Eligible Customer elects and the NLSO shall cause to be performed a System Impact Study consistent with Section [7.0] [Transmission Service]/Section [12.0] [Generator Interconnection] of the [NL Transmission Policies and Procedures/Generator Interconnection Procedures].
- 3.0 The System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The System Impact Study will be based upon the technical information provided by Eligible Customer in the Completed Application. The NLSO reserves the right to request additional technical information from the Eligible Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the System Impact Study.
- 5.0. The System Impact Study report shall provide the study deliverables set forth in Attachment B to this Agreement.

- 6.0 The NLSO agrees to complete the System Impact Study within _____ days and in accordance with Good Utility Practice. In the event that the NLSO is unable to complete the System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies.
- 7.0 For purposes of the System Impact Study, the model of the NL Transmission Study Area employed for such study shall assess the NL Transmission Study Area, as configured on the date the System Impact Study is commenced, including: (i) all existing generating facilities, at their rated capacities; (ii) Network Load projected during the term of the service requested; (iii) all existing firm and conditional firm transmission service requests that will be in effect during the term of service requested by the Eligible Customer, at the maximum firm reservation or conditional firm reservation, as applicable; (iv) all new or modified transmission facilities that are planned to be in commercial operation prior to the commencement of the requested service; (v) any new generating facilities, modification of existing generating facilities or new transmission service requests which have a higher queue priority consistent with Section [5.6/9.0] of the [NL Transmission Policies and Procedures or Generator Interconnection Procedures].
- 8.0 If the Eligible Customer modifies its designated Point(s) of Receipt or Point(s) of Delivery, or makes any other material modification to its Completed Application as determined by the NLSO, the Eligible Customer must file a new or revised application, and the time to complete the System Impact Study may be extended, and the Eligible Customer shall be liable to the NLSO for all costs and expenses incurred by or on behalf of the NLSO up to the date of receipt of Eligible Customer's new or modified Completed Application.
- 9.0 The Eligible Customer may at any time withdraw its request for the completion of the System Impact Study, and in such event shall be liable to the NLSO for all costs and expenses incurred by or on behalf of the NLSO up to the date of receipt of the Eligible Customer's withdrawal notification.
- 10.0 The Eligible Customer agrees to pay all costs and expenses incurred, directly or indirectly, by or on behalf of the NLSO in conducting the System Impact Study. NLSO's good faith estimate of the total cost to the Eligible Customer is _____ [Dollars Cdn.] plus all applicable taxes.
- 11.0 Payment of costs and expenses referred to in Article 10.0 above shall include an initial payment of [XX% of the NLSO's good faith estimate Dollars Cdn.], payable prior to the commencement of the System Impact Study. Subject to Articles 12.0 and 13.0 herein, payment of remaining amounts owing will be due upon completion of the System Impact Study.
- 12.0 The NLSO's System Impact Study charges shall be based on the NLSO's actual costs and expenses incurred and will be invoiced to the Eligible Customer within [XX] days after completion and delivery of the System Impact Study.

13.0 The Eligible Customer shall pay all invoiced System Impact Study charges that exceed the initial payment made pursuant to Article 11.0 without interest within 30 calendar days of receipt of the invoice or resolution of any dispute. If the initial payment exceeds the invoiced fees, the NLSO shall refund such excess within 30 calendar days of the invoice without interest.

14.0 Under no circumstances shall the NLSO be liable to the Eligible Customer for any loss, damage, claim, cost, charge or expense, whether direct, indirect, incidental, punitive, special or consequential arising from the NLSO's performance or non-performance of its obligations under this Agreement, except in the case of gross negligence or willful misconduct on the part of the NLSO, in which case the NLSO's liability to the Eligible Customer shall be limited to the amount paid by the Eligible Customer to the NLSO pursuant to Article 11.0 herein.

15.0 Dispute Resolution, Governing Law

All disputes arising from this Agreement shall be subject to the dispute resolution procedures contained in Section [23] of the [NL Transmission Policies and Procedures or Generator Interconnection procedures]. The validity and interpretation of this Agreement and each of its provisions shall be governed by the laws of the Province of Newfoundland and Labrador.

16.0 Amendment

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

17.0 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.

18.0 Waiver

18.1 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.

18.2 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 Eligible Customer shall not constitute a waiver of the Eligible Customer's legal rights to obtain [Transmission Service/Interconnection Service] from the NLSO. Any waiver of this Agreement shall, if requested, be provided in writing.

19.0 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.

20.0 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.

21.0 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 the Newfoundland and Labrador Board of Commissioners of Public Utilities Board, (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.

22.0 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.

22.1 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 the NLSO be liable for the actions or inactions of the Eligible Customer or its subcontractors with respect to obligations of the Eligible Customer 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.

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

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Eligible Customer]

Signed: _____
Name (Printed): _____
Title: _____
Date: _____

Newfoundland and Labrador System Operator

Signed: _____
Name (Printed): _____
Title: _____
Date: _____

Attachment A

Assumptions Used in Conducting the System Impact Study

The System Impact Study shall be based upon the following assumptions:

- designation of Point(s) of Receipt and Point(s) of Delivery and configuration to be studied
- designation of alternative Point(s) of Receipt and Point(s) of Delivery and configuration

[Assumptions to be completed by Eligible Customer and other assumptions to be provided by Eligible Customer and the NLSO. System to be modeled consistent with Article 7].

Attachment B

System Impact Study Deliverables

The System Impact Study report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the proposed interconnection;
- identification of any thermal overload or voltage limit violations resulting from the proposed interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the proposed interconnection;
- system constraints, identified with specificity by transmission element;
- redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch;
- conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the system conditions during which conditional curtailment may occur;
- description and non-binding, good faith estimated cost of Eligible Customer's share of facilities required to interconnect the generating facility to the NL Transmission System and to address the identified short circuit, instability, and power flow issues, as well as time required to complete such construction and initiate service; and
- good faith estimate of cost and schedule for undertaking a Facilities Study if modifications or additions to the NL Transmission System are identified.