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**SCHEDULE 153
QUALIFYING FACILITY TRANSMISSION INTERCONNECTION SERVICE**

Attachment "A" – Definitions

DEFINITIONS

All capitalized terms used in Schedule 153 and the attachments within Schedule 153 have the same meanings given to them in this Attachment "A" of Schedule 153 and Company's Schedule 80, section 2, Definitions.

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ACH shall mean automated clearing house payment.

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than Company's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Agreement shall mean the QFTIA entered into by and between Interconnection Customer and Company.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Company's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state 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.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Qualifying Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Qualifying Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by Company or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the QFTIA.

Breaching Party shall mean a Party that is in Breach of the QFTIA.

Business Day shall mean Monday through Friday, excluding State Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a State Holiday.

C.F.R. shall mean Code of Federal Regulations

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

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Cogeneration Facility shall mean equipment used to produce electric energy and forms of useful thermal energy (such as heat or steam), used for industrial, commercial, heating, or cooling purposes, through the sequential use of energy, and subject to the qualifications and requirements in 18 C.F.R. Part B

Commercial Operation shall mean the status of a Qualifying Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Qualifying Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the QFTIA.

Company shall mean the transmission owner and provider for this Agreement, Puget Sound Energy.

Company's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by Company from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the QFTIA, including any modifications, additions or upgrades to such facilities and equipment. Company's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the QFTIA.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean Company's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to Company's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Qualifying Facility. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the QFTIA becomes effective upon execution by the Parties.

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Energy Imbalance Market (EIM) shall mean the EIM that Company has been participating in and is operated by the California Independent System Operator (ISO) since October 1, 2016. The rules for participation in the EIM are found in Attachment O of Company's OATT.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes Company to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a *et seq.*

FERC shall mean the Federal Energy Regulatory Commission or its successor.

Force Majeure shall mean 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 acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Fully Deliverable shall mean the Qualifying Facility meets all interconnection requirements, including the construction of any and all (i) necessary interconnection facilities to meet interconnection standards and (ii) system upgrades, if necessary, to deliver output from the Qualifying Facility to Company's retail customers, and Company has available transmission capacity, including the construction of any and all necessary facilities to guaranty transfer capacity, necessary to deliver the Net Output to any point on Company's Transmission System.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric 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 a 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 acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Company, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Qualifying Facility is initially synchronized and upon which Trial Operation begins.

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In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of Company's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean the entity that proposes to interconnect or has interconnected its Qualifying Facility with Company's Transmission System under the terms and conditions of Schedule 153.

Interconnection Customer's Interconnection Facilities or ICIF shall mean all facilities and equipment, as identified in Appendix A of the QFTIA, that are located between the Qualifying Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Qualifying Facility to Company's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean Company's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Qualifying Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Qualifying Facility to Company's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by Company or a third party consultant for the Interconnection Customer to determine a list of facilities (including Company's Interconnection Facilities, Distribution Upgrades and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Qualifying Facility with Company's Transmission System. The scope of the study is defined in Section 8 of the QFTIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the QFTIP for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Qualifying Facility to Company's Transmission System, the scope of which is described in Section 6 of the QFTIP.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the QFTIP for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the QFTIP, to interconnect a new Qualifying Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Qualifying Facility that is interconnected with Company's Transmission System.

Interconnection Service shall mean the service provided by Company associated with interconnecting the Interconnection Customer's Qualifying Facility to Company's Transmission System and enabling it to receive electric energy and capacity from the Qualifying Facility at the Point of Interconnection, pursuant to the terms of QFTIA in Company's Schedule 153.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the QFTIP.

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Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the Company's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Qualifying Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the QFTIP.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the QFTIP for conducting the Interconnection System Impact Study.

Interruptible Power shall mean electric energy or capacity supplied by Company and subject to interruption by Company under specified conditions.

Internal Revenue Code shall mean the United States federal tax laws enacted by United States Congress in Title 26 of the United States Code.

IRS shall mean the Internal Revenue Service.

ISO shall mean independent system operator.

Large Qualifying Facility shall mean (i) a Cogeneration Facility having a capacity of more than 20 MW or (ii) a Small Power Production Facility having a capacity of more than 20 MW but no more than 80 MW.

Loss shall mean any and all losses 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 performance, or non-performance of its obligations under the QFTIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Qualifying Facility pursuant to the QFTIA at the one or more metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, other communications conductors, and fiber optics.

NERC shall mean the North American Electric Reliability Corporation or its successor organization.

Net Output shall mean all energy and capacity produced by the Qualifying Facility and delivered to the Point of Delivery, net of transformation, transmission, or other losses, if any, and less Station Power.

Network Upgrades shall mean the additions, modifications, and upgrades to Company's Transmission System required at or beyond the point at which the Interconnection Facilities connect to Company's Transmission System to accommodate the interconnection of the Qualifying Facility to Company's Transmission System.

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Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the QFTIA or its performance.

Obligated Entity shall mean the entity with a contractual obligation to construct Network Upgrades.

OASIS shall mean Open Access Same-Time Information System per the Federal Energy Policy Act of 1992 and FERC Orders 888 and 889.

OATT shall mean Company's Open Access Transmission Tariff on file with FERC.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the QFTIP for conducting the Optional Interconnection Study.

Party or **Parties** shall mean Company, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the QFTIA, where the Interconnection Customer's Interconnection Facilities connect to Company's Interconnection Facilities.

Point of Delivery shall mean the point on Company's Transmission System where capacity and energy will be made available to Company.

Point of Interconnection shall mean the point, as set forth in Appendix A to the QFTIA, where the Interconnection Facilities connect to Company's Transmission System.

Power System Stabilizers shall have the meaning designated in the guidelines and procedures established by the applicable Reliability Council.

Power Purchase Agreement ("PPA") shall mean a separate agreement between Company and Interconnection Customer, the terms of which govern the sale by the Interconnection Customer and the purchase by Company of the Net Output of the Interconnection Customer's Qualifying Facility, pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

QFTIA shall mean the Qualifying Facility Transmission Interconnection Agreement.

QFTIP shall mean the Qualifying Facility Transmission Interconnection Procedures applicable to any Qualifying Facility that seeks to interconnect to Company's Transmission System.

Qualifying Facility shall mean Interconnection Customer's Cogeneration Facility or Small Power Production Facility identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Qualifying Facility Transmission Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to be Fully Deliverable except when System Emergency or Reliability Conditions are met. In the instance that either System Emergency or Reliability Conditions are met, Company shall have the ability to curtail the Interconnection Customer until such time that it is able to safely and reliably restore Interconnection Service to the Interconnection Customer.

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Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid transmission Interconnection Requests that is established based upon the date and time of receipt of the valid Interconnection Request by Company.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the QFTIA, 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.

Reliability Conditions shall mean a category P6 [planning] event as defined in NERC Transmission Planning Performance Requirements TPL-001-4 or successor Requirements.

RTO shall mean regional transmission organization.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Company conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Qualifying Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Power Production Facility shall mean a generating facility with a capacity of no greater than 80 MW using biomass, waste, renewable resources, geothermal resources or any combination thereof as fuel, and subject to the qualifications and requirements in 18 C.F.R. Part B.

Small Qualifying Facility shall mean (i) a Cogeneration Facility having a capacity of no more than 20 MW or (ii) a Small Power Production Facility having a capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both Company and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the QFTIA.

State Holiday shall mean a holiday observed by the State of Washington, as identified in RCW 1.16.050 as it now exists or as hereafter amended or modified.

Station Power shall mean electric power used in the process of producing power at the Qualifying Facility, including but not limited to the electric power necessary for auxiliary equipment such as pumps, blowers, fans, fuel transportation systems, similar auxiliary systems that are a necessary and integral part of the power production process, and other parasitic loads involved in the generating process.

System Emergency shall mean a condition on Company's system that is likely to result in an imminent, significant disruption of service to customers or is imminently likely to endanger life or property.

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System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) Company's Transmission System from faults or other electrical disturbances occurring at the Qualifying Facility and (2) the Qualifying Facility from faults or other electrical system disturbances occurring on Company's Transmission System or on other delivery systems or other generating systems to which Company's Transmission System is directly connected.

Transmission Owner shall mean Company, an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and is the Party to the QFTIA.

Transmission Provider shall mean Company, Puget Sound Energy, Inc.

Transmission System shall mean the transmission facilities owned, controlled or operated by Company that are used to provide transmission Interconnection Service under this Schedule 153.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Qualifying Facility prior to Commercial Operation.

Variable Energy Resource shall mean a generation facility using an energy source that is renewable, cannot be stored by the owner or operator, and has variability beyond the control of the owner or operator.

WAC shall mean Washington Administrative Code.

WUTC shall mean the Washington Utilities and Transportation Commission.