ATTACHMENT A

RULES GOVERNING THE AUTHORIZATION AND OPERATION OF PRIVATE USE ELECTRICAL NETWORKS

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LOUISIANA PUBLIC SERVICE COMMISSION

RULES GOVERNING THE AUTHORIZATION AND OPERATION OF PRIVATE USE ELECTRICAL NETWORKS

PURPOSE

The purpose of this General Order is to establish rules, standards, and procedures governing the authorization, construction, and operation of Private Use Electrical Networks ("PENs") within the State of Louisiana, in order to enable generation to serve new large industrial and digital loads seeking to locate in Louisiana while preserving the Commission's regulatory authority, protecting existing ratepayers from cost shifts and stranded-cost exposure, and maintaining the safety, reliability, and adequacy of the electric utility system within the state.

AUTHORITY

Article IV, Section 21 of the Louisiana Constitution of 1974 provides the Commission with the following authority:

> **Powers and Duties.** The Commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by Law. It shall adopt and enforce reasonable rules, regulations and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by Law.

Consistent with the above authority, the Commission has adopted rules and regulations through Commission Orders that apply to utilities in general, and in some instances, electric utilities specifically. The blanket authority to regulate public utilities granted above; however, is not absolute, as it is subject to the following limitations regarding utilities owned, operated, or regulated by a political subdivision:

> **Limitation.** The Commission shall have no power to regulate any common carrier or public utility owned, operated, or regulated on the effective date of this constitution by the governing authority of one or more political subdivisions, except by the approval of a majority of the electors voting in an election held for that purpose; however, a political subdivision may reinvest itself with such regulatory power in the manner in which it was surrendered. This paragraph shall not apply to safety regulations pertaining to the operation of such utilities.

Further, the Louisiana Supreme Court has repeatedly held that the above-referenced provision gives the Commission exclusive, plenary power to regulate all common carriers and public utilities. Furthermore, acts or omissions of the Legislature cannot subtract from the Commission's power. *Global Tel Link, Inc. v. Louisiana Public Service Commission*, 97-0645, pp. 6-7 (La. 1/21/98), 707 So. 2d 28, 33; *Bowie v. Louisiana Public Service Commission*, 627 So. 2d 164 (La. 1993).

SECTION 101. DEFINITIONS

As used in this General Order, the following terms shall have the meanings ascribed:

1. "Applicant" means any person, entity, or group of entities that files an application with the Commission for confirmation of a Private Use Electrical Network under this General Order.

2. "Approved Crossing" means a servitude, right-of-way or other lawfully obtained property right that allows private electrical facilities to cross over or under a public road, highway, railroad, waterway, utility right-of-way or third-party tract. Applicants must obtain all necessary property rights, permits, agreements, and governmental approvals. Confirmation of Qualification would not eliminate these requirements or independently authorize a crossing.

3. "Commission" means the Louisiana Public Service Commission.

4. "Confirmation of Qualification" means the determination by this Commission that the Applicant has complied with the requirements of this order and approval of the Applicant's request to be considered a PEN under this Rule, with all associated legal rights, obligations and restrictions.

5. "Contiguous Property" means a single, undivided tract or parcel of private real property, or multiple tracts or parcels that share a common boundary or are connected by an Approved Crossing.

6. "Identified Load Customer" means a specific, identified end-use consumer of electricity whose load is to be served by the PEN within its Network Boundary and who is identified by name, location, and projected load in the PEN confirmation application. An Identified Load Customer must be an industrial entity, to include digital load such as data centers, with a minimum connected load of not less than the threshold specified in the Minimum Load Threshold provision of Section 201 of this General Order.

7. "Interconnected Utility" means the jurisdictional electric public utility with which the PEN maintains or proposes to maintain an electrical interconnection as allowed by this rule.

8. "Network Boundary" means the clearly delineated physical and electrical boundary of the Contiguous Property, including parcels connected by an Approved Crossing, that is owned, leased, or otherwise lawfully controlled by the Applicant, or the PEN Participants identified in the confirmation application, that comprises the PEN.

9. "New Load" means electrical load of an Identified Load Customer, whether a new or existing customer and whether located at a new or existing facility or location that: (a) is clearly delineated, separately metered, and distinguished as new electrical demand that is incremental to existing Louisiana operations; (b) does not, as of the date of the PEN Confirmation Application, receive electric service from a jurisdictional public utility, and has not received electric service from a jurisdictional public utility within two (2) years prior to the date of the PEN Confirmation Application; and (c) is not expected to cause a material reduction in load at an existing Louisiana facility through the transfer, replacement, or consolidation of production or services. Existing retail load, and load that is transferred, replaced, or relabeled from existing operations, shall not constitute New Load. The expiration of two (2) years since load last received utility service shall not, by itself, convert a relocation or transfer of existing operations into New Load.

10. "Points of Common Coupling" means each point at which the facilities of the PEN Operator connect to the facilities of an Identified Load Customer, the Interconnected Utility, or any other person or entity.

11. "Private Use Electrical Network" or "PEN" means an integrated system of generation resources, energy storage facilities (if any), and related electrical facilities (including wiring, transformers, switchgear, protective relaying, and distribution or transmission infrastructure) that meets all of the following criteria:

    (A) The system is located entirely within a Network Boundary;

    (B) The system's generation resources are dedicated primarily to serving the electricity requirements of one or more Identified Load Customer(s) constituting New Load, in accordance with the Dedication Requirement of Section 201;

    (C) Electricity is generated and delivered exclusively through Privately Owned Electrical Facilities that are not part of the generation, transmission or distribution system of a jurisdictional public utility;

    (D) The Identified Load Customer(s) does not own the electric generation that serves it but instead has entered a binding contract with the PEN Generator or PEN Operator for capacity and energy needed to serve its load; and

    (E) The system has received a Confirmation of Qualification from the Commission pursuant to Section 301 of this General Order.

12. "Privately Owned Electrical Facilities" means electric generation, including energy storage, transmission, distribution, substation, switching, protective relay, and related equipment and infrastructure that is owned and operated by the PEN Operator, PEN Generator, or the Identified Load Customer and that is not part of the facilities of a jurisdictional electric public utility, and is not interconnected with and takes no service from the public electric system, except as may be allowed by these rules.

13. "PEN Generator" means the entity (or entities) or affiliate thereof that owns the electrical generation, including energy storage, that is in the PEN.

14. "PEN Load(s)" means the Identified Load Customer(s).

15. "PEN Operator" means the entity (or entities) or affiliate thereof that may or may not own the electrical generation, including energy storage, and is responsible for the day-to-day operation and maintenance of the PEN.

14. "PEN Participants" means, together, the PEN Load, PEN Operator, and the PEN Generators.

15. "RTO" means a Regional Transmission Organization or Independent System Operator, including but not limited to the Midcontinent Independent System Operator, Inc. (MISO) or the Southwest Power Pool (SPP), as applicable to the geographic area in which the PEN is located.

16 "Serving Utility" means each jurisdictional electric public utility that, but for the PEN, would hold the right to provide retail electric service at the location of the Identified Load Customer(s) under La. R.S. 45:123 and the Commission's General Orders governing territorial and service rights.

17. "Supply Agreement" means each power purchase agreement or other agreement under which capacity or energy from generation within the PEN is supplied for the Identified Load Customer(s), including any renewal, replacement, amendment, or assignment of such agreement.

SECTION 201. ELIGIBILITY CRITERIA AND LIMITING CIRCUMSTANCES

1. General Limitation. A PEN shall be authorized only in narrowly defined circumstances. Confirmation of a PEN is not available as of right; it requires a specific showing by the Applicant that all eligibility criteria set forth in this Section 201 are met, subject to case-by-case review and approval by the Commission.

2. New Load Requirement. A PEN shall serve only New Load as defined in Section 101(9). The PEN shall not be used to serve load that, as of the date of the application for confirmation, is receiving electric service from a jurisdictional public utility. A new meter

or new parcel alone is not sufficient evidence of New Load. The qualifying New Load shall be separately metered and independently served by PEN generation, apart from any existing utility-served operations.

3. Minimum Load Threshold. Each Identified Load Customer to be served by the PEN shall independently have a connected load of not less than fifty megawatts (50 MW) at the time of initial confirmation and on an ongoing basis thereafter, measured annually. A PEN may serve multiple Identified Load Customers, provided that each independently meets the 50 MW minimum; the loads of customers that individually fall below 50 MW may not be combined or aggregated to meet this threshold. No PEN shall be confirmed as qualified to serve an Identified Load Customer below this threshold. An applicant may request an exception to this provision to allow up to but no more than four (4) Identified Customer Loads to be combined or aggregated to meet the Minimum Load Threshold of 50MW. An applicant requesting this exception must demonstrate each of the following:

   (A) the proposed aggregation is necessary for the attraction or development of new large load in Louisiana;

   (B) the proposed aggregation is required in order for the new large load to operate;

   (C) the proposed aggregation avoids unnecessary duplication of infrastructure;

   (D) the proposed aggregation remains a confined arrangement serving identified customers rather than a general retail supply network for smaller loads;

   (E) explain the relationship among the participating loads, the benefits of sharing generation and delivery facilities, and why inclusion of the smaller load would not result in unnecessary duplication of infrastructure or establish a network functioning as a general retail supplier to smaller customers.

In considering the exception application, the Commission shall consider the size number, location, and operational relationship of the participating loads, together with the extent of the proposed delivery infrastructure. Any exception requires express Commission approval and applies only to the Identified Load Customer and approved arrangement; all other PEN requirements remain applicable.

4. Dedication Requirement. The generation resources within the PEN shall be dedicated primarily to serving the electricity requirements of the Identified Load Customer(s) within the Network Boundary. For purposes of this requirement:

(A) Capacity Limit – Initial Sizing.

(1) Sizing Test. The Planning-Equivalent Generation of the Ordinary Approved Portfolio shall not exceed the Customer Requirement divided by 0.85, such that:

Customer Requirement ÷ Planning-Equivalent Generation ≥ 85%

(2) Customer Requirement. "Customer Requirement" means the Approved Coincident Peak Demand multiplied by one plus the Approved Reserve Allowance.

(a) "Approved Coincident Peak Demand" means the coincident peak demand of the Identified Load Customer(s) approved by the Commission in the Confirmation of Qualification. It shall be based on identified load supported by credible development plans and load projections. It shall not include load of speculative or unidentified future customers or unsubstantiated future demand. Where the PEN serves more than one Identified Load Customer, coincident peak demand shall combine aligned hourly load projections for all Identified Load Customers during the same hour, rather than adding individual peaks occurring at different times.

(b) Approved Reserve Allowance. The Applicant shall propose an annual reserve benchmark stated on the same accredited-capacity basis as its Approved Planning Accreditation Factors. The benchmark ordinarily shall be calculated by averaging the applicable RTO's seasonal reserve margins on that accredited-capacity basis for the same reference planning year used under subsection (A)(3)(b)(i). An installed-capacity reserve margin shall not be combined with accredited generation values without a demonstrated reconciliation. Where no corresponding published reserve benchmark is available, the Applicant shall propose a supported alternative for Commission approval. The reserve allowance approved by the Commission is the "Approved Reserve Allowance."

(3) Planning-Equivalent Generation. "Planning-Equivalent Generation" means the sum, for each non-storage generation resource in the Ordinary Approved

Portfolio, of that resource's capacity multiplied by its Approved Planning Accreditation Factor. The capacity rating used shall be the rating against which the applicable RTO accreditation percentages were developed. Where those percentages are based on tested or seasonal installed capacity rather than manufacturer nameplate capacity, the Applicant shall show the conversion.

(a) "Ordinary Approved Portfolio" means the non-storage generation resources approved within the sizing test of subsection (A)(1). It excludes any additional generation approved under Section 201(4)(B). Energy storage resources shall be excluded from Planning-Equivalent Generation.

(b) Approved Planning Accreditation Factor. Each non-storage generation resource shall receive a planning accreditation factor approved by the Commission as part of the Confirmation of Qualification (an "Approved Planning Accreditation Factor"), determined as follows:

(i) The factor shall be the simple arithmetic average of the applicable RTO's seasonal class accreditation percentages for the appropriate resource class, and any applicable subclass or tier, within a single identified planning year. Each season shall receive equal weight. The calculation shall use the applicable RTO's own seasonal structure and shall not combine percentages from different RTOs. The reference planning year ordinarily shall be the latest complete planning-year dataset available when the application is filed.

(ii) The Applicant shall identify the resource class, subclass, or tier; provide the underlying RTO publications; and explain the calculation. The Applicant shall identify any proposed use of forward-looking or indicative accreditation values, including MISO Direct Loss of Load (DLOL) values, and explain why those values are appropriate for the proposed project.

(iii) If the applicable RTO does not publish a suitable class value, or its published categories do not reasonably address the proposed equipment or configuration, the Applicant may propose an alternative factor for Staff review and

Commission approval. The proposal shall be supported by comparable RTO information or a supported engineering analysis and shall explain its applicability to the proposed equipment. An assertion that a published value is unsuitable shall not, by itself, support an alternative factor.

(4) Confirmation Contents. The Confirmation of Qualification shall identify, for each generation resource, its physical nameplate capacity, its Approved Planning Accreditation Factor, and its Planning-Equivalent Generation contribution. It shall also identify the Approved Coincident Peak Demand, the Approved Reserve Allowance, the Customer Requirement, and the Capacity-Sales Ceiling established under Section 201(4)(C).

(5) Limited Purpose of Sizing Test. The Approved Planning Accreditation Factors, the Approved Reserve Allowance, and the sizing test serve only the Commission's sizing policy and Capacity-Sales Ceiling under this General Order. They do not alter any resource's actual seasonal RTO accreditation, nor establish any RTO capacity or reserve obligation of the PEN.

(B) Exception to Initial Capacity Sizing Limit. The Commission may approve generation in excess of the sizing test limits of Section 201(4)(A) upon a supported demonstration of either of the following:

(1) Steam-Process Requirements. The Applicant shall explain the relationship between electrical and steam production, support the relevant operating requirements, and establish why additional generation is reasonably needed. The Applicant shall show why the ordinary allowance under Section 201(4)(A) does not accommodate the integrated process. The use of steam shall not, by itself, justify this exception.

(2) Islanded Reliability Requirements. The Applicant shall explain the proposed equipment configuration, outage and maintenance assumptions, redundancy standard, seasonal resource limitations, other relevant operating contingencies, and the resulting amount of generation needed. The Applicant shall also explain why the Approved Reserve Allowance and the sizing margin in Section 201(4)(A) are insufficient, and how the additional equipment would maintain service to the Identified Load Customer(s). RTO accreditation values alone shall not establish that a resource or portfolio can independently maintain service to the Identified Load Customer(s). A general desire for greater reliability, without substantiation, shall not support this exception.

If granted, the Commission shall approve a specific amount of additional generation and any conditions supporting the exception. Additional generation approved under this subsection (B) may support service to the Identified Load Customer(s) and capacity sales within the Capacity-Sales Ceiling. It shall not be included in the Ordinary Approved Portfolio and shall not increase the Capacity-Sales Ceiling. It shall remain subject to the Customer Energy Use requirement of Section 201(4)(E).

(C) Capacity-Sales Ceiling.

(1) The Confirmation of Qualification shall establish a wholesale capacity-sales ceiling (the "Capacity-Sales Ceiling") equal to the Planning-Equivalent Generation of the Ordinary Approved Portfolio minus the Customer Requirement, but not less than zero.

(2) The Capacity-Sales Ceiling applies to the PEN as a whole. Total wholesale capacity commitments supported by PEN resources, whether generation, energy storage, or a combination, shall not exceed it. Particular generating units need not be assigned to particular sales. Separate RTO accreditation or registration of any PEN resource shall not permit commitments in excess of the Capacity-Sales Ceiling.

(3) Any increase in the Capacity-Sales Ceiling shall require express Commission approval under the Amendments provision of Section 301. The following shall not increase the Capacity-Sales Ceiling: generation approved under subsection (B); energy storage resources; actual customer demand lower than the Approved Coincident Peak Demand; or later changes in RTO reserve margins or published accreditation values.

(4) The Capacity-Sales Ceiling is a maximum permission only. It does not guarantee that any amount can be accredited, offered, or sold under applicable RTO rules. Capacity sales remain subject to applicable FERC, RTO, and NERC requirements and to the PEN's ability to fulfill its commitments while serving the Identified Load Customer(s).

(D) Energy Storage Resources. Energy storage resources shall be excluded from Planning-Equivalent Generation. They shall not increase the Capacity-Sales Ceiling, even if they receive separate RTO capacity accreditation. Energy storage may support wholesale capacity commitments within the Capacity-Sales Ceiling, subject to applicable accreditation, operating, and market requirements, and to the Applicant's demonstration that those commitments are consistent with serving the Identified Load Customer(s). Energy storage resources shall charge only from PEN generation. Use of storage to support capacity commitments shall not authorize any import of electricity through the export interconnection.

(E) Customer Energy Use.

(1) Energy metered to the Identified Load Customer(s) shall be at least fifty-one percent (51%) of the combined energy metered to the Identified Load Customer(s) and energy metered for wholesale sales, measured in MWh over a rolling twelve-month period for the PEN as a whole calculated as follows:

Customer Energy ÷ (Customer Energy + Wholesale Energy) ≥ 51%

Energy metered for wholesale sales therefore shall not exceed forty-nine percent (49%) of that combined amount, consistent with the Limitations on Export provision of Section 203.

(2) This energy use requirement applies to the PEN as a whole. It does not require each Identified Load Customer to consume a particular share or require the Identified Load Customer(s) to receive a majority of generation in every hour.

(3) Energy consumed in providing generation auxiliary services, and energy losses within the PEN, shall count as neither customer energy nor wholesale energy. Storage losses may be excluded only when supported by metering and a reconciliation of energy entering storage, energy leaving storage, and changes in stored energy.

(4) Energy used to charge a storage resource shall not count as customer energy. Energy discharged from storage shall not count as additional generation. Stored energy shall be counted once, when it is delivered to the Identified Load Customer(s) or exported, and in the measurement period in which that delivery occurs.

(F) Compliance with the dedication requirement shall be attested to at the time of confirmation and demonstrated on an ongoing annual basis through reporting required under Section 401.

5. Single-Purpose Limitation. A PEN shall serve only the Identified Load Customer(s) named in the Confirmation of Qualification application. The PEN shall not provide retail electric service to the general public, to residential customers, or to commercial or industrial customers who are not Identified Load Customers named in the confirmation.

6. Islanded Load Requirement. The Identified Load Customer(s) served by a PEN shall not be connected to or receive electric service of any type from the public electric system. No

Identified Load Customer within a PEN shall take backup, standby, supplemental, maintenance, as-available, station power, or any other form of electric service from a jurisdictional public utility or through the transmission or distribution facilities of such utility. This requirement shall not prohibit the PEN's generation resources from maintaining an interconnection with the Interconnected Utility solely for the export of surplus electricity to the wholesale market, as provided in Section 203.

7. Return to Utility Service. If a PEN ceases operation, if its Confirmation of Qualification is suspended, revoked, terminated, or expires, or if an Identified Load Customer otherwise seeks to obtain electric service from the public electric system, such request shall be treated as a new request for large-load service from the Serving Utility subject to the Serving Utility's applicable line extension policies, tariffs, and contract terms, including contributions in aid of construction, minimum bill obligations, and financial security, and the Serving Utility shall be afforded a reasonable period of time to plan for and procure or construct the generation, transmission, and distribution facilities necessary to serve such load. This provision applies whether the request results from an unexpected loss of generation, failure of the PEN arrangement, suspension or loss of qualification, or a voluntary decision to leave the PEN. The request shall be reviewed under the Commission's large load guidelines or any successor rules, including necessary studies, facilities, generation or other resources, transmission arrangements, expected timeline, costs and financial security, and contractual commitments. Participation in a PEN does not create a right to immediate utility service and does not require any utility to reserve generation, transmission, or delivery capacity for a potential return to service, unless an approved service arrangement requires it and provides for the associated costs.

SECTION 202. PROPERTY, CONTIGUITY AND NETWORK BOUNDARY REQUIREMENTS

1. Contiguous Property Requirement. All generation, storage, transmission, distribution, and load-serving facilities constituting the PEN shall be located on Contiguous Property, which may include parcels connected by an Approved Crossing, as defined in Section 101.

2. Ownership or Control. The Contiguous Property on which the PEN is located may be owned, leased, or otherwise lawfully controlled by PEN Participants. . Each PEN Participant shall be identified in the confirmation application, which shall clearly identify the parties responsible for the generation facilities, delivery infrastructure, operation, maintenance, and compliance.

3. Network Boundary Delineation. The Applicant shall, as part of its confirmation application, file with the Commission:

   (A) A survey plat drawn to scale with the scale shown, together with a metes-and-bounds property description, or a copy of the recorded plat;

   (B) Each parcel's acreage and dimensions, and the location of all participating facilities;

   (C) The route and length of each Approved Crossing, and the network's overall extent;

   (D) A single-line electrical diagram showing all generation resources, distribution/transmission infrastructure, switching equipment, protective relays, customer delivery points, and Points of Common Coupling within and at the boundary of the PEN;

   (E) Evidence of the servitudes, approvals, and consents supporting each Approved Crossing within the Network Boundary; and.

   (F) A map identifying each otherwise contiguous block of participating property, all connecting infrastructure, and the smallest convex boundary enclosing the complete network, together with the calculation of its enclosing area. Any request for an exception to the crossing-distance or enclosing-area limit should identify the limit exceeded and substantiate why the proposed arrangement remains a reasonably confined development.

4. Private Infrastructure/No Expropriation. All facilities used to deliver electricity within the PEN, including those within an Approved Crossing, shall be privately owned and paid for by the PEN Participants. PENs may not use utility-owned facilities to deliver electricity. PEN status does not grant PEN Participants the right to expropriate property or to occupy, cross, or attach to utility facilities or rights-of-way without the utility's consent. PEN

Participants shall obtain all necessary property rights and approvals through the ordinary processes. Any PEN Participant that asserts or seeks to exercise a right of expropriation in connection with the PEN shall lose PEN status, and the Commission shall revoke the Confirmation of Qualification in accordance with Section 402.

5. Approved Crossing Distance Limit. Each Approved Crossing shall not exceed five (5) miles in length, measured along the route of the privately owned connecting facilities from the boundary of one otherwise contiguous block of participating property to the boundary of the next. An Applicant may request an exception to the five-mile limit by demonstrating that the proposed arrangement remains a reasonably confined development in furtherance of the purpose of these rules. In evaluating an exception, the Commission shall consider the entire project, including the location of participating facilities, generating technology proposed, connecting routes, and overall geographic footprint.

6. Network Boundary Area Limit. Each PEN is limited to a total area of fifteen (15) square miles or 9,600 acres, which shall be measured as the smallest convex boundary enclosing all participant sites and connecting infrastructure within the Network Boundary. This area shall include all intervening land not directly part of the PEN. This limit on the overall area of the PEN will be determined independently of the five-mile limit on Approved Crossings, and compliance with individual Approved Crossing limits does not establish compliance with the overall area limit of this paragraph. An Applicant may request an exception to the Network Boundary Area Limit by demonstrating that the proposed arrangement remains a reasonably confined development in furtherance of the purpose of these rules. In evaluating an exception, the Commission shall consider the entire project, including the location of participating facilities, generating technology proposed, connecting routes, and overall geographic footprint.

SECTION 203. INTERCONNECTION FOR EXPORT SERVICE

1. Permissible Interconnection. A PEN may maintain an interconnection with the Interconnected Utility solely for the export of surplus electricity to the wholesale market administered by the applicable RTO, subject to the Limitations on Export provision of this Section 203, and provided that the PEN solely bears the entire cost of that interconnection as determined by the RTO. PEN Participants shall pay the direct study, consultant, protection, communications, testing, and other costs attributable to the export arrangement, with credit for work or payments already satisfying the same obligation. The PEN Operator shall provide financial security, such as a letter of credit or parent guarantee, acceptable to the constructing utility for any facilities constructed by a jurisdictional electric public utility on the PEN's behalf.

2. Limitations on Export. Surplus electricity generated within the PEN and exported beyond the Network Boundary:

(A) Shall be delivered only into the wholesale electricity market administered by the applicable RTO;

(B) Shall not be sold, delivered, wheeled, or otherwise provided directly to any retail customer or end user outside the Network Boundary;

(C) Shall not exceed, on a rolling twelve-month basis, forty-nine percent (49%) of the combined energy metered to the Identified Load Customer(s) and energy metered for wholesale sales (measured in MWh), calculated as provided in the Customer Energy Use provision of Section 201(4); and

(D) Shall be subject to applicable FERC, RTO, NERC, and Commission rules governing wholesale market participation and transmission service.

3. Export Interconnection Engineering Requirements. The PEN Participants must show that the appropriate protective-relaying and switching arrangement will be implemented to prevent any imports of electricity to the PEN Load through the export interconnection. In addition, the PEN Participants shall show that the following studies, modelling, and analyses have been performed and that resulting corrective actions have been put in place to resolve any operational issues identified:

(A) Steady-state power-flow, short-circuit, and dynamic-stability studies, with electromagnetic-transient analysis or other additional modeling where warranted by the equipment, controls, or system conditions. Studies should evaluate relevant summer peak, winter peak, and light-load conditions.

(B) Relevant contingencies. Studies should address the loss of PEN generation, sudden reductions or loss of participating customer load, and changes in storage operation where relevant. In an export-only configuration, the analysis should evaluate the resulting changes in exports, voltage, frequency, and protection performance, including the possibility that a sudden reduction in customer demand increases export.

(C) Protective-relaying and switching studies, including the arrangements and controls preventing imports to participating customers. The arrangements should be studied and accepted by the Interconnected Utility under applicable interconnection requirements.

(D) Applicable ride-through requirements for generation and other applicable equipment, coordinated with the protection necessary to maintain the islanded-load arrangement and the export connection's response to disturbances.

(E) Telemetry, communications, and metering sufficient for required monitoring, coordination, and verification of the export-only arrangement and the PEN's effects

on the public system. Relevant internal load, generation, and storage information should be provided where necessary for those purposes.

(F) Validated equipment and system models, together with relevant protection and control settings, appropriate to the studies and applicable interconnection requirements. Models, studies, and settings should be updated when material changes affect their validity.

(G) Disturbance monitoring appropriate to the installation.

(H) Operating procedures addressing normal operation, disturbances, loss of generation or customer load, export limitation or cessation, disconnection, and restoration of the export interconnection. The procedures should identify the circumstances and means by which exports or the interconnection may be curtailed or disconnected under applicable requirements.

SECTION 204. PROHIBITION ON RETAIL SALES AND DELIVERIES OUTSIDE THE NETWORK

1. No Retail Sales. A certified PEN shall not sell, deliver, distribute, wheel, or otherwise provide electric service at retail to any person or entity that is not an Identified Load Customer named in the PEN's Confirmation of Qualification.

2. No Third-Party Retail Customers. The PEN shall not extend its distribution facilities, grant interconnection, or otherwise enable any person or entity outside the Network Boundary to receive electric service from the PEN for retail end use.

3. Limited Wholesale Export. As provided in the Limitations on Export provision of Section 203, surplus generation may be exported to the wholesale market administered by the applicable RTO, subject to the conditions specified therein. Such wholesale sales do not constitute retail service.

SECTION 205. ENVIRONMENTAL AND SITING REQUIREMENTS

1. Compliance with Applicable Requirements. A PEN shall remain subject to, and the Applicant and PEN Operator shall demonstrate compliance with, all applicable environmental, siting, construction, and other permitting requirements, notwithstanding that the PEN operates independently of the public electric system. Environmental permitting remains within the jurisdiction of the Louisiana Department of Environmental Quality and other responsible agencies.

2. No Separate Commission Environmental Review. The Commission shall not conduct a separate review of environmental or siting issues addressed by the responsible permitting agencies. The environmental, siting, and generation information required by Section

301(3)(D) is required to inform the Commission of the broader implications of PEN development and shall not duplicate the work of the responsible permitting agencies.

3. Permitting Milestones. Permits and approvals may be pending when the Commission reviews an application. The Applicant and PEN Operator shall obtain all necessary permits and approvals before proceeding with the applicable stage of development. A Confirmation of Qualification does not authorize construction, energization, or operation without the approvals required by the responsible agencies.

4. Notice of Permit Changes. The PEN Operator shall notify the Commission of any material denial, modification, suspension, or loss of a required permit or approval, as provided in Section 401.

5. Separate Responsibilities. The Commission remains responsible for determining whether a project meets the requirements of this General Order. Obtaining environmental permits or other approvals shall not, by itself, establish that a project qualifies as a PEN, and a Confirmation of Qualification shall not replace any required environmental permit, property right, crossing permission, or other approval from another authority.

SECTION 301. APPLICATION, CONFIRMATION OF QUALIFICATION, AND COMMISSION APPROVAL PROCESS

1. Confirmation of Qualification Required. No person or entity shall construct, operate, or energize a PEN within the jurisdictional boundaries of the Commission without first obtaining a Confirmation of Qualification issued by the Commission pursuant to this Section 301.

2. Case-by-Case Review. Each application for Confirmation of Qualification shall be evaluated by the Commission on its individual merits. Satisfaction of the eligibility criteria in Section 201 shall be a necessary, but not a sufficient, condition for confirmation. The Commission retains discretion to deny, condition, or limit any confirmation based on considerations of the public interest, system reliability, and protection of ratepayers.

3. Application Contents. An applicant shall not be required to request utility service or reject an offer of utility service as a prerequisite to seeking a Confirmation of Qualification. An application for a Confirmation of Qualification shall contain, at minimum, the following:

   (A) The legal name, address, and organizational structure of the Applicant and the proposed PEN Operator, including the identity of all persons holding a controlling interest in either;

   (B) The identity of each Identified Load Customer, including a description of the customer's business and projected electrical load (MW and annual MWh);

(C) Evidence demonstrating that the load to be served constitutes New Load, as defined in Section 101(9);

(D) A complete description of the proposed PEN, including the type, technology, capacity, fuel source, operating characteristics, and water source of each generation resource; identification of the new generation that will serve the PEN, its development status, its proposed commercial-operation date, and its relationship to the Identified Load Customer(s); any energy storage resources; all transmission and distribution infrastructure; and all ancillary equipment; together with (i) a list of all required environmental, siting, construction, and other permits and approvals, the agencies responsible for issuing them, and their current status; (ii) documentation showing that any permits or approvals already obtained apply to the proposed facilities; (iii) for pending permits or approvals, the remaining steps and expected timeline for obtaining them; and (iv) disclosure of material permit conditions affecting the proposed PEN, including changes to generation facilities, location, or operations necessary to comply with those conditions;

(E) The Network Boundary documentation required by the Network Boundary Delineation provision of Section 202;

(F) Demonstration of Compliance with Dedication Requirement provision of Section 201, including:

(1) The physical nameplate capacity of each proposed generation resource and energy storage resource;

(2) The proposed Approved Planning Accreditation Factor for each non-storage generation resource, with the RTO publications, class or tier identification, capacity-rating conversions, and calculations required by Section 201(4)(A)(3)(b);

(3) The proposed Approved Coincident Peak Demand, supported by aligned hourly load projections and the development plans underlying them;

(4) The proposed Approved Reserve Allowance and its supporting calculation;

(5) The resulting Customer Requirement, Planning-Equivalent Generation, and proposed Capacity-Sales Ceiling;

(6) Any requested steam-process or islanded reliability exception under Section 201(4)(B), with the supporting showing; and

(7) Projected energy metered to the Identified Load Customer(s) and for wholesale sales, demonstrating compliance with the Customer Energy Use requirement;

(G) Any proposed Interconnection Agreement with the Interconnected Utility, or evidence that negotiations are underway with a proposed schedule for completion;

(H) A cost-shift and stranded-cost analysis demonstrating that the proposed PEN will not result in any shift of costs or stranded investment to the Serving Utility's or the Interconnected Utility's remaining ratepayers;

(I) A complete copy of each binding contract between the PEN Operator and an Identified Load Customer, which may be filed under seal subject to appropriate confidential treatment;

(J) Evidence of the Applicant's financial capability and technical qualifications to construct and operate the PEN;

(K) The information necessary to show compliance with the Export Interconnection Engineering Requirements of Section 203, and a proposed operating protocol and emergency response plan; and

(L) Such other information as the Commission or its Staff may require.

4. Notice and Opportunity to Be Heard. Upon the filing of an application for a Confirmation of Qualification:

(A) The Commission will docket the proceeding and provide notice of the application in the Commission's Official Bulletin, with a 25-day intervention period.

(B) The Applicant shall identify and explain the basis for identifying the Interconnected Utility, the Serving Utility, and any transmission owner or wholesale power supplier whose facilities, obligations, or costs may be affected by the PEN, and shall serve a copy of the Application on each such identified party at the time of filing. Publication in the Official Bulletin shall not replace this direct notice by the Applicant.

(C) Parties who wish to intervene will have 25 days from the date of publication in the Official Bulletin to file a Notice of Intervention into the docket.

(D) Any party filing an intervention with protest shall have ninety (90) days from the date of publication to provide all support for its opposition to the PEN Confirmation of Qualification.

(D) Staff shall review all protests and support for protests from intervening parties and provide a summary of such protests to the Commission. The intervening party stating the objection and the PEN Participants shall comply with Staff requests seeking information to aid its analysis and report to the Commission.

(E) Each party directly notified under subsection (B) above, and any other jurisdictional electric public utility whose facilities may be affected by the PEN, shall have standing as parties in any proceeding on the application. Direct notice or service of the application, however, shall not by itself confer party status, and any party seeking to participate must timely file a petition to intervene. Each party that has intervened shall be permitted to review application information relevant to PEN qualification, engineering, and costs attributable to the PEN, subject to Rule 12.1 of the Commission's Rules of Practice and Procedure and any applicable protective order for sensitive contracts, business forecasts, and other protected information; and

(F) Pursuant to Louisiana Revised Statutes Section 45, the Applicant shall pay the Commission's reasonable costs of reviewing the application, including the costs of Staff, outside counsel, consultants, and any studies the Commission or its Staff may require.

5. Standards for Approval. The Commission may grant a Confirmation of Qualification only upon finding, based on evidence presented by the Applicant, which shall bear the burden of proof, that:

(A) The proposed PEN satisfies all eligibility criteria set forth in Section 201;

(B) The proposed PEN satisfies the property, contiguity, and boundary requirements of Section 202;

(C) The proposed PEN will not result in any cost shift or stranded-cost burden on the Serving Utility's or the Interconnected Utility's remaining ratepayers or members, consistent with the Ratepayer Harmlessness Principle of Section 501;

(D) Adequate provisions have been made for interconnection for export in accordance with Section 203;

(E) The Applicant has demonstrated the financial and technical capability to construct, operate, and maintain the PEN; and

(F) Confirmation that the PEN is consistent with the public interest.

6. Conditions of Confirmation. The Commission may attach such conditions to a Confirmation of Qualification as it deems necessary to protect the public interest.

7. Commission Decision. The Commission shall use its best efforts to issue a decision on a complete application within one hundred fifty (150) days of the date of publication of notice of the application in the Commission's Official Bulletin for Applications in which no party has stated an objection under Section 301(4), and within two hundred thirty (230) days of such date of publication for applications that have received a Section 301(4) protest. These time periods are targets only and do not constitute binding deadlines. Incomplete applications, material amendments, or unresolved issues may require additional time, and the schedule may be extended for good cause. No application shall be deemed approved, in whole or in part, by the passage of time or by the failure to meet a target set forth herein.

8. Changes After Confirmation. Changes to a PEN after confirmation, including expansions, Supply Agreement renewals and generation replacements, and ownership changes and assignments, are governed by Section 302.

9. Effect of Confirmation. A Confirmation of Qualification: (A) is a determination of the Commission issued in the exercise of its authority under Article IV, Section 21 of the Louisiana Constitution of 1974, and may be modified, suspended, or revoked by the Commission after notice and an opportunity to be heard; (B) does not confer upon the PEN Operator or any Identified Load Customer any right of expropriation, or any right to occupy, cross, or attach to utility facilities or rights-of-way without the utility's consent; and (C) does not authorize construction, energization, or operation without permits and approvals required by the responsible agencies, and does not replace any required environmental permits, property rights, crossing permissions, or other approvals. Obtaining such permits or approvals shall not, by itself, establish that a project qualifies as a PEN.

SECTION 302. CHANGES AFTER CONFIRMATION

1. Expansion of an Approved PEN.

   (A) New Application Required. A Confirmation of Qualification applies to the specific arrangement approved and does not authorize expansion. Any expansion of an approved PEN shall require a new application for Confirmation of Qualification under Section 301 and Commission approval before the expansion is implemented.

   (B) Expansions. The following constitute an expansion: (1) adding Identified Load Customers or participating facilities; (2) adding industrial processes or production capacity that materially increase load above the Approved Coincident Peak Demand; (3) increasing generating capability beyond the installation approved in the Confirmation of Qualification; (4) adding property, Approved Crossings, or connecting infrastructure that enlarges the Network Boundary; and (5) any increase in the Capacity-Sales Ceiling. The substance of a change, and not how it is characterized, determines whether it is an expansion.

Routine maintenance and equipment replacement within the approved arrangement are not expansions.

A Supply Agreement renewal or generation replacement under Section 302(2), or an ownership change or assignment under Section 302(4), is not an expansion unless it includes a change described in subsection (B).

(C) Expansion Application Contents. An expansion application shall identify the existing Confirmation of Qualification, describe the proposed expansion, and demonstrate that the expanded PEN will continue to satisfy all requirements of this General Order. As relevant to the expansion, the application shall update the information necessary to show compliance with the requirements of this General Order.

2. Supply Agreement Renewal and Replacement of Generation.

(A) Continued Qualification. A Confirmation of Qualification shall not terminate solely because a Supply Agreement expires or a generating resource retires. An approved PEN may renew or replace a Supply Agreement, and may replace retiring generation, if it demonstrates under this Section that the resulting arrangement continues to satisfy all requirements of this General Order.

(B) Replacement Equipment. Replacement generating equipment need not match the rating or configuration of the retiring unit, provided the PEN's Planning-Equivalent Generation does not exceed the amount approved in the Confirmation of Qualification and the Capacity-Sales Ceiling does not increase. Replacement equipment in a resource class without an Approved Planning Accreditation Factor shall require Commission approval of a factor under Section 201(4).

(C) Two-Year Replacement Plan Notice. At least two (2) years before a Supply Agreement's scheduled expiration or a generating resource's scheduled retirement, the PEN Operator shall file a plan identifying the affected agreement or equipment, the expected expiration or retirement date, the supply options being pursued, and the anticipated schedule for contracting, construction, studies, and other necessary approvals. The plan shall also explain how the PEN expects to operate if the preferred replacement is delayed. That explanation shall be consistent with the service arrangements authorized in the Confirmation of Qualification and shall not assume backup or return to utility service.

(D) Filing Required Prior to Replacement. At least six (6) months before the scheduled expiration or retirement, the PEN Operator shall file the actual renewal or replacement arrangement. The filing shall identify the committed supply, provide the relevant contractual and technical documentation, demonstrate continued

compliance under subsection (A), and describe the remaining steps for the transition.

(E) Unexpected Loss of Supply. If an unexpected default, early termination, or equipment failure prevents compliance with this subsection, the PEN Operator shall file notice with the Commission within 30 days after the event, and a corrective plan within 60 days, identifying how and when qualifying supply will be restored. An unexpected loss of supply shall not create a right to utility service or authorize any variance from the requirements of this General Order. Any request for utility service shall be governed by the Return to Utility Service provision of Section 201.

3. Ownership Changes and Assignments.

(A) Notice Filing. The PEN Operator shall file notice with the Commission at least one hundred eighty (180) days before the effective date of any: (1) sale or transfer of generation or other PEN facilities; (2) change in ownership or control of a PEN Participant; (3) assignment of a Supply Agreement or other agreement transferring rights or responsibilities under the PEN arrangement; or (4) change in the PEN Operator or in the entity responsible for any obligation under this General Order or the Confirmation of Qualification. If the agreement for the transaction is not final 180 days before the effective date, the notice shall be filed as soon as practicable after it becomes final.

(B) Contents. The notice shall identify the transaction, the affected parties and agreements, the proposed effective date, and any resulting change in responsibilities. It shall demonstrate that, after the transaction: (1) the PEN continues to have qualifying supply and complies with the Islanded Load Requirement and Limitations on Export; (2) responsibility for operation, maintenance, reporting, and Commission filings is assigned; (3) applicable cost obligations are assumed and required financial security is preserved or replaced; (4) the property rights and access needed to operate the approved network continue; and (5) any change to the facts or conditions supporting qualification is identified. The notice shall identify the party responsible for each obligation after the transaction. Commercially sensitive information may be filed under seal.

(C) No Automatic Transfer. A new owner or assignee shall not assume that any service arrangement, financial-security instrument, or property right transfers automatically. The notice shall show that each remains effective or has been replaced.

(D) When Approval Is Required. A transaction that does not change the approved PEN arrangement does not require prior Commission approval. If the transaction also changes the approved electrical arrangement, participating load, generation,

Network Boundary, Capacity-Sales Ceiling, or another condition of qualification, the provisions governing that change apply, including Section 302(1), and Commission approval shall be obtained before the change is implemented. A party that does not file notice at least 180 days in advance bears the risk that the Commission will not have sufficient time to act on any required approval before the proposed effective date.

SECTION 401. REPORTING, METERING, AND ONGOING COMPLIANCE OBLIGATIONS

1. External Metering. The PEN Operator shall install and maintain metering at the point of generator interconnection with the Interconnected Utility to measure electricity delivered to the wholesale market. Such external metering shall be of sufficient accuracy and reliability to support the reporting obligations of this Section 401.

2. Internal Metering. The PEN Operator shall install and maintain metering at each customer delivery point within the PEN to measure electricity delivered to each Identified Load Customer, and at each generation resource to measure net output. Such internal metering shall be of sufficient accuracy and reliability to support the reporting obligations of this Section 401.

3. Annual Compliance Report. On or before March 31 of each calendar year, the PEN Operator shall file with the Commission, and serve on Commission Staff, the Interconnected Utility, and the Serving Utility, subject to Rule 12.1 of the Commission's Rules of Practice and Procedure and any applicable protective order, a report for the immediately preceding calendar year containing:

   (A) Total generation (MWh) by each generation resource within the PEN for the preceding calendar year;

   (B) Total electricity (MWh) delivered to each Identified Load Customer;

   (C) Total electricity (MWh) exported to the wholesale market;

   (D) Confirmation that the installed generation and storage resources remain consistent with the physical installation, Approved Planning Accreditation Factors, and any exception approved in the Confirmation of Qualification under Section 201(4), with a description of any change;

   (E) Demonstration that each Identified Load Customer independently complies with the minimum size requirement of at least 50 MW, unless the Commission approves an exception pursuant to Section 201(3);

(F) A summary of any material changes to the PEN's facilities, operating status, or personnel;

(G) Actual customer demand, energy consumption, and coincident peak demand, of the Identified Load Customer(s);

(H) Generation, customer deliveries, exports, and compliance with the Customer Energy Use requirement of Section 201(4)(E);

(I) Battery charging, discharging, stored electricity, and supported storage losses, where applicable;

(J) Wholesale capacity commitments compared with any Capacity-Sales Ceiling established under Section 201(4)(C);

(K) A certification by an officer of the PEN Operator, supported by data, that the load served continues to constitute New Load and that no material transfer of existing Louisiana operations into the PEN has occurred, or a description of any such transfer;

(L) Material differences between the forecasts supporting the Confirmation of Qualification and actual operation, with an explanation;

(M) Compliance with applicable cost obligations attributable to the PEN, required financial security, and required permits and approvals;

(N) Demonstration of continued compliance with the Export Interconnection Engineering Requirements established pursuant to Section 203; and

(M) Such other information as the Commission or its Staff may require.

The Annual Compliance Report shall be accompanied by an affidavit of an officer of the PEN Operator attesting that the report is true and complete and that the PEN is not in material violation of this General Order or its Confirmation of Qualification, or identifying each such violation.

Service of the Annual Compliance Report on the Interconnected Utility and the Serving Utility shall be limited to information relevant to their interests and shall not confer upon either utility any authority to determine PEN qualification or to impose conditions on the PEN.

4. Records Retention. The PEN Operator shall retain all metering data, operational records, and compliance documentation for a period of not less than five (5) years and shall make such records available to the Commission or its Staff upon request. The retention period shall not limit any continuing reporting or compliance obligations.

5. Right of Inspection. The Commission or its Staff shall have the right, upon reasonable notice, to inspect the PEN's facilities, metering equipment, and records to verify compliance with this General Order and the terms of the Confirmation of Qualification.

6. Notice of Noncompliance. Within thirty (30) days after discovering any noncompliance with this General Order or its Confirmation of Qualification, the PEN Operator shall file notice with the Commission, and serve such notice on the Interconnected Utility and the Serving Utility, describing the requirement involved; when the noncompliance began or was discovered; its known extent and cause; actions already taken; and proposed corrective measures and schedule. If all relevant information is not yet available, the PEN Operator shall supplement the notice as additional facts become available. The thirty-day period is a notification deadline only; it does not establish a cure period, authorize continued prohibited operation, or replace any more immediate notice or protective action required by an interconnection agreement, operating procedure, or other applicable requirement.

7. Permit Changes. The PEN Operator shall notify the Commission of any material denial, modification, suspension, or loss of a required permit or approval.

8. New Load Verification. Within one (1) year after the PEN becomes operational, the PEN Operator shall file with the Commission a verification of the accuracy of its demonstration that the PEN is serving New Load that is incremental to existing load. For purposes of this provision, the PEN becomes operational on the date the PEN load becomes fully commercially operational.

SECTION 402. ENFORCEMENT, CORRECTIVE MEASURES, AND LOSS OF QUALIFICATION

1. Consent to Jurisdiction. As a condition of a Confirmation of Qualification, the Applicant, the PEN Operator, and each Identified Load Customer shall consent to the jurisdiction of the Commission for purposes of reporting, inspection, compliance, proceedings, fines, restriction of status, and loss of qualification under this General Order. A Confirmation of Qualification shall not become effective until such consent has been filed. Nothing in this General Order subjects to Commission jurisdiction any person or arrangement that has not applied for a Confirmation of Qualification.

2. Enforcement Proceedings. On its own motion, upon recommendation of Commission Staff, or upon complaint of the Interconnected Utility or another affected party, the Commission may institute a proceeding under Rule 46 of the Commission's Rules of Practice and Procedure directing the PEN Operator or any Identified Load Customer to show cause why it should not be found in violation of this General Order or its Confirmation of Qualification. The respondent shall receive notice of the alleged violation and an opportunity to respond and to be heard. Matters involving a violation of this General Order or a Confirmation of Qualification may be heard on an expedited basis.

3. Opportunity to Respond and Cure. Before the Commission imposes any remedy under this Section, the PEN Operator shall receive notice of the alleged violation and a reasonable opportunity to respond, explain the circumstances, and correct the violation. An enforcement proceeding may be resolved through corrective conditions and a compliance schedule established by the Commission. An opportunity to correct a violation shall not permit noncompliance to continue indefinitely. If a violation cannot be corrected, the PEN shall not continue to serve the Identified Load Customer(s) under this General Order.

4. Significant Violations. Significant violations may result in revocation of the Confirmation of Qualification, and a loss in PEN status. Significant violations include, but are not limited to:

    a. Providing false or misleading information to the Commission;

    b. Importing electricity through an export interconnection to serve an Identified Load Customer;

    c. Failure to satisfy the export limitations of Section 203 or the Customer Energy Use requirement of Section 201(4)(E);

    d. Serving load that does not constitute New Load, or transferring existing utility-served Louisiana load into the PEN, without Commission approval;

    e. Repeated failure to file required reports or notices, or a pattern of late or incomplete filings;

    f. Failure to comply with a Commission-established corrective condition or a compliance schedule; and

    g. Any other material or persistent violation of this General Order or the Confirmation of Qualification.

5. Remedies. After notice and an opportunity for hearing, the Commission may impose appropriate remedies to be determined on a case-by-case basis, including reasonable fines, corrective conditions, and suspension or revocation of the Confirmation of Qualification. In determining the appropriate remedy, the Commission shall consider the nature, seriousness, and duration of the violation; whether it was self-reported; whether similar violations have previously occurred; the respondent's compliance history; corrective actions taken; and any harm or cost imposed on other customers. An isolated reporting error need not be treated the same as a failure to satisfy a fundamental qualification requirement. A Confirmation of Qualification shall not be suspended or revoked automatically based on an allegation or a single unfavorable compliance data point, but only upon a Commission determination after notice and an opportunity to be heard.

6. Effect of Revocation. Revocation of a Confirmation of Qualification shall take effect on the date stated in the Commission's order. Upon the effective date, the PEN Operator and Identified Load Customer(s) shall not operate under the authority of this General Order, and the PEN shall cease serving the Identified Load Customer(s) under this General Order. Any continued generation, delivery, or sale of electricity shall be lawful only to the extent permitted by other applicable law. Any PEN Participant that continues to serve the load in violation of this General Order or the revocation order shall be in violation of this General Order and subject to a cease and desist order, fines, and all other enforcement and consequences provided by law. Any request for utility service shall be governed by the Return to Utility Service provision of Section 201.

7. Continuing Obligations. Revocation, closure, abandonment, failure or termination of operations, a participant's voluntary departure, or change of ownership shall not extinguish costs or commitments attributable to the PEN, reporting obligations for periods of operation under this General Order, or required financial security.

8. Reinstatement. A PEN subject to restricted status may petition for reinstatement by demonstrating that each condition stated in the restriction order has been satisfied and that the PEN is in compliance with this General Order.

SECTION 501. COST-ALLOCATION AND STRANDED-COST PROTECTIONS

1. Ratepayer Harmlessness Principle. The authorization and operation of a PEN shall not result in an increase in rates or charges to the ratepayers or members of the Interconnected Utility, the Serving Utility, or any transmission owner or wholesale power supplier identified under Section 301. All costs associated with the generation, delivery, and internal operation of the PEN shall be borne by the PEN Operator and/or the Identified Load Customer(s), and not by non-participating ratepayers.

2. Cost-Shift and Stranded Cost Analysis. As part of the confirmation process under Section 301, the Commission shall evaluate whether the proposed PEN will impose stranded costs or cost shifts on the Serving Utility or the Interconnected Utility. The Applicant shall bear the burden of demonstrating that the proposed PEN will not impose any such costs or shortfalls. The Serving Utility and the Interconnected Utility shall be given access, subject to appropriate confidentiality protections, to the data underlying the Applicant's cost-shift analysis and an opportunity to submit their own analyses.

3. No Cross-Subsidization. The rates charged by the Interconnected Utility for export interconnection service to a PEN shall fully recover the cost of providing such service, such that non-participating ratepayers do not subsidize the PEN's operations.

4. Inspection and Supervision Fees. The PEN Operator shall pay all applicable Commission inspection and supervision fees to the extent permitted by law. Qualification as a PEN shall not, by itself, eliminate any fee associated with Commission oversight.

5. Direct Consultant, Legal, and Study Costs. The Applicant or PEN Operator shall pay for all costs directly attributable to the PEN, including the reasonable costs of Commission Staff, outside counsel, consultants, and studies needed to evaluate the application, interconnection, engineering requirements, cost impacts, and ongoing compliance. Where a study benefits multiple projects or serves several purposes, the amount charged to the PEN shall reflect its attributable share.

6. Applicable Taxes. PEN Participants shall pay all taxes that apply under existing law. Qualification as a PEN does not, in and of itself, create a tax exemption or determine whether any participant qualifies for an exemption under other law. The responsible tax authorities shall determine which taxes apply, who must pay them, and how they are assessed and collected. The Commission shall coordinate with such authorities only when necessary.

7. Separate Obligations. The inspection and supervision fees, direct review and study costs, and applicable taxes required by this Section are separate and distinct obligations. Payment of one shall not be deemed to satisfy another, provided that duplicate recovery of the same expense shall be avoided.

SECTION 502. SUNSET PROVISION

1. Termination of Acceptance of New Applications. No new applications for Confirmation of Qualification pursuant to this General Order will be accepted by the Commission more than five (5) years after the effective date of this General Order. Applications received within the five-year period shall continue to be processed, and Confirmations of Qualification issued pursuant to timely-filed applications shall remain in full force and effect, notwithstanding the expiration of the application period.

2. Automatic Termination; Fourth-Year Review. The termination of acceptance of new applications shall be automatic unless, prior to the expiration of the five-year period, the Commission, after notice and opportunity to be heard, determines that renewal or modification of the General Order's application period would serve the public interest. Commission Staff shall begin a review of this General Order during the fourth year after its effective date and shall recommend whether to retain, modify, or allow expiration of the application period, or gather additional information as needed. The review shall address: (A) the number, size, and types of PEN applications, including arrangements involving multiple customers; (B) whether the framework is attracting the new industrial and digital development contemplated by the Commission's directive; (C) the types of generation, property arrangements, contracts, and operating structures proposed; (D) issues identified

during application review, including eligibility questions and requests for exceptions; (E) identified utility and transmission costs, financial security arrangements, and any difficulties determining or recovering costs; (F) the status of proposed projects, including withdrawals, delays, construction progress, and expected operation dates; (G) the compliance and operating history of operating PENs; (H) whether PENs have negatively affected reliability, unduly increased rates for other customers, or unduly impaired regulated utilities' ability to attract capital at reasonable rates; and (I) whether continuing the rules, including allowing new applications or expansions after five years, would serve the public interest.

3. Continuing Effect of Issued Confirmations. Any Confirmation of Qualification issued prior to the expiration of the application period shall remain valid and enforceable in accordance with its terms, and the PEN Operator's obligations under this General Order shall continue in full force and effect for the duration of the confirmation, regardless of whether the application period has expired.

SECTION 601. EFFECTIVE DATE, SEVERABILITY, AND RESERVATION OF AUTHORITY

1. Effective Date. This General Order shall become effective upon publication in the Commission's Official Bulletin.

2. Severability. If any provision of this General Order, or the application thereof to any person, entity, or circumstance, is held invalid by a court of competent jurisdiction, such invalidity shall not affect the remaining provisions or applications of this General Order, which shall be given effect without the invalid provision or application.

3. Reservation of Authority. The Commission expressly reserves the authority to amend, modify, supplement, or repeal this General Order, in whole or in part, at any time upon appropriate notice and proceedings, as the Commission deems necessary in the public interest.

4. Pending Applications. Applications filed prior to the effective date of any amendment to this General Order shall be evaluated under the version of this General Order in effect at the time of filing, unless the Commission orders otherwise.

5. Preservation of Existing Lawful Arrangements. Nothing in this General Order displaces, restricts, or requires Confirmation of Qualification of any generation, self-supply, or other arrangement that is lawful under applicable law independently of this General Order, including any arrangement in operation as of the effective date of this General Order. This provision makes no determination that any particular existing arrangement is lawful and does not expand or narrow any right available under other law. An existing arrangement may obtain the authority available under this General Order only by obtaining a

Confirmation of Qualification and satisfying all applicable requirements, and a person obtaining such confirmation may not retain any legacy service arrangement, including backup service under an existing schedule, that is inconsistent with this General Order.