

**APPENDIX 2 to LGIP
PRELIMINARY INTERCONNECTION 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 of _____, (“Interconnection Customer,”) and Public Service Company of New Mexico a corporation existing under the laws of the State of New Mexico (“Transmission Provider “). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection Feasibility Study (the “Feasibility Study”) and provided the results of said study to Interconnection Customer (This recital to be omitted if Transmission Provider or Interconnection Customer does not require the Interconnection Feasibility Study.); and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Preliminary Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed a Preliminary Interconnection System Impact Study consistent with Section 6.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Preliminary Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Preliminary Interconnection System Impact Study will be based upon the technical information provided by Interconnection Customer in the

Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Preliminary Interconnection System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Preliminary Interconnection System Impact Study may be extended.

- 5.0 The Preliminary Interconnection System Impact Study report shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and
 - description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

- 6.0 Interconnection Customer shall provide the deposit as specified in Section 3.1 of the LGIP for the performance of the Preliminary Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Preliminary Interconnection System Impact Study is [insert date].

Upon receipt of the Preliminary Interconnection System Impact Study results, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Preliminary Interconnection System Impact Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer in accordance with Section 6.2 of the LGIP.

- 7.0 Miscellaneous. The Preliminary Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the

provisions of the LGIP and the LGIA.

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.

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 2
Preliminary Interconnection System Impact
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
PRELIMINARY INTERCONNECTION SYSTEM IMPACT STUDY**

The Preliminary Interconnection System Impact Study will be based upon the following assumptions, subject to any modifications in accordance with Section 4.4 of the LGIP:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]