

Appendix C
Transmission Network Upgrade

APPENDIX C TRANSMISSION NETWORK UPGRADE

Hydrogen Energy California LLC (HECA LLC) (Applicant) submitted an Interconnection Request (IR) to the California Independent System Operator (ISO), as required per Federal Energy Regulatory Committee (FERC) Order No. 2003 for Large Generating Facility interconnections to the California Independent System Operator (CAISO) Controlled Grid. The IR was received November 15, 2011, along with a \$250,000 Study Deposit and evidence of site control. CAISO identified the IR as complete in accordance with the requirements of the Generator Interconnection Procedure (GIP), and the project was assigned queue number Q 870 as part of the Cluster 5 CAISO application group. Following the Scoping Meeting held January 5, 2012, HECA LLC executed a Generator Interconnection Study Process Agreement (GISPA) on January 27, 2012. The purpose of the GISPA is to determine the impacts on the electrical systems providing network upgrades and interconnection facilities, and estimated costs and time to construct the Project facilities required to connect to the ISO Controlled Grid.

As a member of the Cluster 5 study group, per the GIP the studies are to be conducted between June 1 and October 12, 2012, and will culminate in the release of the Phase I Interconnection study results. These results will be reviewed in a required “Results Meeting” within 30 days of the release of the Phase I Report. The initial posting of financial security based on the Phase I Report is required within 90 days of the release of the Phase I Report. The Phase II Interconnection Study then follows and is to be conducted between January 15 and July 30, 2013; a Phase II Interconnection Report will be issued, and the second financial posting is required within 180 days of the release of the Phase II Report. A Large Generator Interconnection Agreement (LGIA) with the Transmission Operator, CAISO, and the Applicant will then be executed as the formal connection offer. The third financial posting and construction start will follow the execution of the LGIA. The LGIA is anticipated in late 2013, based on the Study timeline as dictated by the CAISO GIP.