



American Electric Power
801 Pennsylvania Ave. NW, Suite 320
Washington, DC 20004-2615
AEP.com

July 15, 2013

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, D.C. 20426

Re: *American Electric Power*, Docket No. ER13-____-000
Service Agreement No. 718 under the Open Access
Transmission Service Tariff of the American Electric Power
Preliminary Development Agreement between
AEP Texas Central Company and SP-BrackettvilleSolar LLC

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act¹ and Part 35 of the Federal Energy Regulatory Commission's ("Commission") rules,² American Electric Power Service Corporation ("AEPSC"), on behalf of its affiliate AEP Texas Central Company ("TCC"), hereby submits for filing the following:

- Service Agreement No. 718 under the Open Access Transmission Service Tariff of the American Electric Power ("AEP OATT"), which is a fully executed preliminary development agreement ("Agreement") dated July 2, 2013 among AEP Texas Central Company and SP-BrackettvilleSolar LLC ("Generator") each sometimes hereinafter referred to individually as a "Party" or both referred to collectively as the "Parties".

Pursuant to Section 35.7 of the Commission's regulations,³ the contents of this filing are being submitted as part of an XML filing package that conforms to the Commission's eTariff instructions. AEPSC has elected to submit the Agreement on a whole tariff basis in .PDF format in the eTariff system.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ 18 C.F.R. § 35.7.

Background and Reason for Filing

The Agreement provides for the preliminary planning, engineering, design, and procurement activities prior to the execution of the Generation Interconnection Agreement associated with the Generator's future 42 MW solar generation project, to be located in Kinney County, Texas. The solar generation project is planned to go into commercial operation on May 31, 2014.

The AEP OATT applies to transmission service to TCC's wholesale customers in the Electric Reliability Council of Texas. Agreements such as this Agreement are transmission service agreements under the AEP OATT that are required to be filed with this Commission.

Cost Information

The elements and estimated costs of the work to be performed by TCC are described in Schedule 3.1 of the Agreement.

As set forth in Schedule 4.2.1 of the Agreement, the Generator is responsible for providing Five Hundred Thousand Dollars (\$500,000) within ten (10) calendar days from the execution date of the Agreement in financial security for all of TCC's estimated investment cost related to the elements of the work. That security will be returned to the Generator or become part of the amount payable under the Generator's Generation Interconnection Agreement.

Requested Effective Date of This Agreement and Waivers

AEPSC requests that the Commission grant any and all waivers of the Commission's rules and regulations that are necessary for acceptance of this filing and the enclosed Agreement. Additionally, AEPSC requests a waiver of the Commission's 60-day prior notice requirement to allow an effective date of July 2, 2013, the date on which the Agreement was executed. Waiver is appropriate because the Agreement is being filed within thirty (30) days of its requested effective date. *See Prior Notice and Filing Requirements under Part II of the Federal Power Act*, 64 FERC ¶ 61,139 at 61,983-84 (1993).

Other Filing Requirements

AEPSC believes that the materials and information provided herewith are adequate to allow the Commission to accept this Agreement for filing. To the extent that AEPSC has not complied with the technical requirements of the Commission's regulations applicable to this filing, AEPSC respectfully requests waiver of such regulations.

Documents Submitted

In addition to this transmittal letter, AEPSC provides the following materials for filing:

- A copy of the fully executed Preliminary Development Agreement between the Parties

A copy of this filing will be available for public inspection in AEPSC's offices in Tulsa, Oklahoma.

Service of Notices and Correspondence

Copies of this filing have been served upon the Generator. Any correspondence regarding this matter should be directed to:

Robert L. Pennybaker
Director – Transmission and Interconnection Services
American Electric Power Service Corporation
212 E 6th Street
Tulsa, OK 74119
rlpennybaker@aep.com

and

Amanda Riggs Conner
Senior Counsel
American Electric Power Service Corporation
801 Pennsylvania Ave. NW, Suite 320
Washington, DC 20004-2615
arconner@aep.com

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Honorable Kimberly D. Bose

July 15, 2013

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Questions concerning this filing should be directed to me at (202) 383-3436, arconner@aep.com or to Robert Pennybaker at (918) 599-2723, rlpennybaker@aep.com.

Respectfully submitted,

Amanda Riggs Conner

Amanda Riggs Conner

Senior Counsel

American Electric Power Service Corporation

Enclosures

cc:

Stephen Elkind (SP-BrackettvilleSolar)

Robert Pennybaker (AEPSC)

**Preliminary Development Agreement
between
AEP Texas Central Company
and
SP-BrackettvilleSolar LLC**

Tariff Submitter: AEP Texas Central Company
FERC Tariff Program Name: FERC FPA Electric Tariff
Tariff Title: TCC RS and SA Baseline
Tariff Record Proposed Effective Date: 7/2/13
Tariff Record Title: TCC-SP-BrackettvilleSolar PDA
Option Code: A

PRELIMINARY DEVELOPMENT AGREEMENT

This **Preliminary Development Agreement** (the "Agreement") is entered into as of JULY 2, 2013 (the "Execution Date") between **AEP Texas Central Company**, a Texas corporation ("TSP") and **SP-BrackettvilleSolar LLC**, a Delaware limited liability company ("Generator"). TSP and Generator may be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

A. Generator is in the process of developing certain generation assets in Kinney County, Texas with a proposed capacity of 42 MW (the "Plant").

B. TSP is conducting an interconnection study in response to Generator's Generation Interconnection Request #14INR0024 to ERCOT to interconnect the Plant to the TSP system. The completed study will identify certain interconnection facilities necessary or appropriate to enable transmission service to Generator for the Plant (the "Interconnection Facilities").

C. The Parties anticipate entering into a Standard Generation Interconnection Agreement (the "SGIA") that will, among other things, address the engineering, procurement, and construction of the Interconnection Facilities.

D. Generator has requested that TSP perform certain preliminary planning, engineering, design, and procurement activities related to the proposed interconnection prior to the execution of the SGIA by the Parties. TSP is willing to do so on the terms and conditions set out in this Agreement.

AGREEMENTS

NOW, THEREFORE, the Parties hereby agree as follows:

1. DEFINITIONS; RULES OF CONSTRUCTION

1.1. Definitions. As used in this Agreement, terms defined in Exhibit 1.1 have the meanings set forth therein.

1.2. Rules of Construction. Unless the context of this Agreement requires otherwise, the plural includes the singular, and the singular includes the plural. The words "include," "includes" and "including" are not limiting and have the inclusive meaning of "including without limitation." The words "hereof," "herein," "hereby," "hereunder" and other similar terms of this Agreement refer to this Agreement as a whole and not exclusively to any particular provision of this Agreement. All pronouns and any variations thereof will be deemed to refer to masculine, feminine, or neuter, singular, or plural, as the identity of the Person or Persons may require. Unless otherwise expressly provided, any agreement, instrument, or Applicable Law defined or referred to herein means such agreement or instrument or Applicable Law as from time to time amended, modified, or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of Applicable Law) by succession of comparable successor law and includes (in the case of agreements or instruments) references to all attachments thereto

and instruments incorporated therein. A reference to a Party includes its successors and permitted assigns. This Agreement is the result of negotiations between, and has been reviewed by, the Parties, and their respective counsel have had the opportunity to review this Agreement. Accordingly, this Agreement shall be deemed to be the product of all Parties hereto, and no ambiguity shall be construed in favor of or against any Party.

2. EFFECTIVE DATE; COMMENCEMENT DATE; TERMINATION

2.1. Commencement of Work. TSP shall become obligated to commence the Work hereunder when both the Effective Date has occurred in accordance with Section 2.2 and the Commencement Date has occurred in accordance with Section 2.3.

2.2. Effective Date. TSP shall file this Agreement with FERC, and Generator agrees to cooperate with TSP and provide reasonable assistance to TSP in such filing and proceedings related thereto. This Agreement shall become effective on the date this Agreement has been accepted for filing and made effective by order of FERC under the Federal Power Act, in which case the effective date of this Agreement shall be as specified in the said FERC order ("Effective Date"). However, if FERC or any other Governmental Authority suspends this Agreement or any part thereof, institutes an investigation or proceeding with respect to this Agreement or any other agreement referred to or contemplated by this Agreement, or imposes any conditions, limitation or qualifications which individually or in the aggregate are determined by TSP or Generator to be adverse to it, then either TSP or Generator may terminate this Agreement upon written notice to the other Party.

2.3. Commencement Date. The commencement date shall be the date on which each of the following events shall have occurred or been waived by the Parties ("Commencement Date"):

- 2.3.1. Receipt by both Parties of all necessary Governmental Approvals (in form and substance reasonably satisfactory to each of the Parties) in addition to the Governmental Approval specified in Section 2.2 hereof.
- 2.3.2. TSP's receipt of any Security described in Section 4.2 and any replacements or increases thereto.

If, at the request of Generator, TSP waives a condition specified in this Section 2.3 so that Work can proceed, TSP will be entitled to reimbursement of costs pursuant to this Agreement as if the Work had been performed only after satisfaction of the waived condition.

2.4. Events of Termination. This Agreement may be terminated by the Parties as follows:

- 2.4.1. This Agreement may be terminated by mutual written agreement of the Parties.
- 2.4.2. This Agreement will terminate upon execution of the SGIA by the Parties, and any further measures with respect to the Work will be undertaken pursuant to the SGIA.

- 2.4.3. Either Party may terminate this Agreement as provided in Sections 2.2, 5.1, and 6.2.
- 2.4.4. Generator may terminate this Agreement as provided in Section 3.7.1.
- 2.4.5. TSP may terminate this Agreement on written notice to Generator if Generator has not executed a SGIA for the Plant with TSP by November 30, 2013.
- 2.4.6. This Agreement shall terminate automatically following a suspension of the Work by Generator under the circumstances specified in Section 3.7.1.
- 2.4.7. Either Party may terminate this Agreement if any Governmental Authority denies approval of any necessary or appropriate approvals for the Work or the Plant, or if any Governmental Authority shall have issued an order, decree, ruling, or other action restraining, enjoining, or otherwise prohibiting such Party's performance of this Agreement or its contemplated ownership or operation of the Plant or Interconnection Facilities.

2.5. Regulatory Approval of Termination. Any termination of this Agreement provided for herein shall be subject to any necessary approval by FERC or any other Governmental Authority, as applicable.

2.6. Survival of Rights; Merger into SGIA.

- 2.6.1. Subject to Section 2.6.2, termination of this Agreement shall not relieve the Parties of obligations that by their nature should survive such termination, including, without limitation, payment obligations, remedies, indemnification obligations, confidentiality and any provisions of this Agreement that explicitly provide for survival after termination.
- 2.6.2. If the Parties execute a SGIA, then, except as otherwise provided in the SGIA, all of the rights and obligations of the Parties with respect to the Work will be merged into and controlled exclusively by the SGIA, and the provisions of this Agreement will have no continuing force or effect; provided, however, that any amount payable hereunder that does not become part of the amounts payable under the SGIA will continue to be subject to invoicing and payment (including application of the Security) under this Agreement.

3. PRELIMINARY DEVELOPMENT WORK

3.1. Scope of Work. TSP will undertake, directly or through its affiliates or contractors (or any combination thereof), the performance of the work described in Schedule 3.1 and any attachments referenced therein (the "Work").

3.2. Modification of the Work. Because the Work has been specified in this Agreement prior to the completion of the interconnection study relating to the Plant, the Parties acknowledge that the specification of the Work and the estimates of its cost set out in this

Agreement are not binding on TSP and that TSP may modify Schedule 3.1 to reflect the results of such interconnection study on written notice to Generator.

3.3. Generator's Technical Information. Generator will provide relevant information to TSP concerning the Plant and the Work as requested by TSP from time to time. Generator covenants, warrants, and represents that any technical or engineering information, reports, drawings, data, specifications, analyses, and other similar materials previously or hereafter provided to TSP or to ERCOT by Generator or Generator's contractors or consultants in connection with the Plant or the Work has been and will be prepared in accordance with Good Utility Practice and that Generator is not aware of any reason to distrust the accuracy and completeness of such information and materials.

3.4. Disclaimer of Warranty. TSP will perform the Work consistent with Applicable Law, applicable Governmental Approvals, and Good Utility Practice. Except for the foregoing, TSP HEREBY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR GOOD AND WORKMANLIKE PERFORMANCE. THE FOREGOING STANDARDS FOR PERFORMANCE OF THIS AGREEMENT WILL BE MERGED INTO THE SGIA AS PROVIDED IN SECTION 2.6, AND THE ONLY WARRANTIES WITH RESPECT TO THE WORK WILL THEREUPON BE THOSE PROVIDED BY THE SGIA.

3.5. Progress Reports. From time to time as reasonably determined by TSP, TSP will report to Generator concerning the progress of the Work.

3.6. Pursuit of the Work. TSP will prosecute the Work in accordance with the standards set forth in Section 3.4 in a timeframe determined by TSP in its sole discretion. TSP does not promise to complete the Work by any given date.

3.7. Suspension and Termination of the Work.

3.7.1. Generator may suspend or terminate the Work on written notice to TSP, provided that any suspension (and all suspensions in the aggregate) may not exceed one (1) year or such other period as may be agreed upon by the Parties in writing, after which this Agreement shall be deemed to terminate if the Work has not been resumed.

3.7.2. At any time during a suspension of the Work in accordance with Section 3.7.1, Generator may notify TSP in writing to resume the Work, in which case TSP may revise the scope of Work and may increase or adjust the Security to accommodate the delay.

3.7.3. Generator will pay TSP, in accordance with the billing provisions of Section 4.1.3, TSP's incremental costs incurred as a result of any suspension or termination pursuant to Section 3.7.1, including demobilization and remobilization costs and suspension, termination, or cancellation costs payable to third parties. Subject to Section 2.6.2, this Section 3.7.3 shall survive termination of this Agreement.

4. COSTS

4.1. Responsibility for Costs.

- 4.1.1. Generator will bear all costs of the Work (including any modifications thereto) except to the extent that (i) TSP determines that it will obtain Governmental Approval to put such costs into its transmission rate base, or (ii) the Parties agree otherwise in the SGIA. If TSP seeks Governmental Approval to put such costs into its transmission rate base but a Governmental Authority disallows any portion of such costs from TSP's rates, Generator will bear all such disallowed costs.
- 4.1.2. Costs to be borne by the Generator for the Work under this Agreement will include all costs, charges, and expenses incurred by TSP in connection with the Work, including the costs of materials, equipment, and supplies from third parties, the costs of materials and equipment withdrawn from TSP's internal inventories (or those of its affiliates), transportation and storage costs, internal payroll and payroll loading factors, travel expenses, overhead factors, other internal costs, the costs to acquire land rights, third party expenses, sales and use taxes, and fees and costs for Governmental Approvals.
- 4.1.3. TSP may invoice Generator for such costs from time to time, plus any income tax gross-up that may result under Applicable Law if income tax is payable by TSP with respect to payments by Generator to TSP. All such invoices will be payable in full, without offset, abatement, or reduction for any reason, within thirty (30) Calendar Days of the date of invoice. If Generator in good faith disputes any portion of an invoice, Generator will (i) explain the basis for the dispute in writing to TSP within fifteen (15) Calendar Days of the date of the invoice and (ii) without prejudice to its claim for refund of any disputed amount, pay the entire portion of the invoiced amount on or before the due date stated on the invoice.

4.2. Security.

- 4.2.1. Generator will, at its own expense, provide to TSP security ("Security") to secure Generator's performance of its obligations under this Agreement and under Applicable Law in the form, amount, and at the times set out in Schedule 4.2.1, to be held by TSP and applied as provided in this Section 4.2. The amount of the Security is not an estimate of the amounts that may be invoiced by TSP and does not constitute a fixed price for or cap on such amounts, nor is it an estimate of any security arrangements that might be required under the SGIA. TSP may commingle any cash held by TSP as part of the Security with any other funds under its custody or control and will have no obligation to invest funds of Generator. TSP may apply the Security to pay invoices rendered by it to Generator pursuant to this Agreement. TSP may by written notice to Generator require Generator to increase, replenish, or replace the Security from time to time (i) if TSP

determines in its reasonable discretion that the remaining Security is not adequate to cover the costs that TSP then reasonably estimates could become payable pursuant to this Agreement, (ii) in the case of a letter of credit, if at any time the credit rating of the bank issuing the letter of credit no longer meets the criteria set forth in Item A of Schedule 4.2.1, or (iii) in the case of a guaranty, if at any time the creditworthiness of the guarantor is no longer reasonably acceptable to TSP. Generator will tender any such increase, replenishment, or replacement to TSP within three (3) Business Days of such notice. Any replacement Security shall meet the requirements set forth in Schedule 4.2.1. No forbearance or delay on the part of TSP in requiring an increase, replenishment, or replacement of the Security will be a waiver of its right to do so. Any Security held by TSP at the effective time of the SGIA may, at TSP's election, be applied to satisfy any security obligation imposed on Generator by the SGIA.

- 4.2.2. Except as otherwise agreed in connection with the execution of the SGIA or applied to satisfy any security obligation imposed on Generator by the SGIA, TSP will release or refund to Generator the Security on the earlier of (i) sixty (60) Calendar Days following the completion by TSP of its final cost accounting for the Work following termination of the Agreement, and (ii) thirty (30) Calendar Days following the date on which TSP receives written notice and has verified that the Plant has been placed in commercial operation. Notwithstanding the foregoing, TSP may retain such portions of the Security as necessary to pay any then unpaid invoices. Any refund of a cash deposit shall include interest computed at a rate applicable to customer deposits as established from time to time by the PUCT or other Governmental Authority.

4.3. Information Concerning Costs. On reasonable advance written notice, Generator will have the right to examine the pertinent records of TSP as reasonably necessary to verify that costs invoiced pursuant to this Agreement were incurred in accordance with this Agreement. Any such examination will be conducted during regular business hours at the TSP offices. Generator will not have the right to examine the records pertaining to a particular invoice more than once or to examine the records pertaining to an invoice unless written notice of the examination is given within twenty four (24) months of the date of such invoice. Information obtained by Generator from TSP pursuant to this section shall be considered Confidential Information of TSP subject to the confidentiality provisions of Article 8 hereof regardless of whether such information is marked as confidential.

4.4. Survival. Subject to Section 2.6.2, the provisions of this Article 4 shall survive termination of this Agreement.

5. FORCE MAJEURE

5.1. Effect of Force Majeure. In the event that either Party is rendered unable by reason of an event of Force Majeure occurring or arising without the fault or negligence of such Party, to perform, wholly or in part, any obligation or commitment set forth in this Agreement, then the obligations of such Party (except for the obligation to pay sums of money owing

hereunder for periods prior to the event of Force Majeure) shall be suspended to the extent of such Force Majeure condition, and such Party shall not be deemed to be in default of this Agreement, for the period of such Force Majeure condition. A Party's lack of funds shall not be an event of Force Majeure. Either Party will have the right to terminate this Agreement if a Force Majeure event prevents performance for more than ninety (90) consecutive days.

5.2. Notification. In the event of the occurrence of an event of Force Majeure, which prevents a Party from performing its obligations hereunder, such Party shall notify the other Party of such Force Majeure, in writing or by telephone as soon as reasonably possible after the determination that event of Force Majeure has occurred, but in any event within seven (7) Calendar Days thereafter (telephone notices to be confirmed in writing as soon as reasonably possible).

5.3. Labor Disputes. Neither Party will be required by this Agreement to settle any strike, walkout, lockout, or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest, it being understood that the settlement of strikes, walkouts, lockouts, or other labor disputes will be at the sole discretion of the Party having the difficulty.

6. DEFAULT; REMEDIES

6.1. Events of Default. An "Event of Default" will exist:

6.1.1. As to Generator upon Generator's failure to promptly pay any amount due hereunder (including a failure by Generator to provide Security when required or a failure to increase, replenish or replace Security as required by Section 4.2.1) within ten (10) Calendar Days following written notice of delinquency;

6.1.2. As to a Party if that Party fails to commence the cure of its breach of any other obligation under this Agreement within sixty (60) Calendar Days following written notification of such breach; or

6.1.3. As to a Party if it becomes Insolvent.

6.2. Termination. If an Event of Default in any material respect occurs as to a Party, the other Party will have the right to terminate this Agreement on written notice to the defaulting Party.

6.3. Other remedies.

6.3.1. If an Event of Default in any material respect occurs and while it persists with respect to a Party, the other Party may suspend performance of its obligations with respect to the Work under this Agreement (other than its obligations to pay money) without prejudice to any other remedy that it may have under this Agreement or Applicable Law.

6.3.2. Whether or not a Party suspends performance of its obligations under, or terminates, this Agreement as a result of an Event of Default, such Party

will have the right to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity due to such Event of Default, subject to the limitations of Section 6.4.

6.4. Limitations of Damages. In no event will either Party be liable under any provision of this Agreement for any special, indirect, incidental, consequential, punitive, or exemplary damages (including loss of profit or revenue, loss of use of equipment, cost of capital, or damage to reputation or relations) whether based in contract, tort, strict liability, statutory liability, or any other theory of liability. The aggregate liability of TSP for damages based on any cause of action hereunder will not exceed the maximum amount of Security posted with TSP.

7. DISPUTES

To the extent that Section 25.203 of the PUCT Substantive Rules or Section 20 of the ERCOT Protocols (each as amended from time to time) are applicable to disputes under this Agreement, the Parties agree to attempt to resolve any dispute under this Agreement utilizing the Alternative Dispute Resolution provisions of such Sections.

8. CONFIDENTIALITY

8.1. Confidential Information. For purposes of this Agreement, a Party's "Confidential Information" consists of information possessed by that Party which is confidential and commercially valuable and which is specifically identified to the other Party as "confidential". For purposes of this Agreement, a Party (the "Receiving Party") will be deemed to have received Confidential Information of the other Party (the "Disclosing Party") if such Confidential Information is by any means disclosed or delivered to the Receiving Party or any of its or its affiliates' equity owners, governing persons, officers, employees, advisors, attorneys, agents, or prospective or actual lenders or investors (its "Representatives"). Confidential Information will not include any information which the Receiving Party can demonstrate (a) has become available to the public through no breach of this Agreement; (b) was previously known by the Receiving Party without any obligation to hold it in confidence; (c) was received on a non-confidential basis from a third party free to disclose such information without restriction; or (d) was independently developed by the Receiving Party without the use of Confidential Information of the Disclosing Party.

8.2. Disclosure. Each Party hereto agrees that it shall hold in strict confidence and shall not disclose or use any Confidential Information belonging to the other Party hereto for the period ending eighteen (18) months after the date of disclosure of the Confidential Information. The Receiving Party may disclose Confidential Information to its Representatives for purposes of pursuing the Work and meeting its obligations and exercising its rights hereunder, provided that the Representatives shall be informed of the confidentiality obligations provided herein. Each Party agrees to be responsible for any breach of the confidentiality obligations under this Agreement by its Representatives.

8.3. Required Disclosures. If a Party is required pursuant to Applicable Law or otherwise becomes legally compelled to disclose any of the Confidential Information or the fact

that the Confidential Information has been made available to it, such Party shall (unless prohibited by Applicable Law from doing so) promptly notify the Disclosing Party in order that the Disclosing Party may seek a protective order or such other remedy as the Disclosing Party may consider appropriate in the circumstances. In any event, the compelled Party may disclose only that portion of the Confidential Information which such Party is legally required to disclose in the judgment of the Party's legal counsel without any liability to the Disclosing Party hereunder and such disclosure shall not be a breach of this Article 8.

8.4. Non-Confidential Agreement. Generator acknowledges and agrees that TSP will file this Agreement on a non-confidential basis with FERC and any other applicable Governmental Authority as required. This Agreement shall not be considered "Confidential Information" for purposes of this Article 8.

8.5. Survival. Subject to Section 2.6.2, the provisions of this Article 8 shall survive a termination of this Agreement.

9. OTHER PROVISIONS

9.1. Scope of Agreement. This Agreement provides for TSP to perform certain preliminary activities related to the proposed interconnection. This Agreement does not provide for any other services and TSP does not agree hereunder to provide any other services. Nothing in this Agreement will establish any rights related to the interconnection of the Plant to the transmission facilities of TSP or any other transmission service provider. This Agreement does not obligate TSP to establish an interconnection with the Plant or enter into the SGIA. This Agreement does not have the effect of altering any priority with which TSP is obligated to pursue the development of the Interconnection Facilities.

9.2. Construction with Tariffs. To the extent there is any conflict between the provisions of this Agreement and any tariff, the provisions of this Agreement shall be controlling.

9.3. Notices. Any notice that is required or permitted under this Agreement may be given by personal delivery to the Party entitled thereto, by e-mail (with confirmation of receipt), by any courier service which guarantees overnight, receipted delivery, or by U.S. Certified or Registered Mail, return receipt requested, addressed to the Party entitled thereto, at:

If to Generator:

SP-BrackettvilleSolar LLC
Robert William Reichenberger
777 South High Street
Denver, CO 80209
robertwr11@yahoo.com

with copy to:

OCI Solar Power LLC
Krista Kisch
300 Convent Street, Suite 1900
San Antonio, TX 78205
kkisch@ocisolarpower.com

If to TSP: American Electric Power Service Corporation
Robert L. Pennybaker
Director, Transmission & Interconnection Services
212 E. 6th Street
Tulsa, OK 74119
rlpennybaker@aep.com

with copy to: American Electric Power Service Corporation
Joseph P. Hassink
Director, Transmission Planning
212 E. 6th Street
Tulsa, OK 74119
phassink@aep.com

Either Party may change its address or email for notice by written notice to the other Party in accordance with this Section 9.3. Any notice given (a) by personal delivery shall be deemed to be given upon such delivery, (b) by email shall be deemed given upon receipt, (c) by overnight courier service shall be deemed given on the date noted on the courier's receipt for delivery, or (d) by U.S. Certified or Registered Mail, return receipt requested, shall be deemed given upon the date noted on such return receipt, provided, however, that if in any case delivery is made on a day other than a Business Day or after 5:00 p.m. local time on a Business Day, delivery shall be deemed to be given upon the next Business Day.

9.4. Interest on Overdue Amounts. Except as otherwise provided in Section 4.2.2, any amount due to a Party under this Agreement will earn interest accruing daily from the deadline for payment thereof until paid at the lesser of (i) an annual rate equal to the Prime Rate from time to time plus 2 percentage points, or (ii) the maximum rate allowed by Applicable Law. This provision will not be interpreted to preclude TSP from also including in its reimbursable costs an amount to compensate TSP for the time value of advances made by it.

9.5. Amendment. No amendment to this Agreement will be valid or binding unless and until (a) reduced to writing and executed by each Party's authorized representative and (b) the requirements of Section 2.2 have been satisfied with respect to such amendment to the extent applicable. It is the intent of the Parties that, to the maximum extent permitted by law, the provisions of this Agreement shall not be subject to change under Sections 205 and 206 of the Federal Power Act absent the written agreement of the Parties, and that the standard of review for changes unilaterally proposed by a Party or FERC, acting *sua sponte* or at the request of a third party, shall be the public interest standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 554 U.S. 527, 128 S.Ct. 2733 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. ____, 130 S.Ct. 693 (2010).

9.6. Assignment. Except as otherwise provided in this Agreement, neither Party may assign any of its rights or delegate any of its duties under this Agreement to any person without the prior written consent of the other Party. Notwithstanding the foregoing, TSP may without the prior consent of Generator assign this Agreement to any of its affiliates or to any

transmission joint venture of which it is then a member, whereupon TSP will be released of all obligations hereunder.

9.7. Merger and Integration; Binding on Successors; No Third Party Beneficiaries. This Agreement sets out the entire understanding of the Parties with respect to the matters it purports to cover and supersede all prior communications, agreements, and understandings, whether written or oral, concerning such matters. No Party will be liable or bound to any Party in any manner by any warranties, representations, or covenants other than those set forth in or incorporated into this Agreement. The terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

9.8. Forbearance and Waiver. Except where a specific time period is provided hereunder for the exercise of a right or remedy, any Party's forbearance in the exercise or enforcement of any right or remedy under this Agreement will not constitute a waiver thereof, and a waiver under one circumstance will not constitute a waiver under any other circumstance.

9.9. Partial Invalidity. Any invalidity, illegality, or unenforceability of any provision of this Agreement in any jurisdiction will not invalidate or render illegal or unenforceable the remaining provisions hereof in such jurisdiction and will not invalidate or render illegal or unenforceable such provision in any other jurisdiction.

9.10. Governing Law. EXCEPT AS TO MATTERS PREEMPTED BY THE CONSTITUTION AND STATUTES OF THE UNITED STATES OF AMERICA OR REGULATIONS PROMULGATED THEREUNDER, THIS AGREEMENT WILL BE GOVERNED BY, INTERPRETED, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ANY CONFLICT-OF-LAW PROVISIONS THAT MAY REFER TO THE LAWS OF ANY OTHER JURISDICTION. After giving effect to the preceding sentence, this Agreement is subject to all valid applicable federal, state, and local laws, ordinances, rules, and regulations of duly constituted regulatory authorities having jurisdiction.

9.11. Multiple Counterparts. This Agreement may be executed by the Parties in multiple original counterparts, and each such counterpart will constitute an original hereof.

9.12. No Partnership. Nothing contained herein shall be deemed to create an association, joint venture, partnership, or principal/agent relationship between the Parties hereto or impose any partnership obligation or liability on either Party. Neither Party shall have any right, power or authority to enter into any agreement or commitment, act on behalf of, or otherwise bind the other Party in any way.

9.13. Headings. The headings contained in this Agreement are solely for the convenience of the Parties and shall not be used or relied upon in any manner in the construction or interpretation of this Agreement.


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The next page of this document is S-1]**


Executed to be effective as provided above:

AEP Texas Central Company

SP-BrackettvilleSolar LLC

JWS

By: 
Name: Scott N. Smith
Title: Vice President

By: 
Name: Robert William Reichenberger
Title: Owner

Date: 7/2/13

Date: 6/17/13

EXHIBIT 1.1

DEFINITIONS

Terms defined in this Exhibit 1.1 will have the meanings set forth in this Exhibit.

TERM	DEFINITION
1. Agreement	As defined in the first paragraph.
2. Applicable Law	Any statute, law, ordinance, executive order, rule, or regulation (including a regulation that has been formally promulgated in a rule making proceeding but, pending final adoption, is in proposed or temporary form having force of law); guideline, or notice having force of law; or approval, permit, license, franchise, judgment, order, decree, injunction, or writ of any Governmental Authority applicable to a specified Person or specified property, as in effect from time to time. Applicable Law will include the requirements of NERC and ERCOT.
3. Business Day	Any day other than a Saturday, a Sunday or a federal holiday.
4. Calendar Day	Any day whatsoever, including any weekday, Saturday, Sunday or holiday. However, should the last day of a period of time or number of Calendar Days computed as Calendar Days in accordance with this Agreement be a Saturday, Sunday or holiday, then the next day which is not a Saturday, Sunday or holiday is the last Calendar Day in such period.
5. Commencement Date	As defined in Section 2.3.
6. Commercial Operation Date	As defined in Schedule 3.1.
7. Confidential Information	As defined in Section 8.1.
8. Disclosing Party	As defined in Section 8.1.
9. Effective Date	As defined in Section 2.2.

10. ERCOT The Electric Reliability Council of Texas or its successor.
11. Event of Default As defined in Section 6.1.
12. Execution Date As defined in the first paragraph.
13. Federal Power Act 16 U.S.C. §791a *et. seq.*
14. FERC Federal Energy Regulatory Commission.
15. Force Majeure Any act or event beyond the reasonable control of the Party claiming Force Majeure, and occurring or arising without the fault of negligence of such Party, which materially prevents, delays, or impairs the performance of such Party's obligations under this Agreement, including storm, flood, lightning, earthquake, fire, explosion, failure or imminent failure of equipment or facilities, civil unrest, strike, boycott, or other labor disturbance, sabotage, terrorism, war, national emergency, or the operation of any Applicable Law that is not an adjudication against such Party for violation of Applicable Law.
16. Generator As defined in the first paragraph.
17. SGIA As defined in Recital C.
18. Good Utility Practice Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts that, 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 is intended to include acceptable practices, methods, and acts generally accepted in the region.
19. Governmental Approvals Permits, consents, licenses, franchises, certificates,

authorizations, registrations, or waivers, extensions, renewals, or variances relating thereto, in each case issued by any Governmental Authority, and filings with or notices to any Governmental Authority.

20. Governmental Authority Any federal, state, foreign, tribal, local, or municipal governmental body; and any governmental, regulatory, or administrative agency, commission, body, agency, instrumentality, or other authority exercising or entitled to exercise any executive, judicial, legislative, administrative, regulatory, or taxing authority or power, including any court or other tribunal. Governmental Authority includes NERC and ERCOT.
21. Insolvent A Person is “Insolvent” if such Person admits in writing its insolvency or bankruptcy, or commences a voluntary (or becomes subject to an involuntary) case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency, or other similar law, or consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, or sequestrator (or other similar official) of such Person or of any substantial part of its property, or makes an assignment for the benefit of creditors, or fails generally to pay its debts as such debts become due, or takes corporate action in furtherance of any of the foregoing.
22. Interconnection Facilities As defined in Recital B.
23. NERC North American Electric Reliability Corporation or its successor.
24. Party or Parties As defined in the first paragraph.
25. Person Any individual, corporation, partnership, limited liability company, other business organization of any kind, association, trust, or governmental entity, agency, or instrumentality.
26. Plant As defined in Recital A.

27. Prime Rate A floating rate equal to the prime commercial lending rate from time to time as indicated in rates published in the *Wall Street Journal* or, if no such rate is published in the *Wall Street Journal*, in another public source reasonably designated by the creditor Party.
28. PUCT Public Utility Commission of Texas.
29. Receiving Party As defined in Section 8.1.
30. Representatives As defined in Section 8.1.
31. Security As defined in Section 4.2.1.
32. TSP As defined in the first paragraph.
33. Work As defined in Section 3.1.

SCHEDULE 3.1
PRELIMINARY DEVELOPMENT WORK FOR THE
SOLAR PRIME TX1 PROJECT

1. Scope of Work

Line No.	Element of the Work	Estimate of Costs
1.	Preliminary engineering and procurement of equipment and material for the remote terminal unit (RTU) and station data repository (SDR) and ERCOT Polled Settlement (EPS) metering located in Generator's substation to interconnect the Plant to the TSP system.	\$500,000

2. Commercial Operation Date

Date: May 31, 2014

SCHEDULE 4.2.1

SECURITY

Generator will provide Security by the dates and in the amounts set forth in the following schedule:

Line No.	Due Date	Amount
1.	Within ten (10) Calendar Days after Execution Date	\$500,000

Such Security shall be in one or more of the following forms:

- A. One or more irrevocable, transferable standby letters of credit in the form and containing the provisions of the specimen attached as Exhibit A from U.S. commercial bank or a foreign bank with a U.S. branch that has and maintains a credit rating of at least A- from Standard and Poor's or an A3 credit rating from Moody's Investors Services. Each such letter of credit will state that it is issued in favor of TSP and specify as its expiry date the date that follows the Commercial Operation Date by one (1) year.

- B. Irrevocable guaranty in the form and containing the provisions of the specimen attached as Exhibit B from a guarantor whose creditworthiness is reasonably acceptable to TSP. If Generator desires to provide security in the form of a guaranty, Generator shall provide financial information as requested by TSP upon execution of this Agreement. Generator shall provide annual audited financial statements of the guarantor for so long as the guaranty is in effect. In addition, Generator agrees to provide financial information concerning the guarantor as may be requested from time to time by TSP.

- C. Cash deposit with TSP. Wire instructions for cash deposits:

Acct Name: AEP Texas Central Company
Bank Name: Citibank, N.A.
Address: 399 Park Avenue
City, State: New York, NY 10043
ABA No.: 021000089
Account No.: 30484552

EXHIBIT A
FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

DATE OF ISSUANCE: _____

[Address]

RE: Credit No. _____

We hereby establish our Irrevocable Standby Letter of Credit in your favor for the account of _____ (the “Account Party”), for the aggregate amount not exceeding _____ United States Dollars (\$ _____), available to you for payment at sight upon demand at our counters at (*Location*) on or before the expiration hereof against presentation to us of the following document, dated and signed by a representative of the beneficiary:

“The Account Party has become obligated to pay to the Beneficiary or its assigns an amount equal to or exceeding \$[_____] USD. Wherefore, the undersigned does hereby demand payment of such dollar amount.”

Partial and multiple drawings are permitted hereunder.

We hereby agree with you that documents drawn under and in compliance with the terms of this Letter of Credit shall be duly honored upon presentation as specified.

This Letter of Credit shall be governed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the “UCP”), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. With respect to Article 14(b) of the UCP, the Issuing Bank shall have a reasonable amount of time, not to exceed three (3) banking days following the date of its receipt of documents from the Beneficiary, to examine the documents and determine whether to take up or refuse the documents and to inform the Beneficiary thereof accordingly.

In the event of an Act of God, riot, civil commotion, insurrection, war or any other cause beyond our control that interrupts our business (collectively, an “Interruption Event”) and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiry date of this Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

It is a condition of this Letter of Credit that it will be automatically extended without amendment for one (1) year from the expiration date hereof, or any future expiration date, unless at least ninety (90) days prior to any expiration date we notify you at the above address by registered mail or hand delivered courier that we elect not to consider this Letter of Credit renewed for any such period.

All commissions, expenses and charges incurred with this Letter of Credit are for the account of the Account Party.

{Note: Must note the Expiry Date in the format}

[BANK SIGNATURE]

EXHIBIT B
FORM OF CORPORATE GUARANTY

GUARANTY

THIS GUARANTY is executed as of the ___ day of _____, _____ between _____, a _____ (the "Guarantor"), and [AEP Company Name], a Texas corporation (the "Counterparty")

RECITAL

_____, a _____ (the "Company"), and the Counterparty have entered into a Preliminary Development Agreement, dated as of _____ (the "Agreement"). As an inducement to the Counterparty to enter into the Agreement and for other good and valuable consideration, the receipt, and sufficiency of which are hereby acknowledged, the Guarantor covenants and agrees as follows:

1. Guaranty of Payment. The Guarantor hereby irrevocably and unconditionally guarantees the due punctual and full payment of any and all obligations of the Company to the Counterparty now or hereafter due pursuant to the Agreement or pursuant to Applicable Law (as defined in the Agreement) in connection with the activities of the parties under the Agreement (the "Guaranteed Obligation"), subject to the limits set forth herein. Upon any failure by the Company to pay any of the Guaranteed Obligation, the Guarantor agrees that it will forthwith on demand pay any amounts which the Company has failed to pay the Counterparty, at the place and in the manner specified in the Agreement. This guaranty is a guaranty of payment and not merely a guaranty of collection. The Guarantor agrees that the Counterparty may resort to the Guarantor for payment of any of the Guaranteed Obligation, whether or not the Counterparty shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Guaranteed Obligation. Guarantor reserves the right to assert defenses which the Company may have to payment of any Guaranteed Obligation other than defenses based on lack of capacity, lack of authorization, lack of due execution, illegality, or limitations of actions, or arising from the bankruptcy, insolvency, or similar proceeding of the Company and other defenses expressly waived hereby.

The Guarantor agrees that, in the event of the dissolution or bankruptcy of the Company, if such event shall occur at a time when any of the Guaranteed Obligation may not then be due and payable, the Guarantor will pay the Counterparty forthwith the full amount which would be payable hereunder by the Guarantor if all such Guaranteed Obligations were then due and payable and in default.

2. Guaranty Unconditional and Absolute. The obligations of the Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(A) any extension, renewal, settlement, compromise, waiver, discharge, or release in respect of any Guaranteed Obligation of the Company;

(B) the existence, or extent of, any release, exchange, surrender, non-perfection, or invalidity of any direct or indirect security for any of the Guaranteed Obligation;

(C) any modification, amendment, waiver, extension of or supplement to the Agreement or any of the Guaranteed Obligation agreed to from time to time by the Company and the Counterparty;

(D) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of the Company or the Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Company or its assets, the Guarantor or any other guarantor of any of the Guaranteed Obligation;

(E) the existence of any claim, set-off, or other rights which the Guarantor may have at any time against the Company, the Counterparty, or any other corporation or person, whether in connection herewith or in connection with any related or unrelated transaction; provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim if such claim, set off, or other right arose in connection with the Guaranteed Obligation.

3. Term: Reinstatement in Certain Circumstances. This Guaranty shall remain in full force and effect until the date on which the Company is entitled by the Agreement to a release of its Security provided thereunder. Such termination shall not release Guarantor from liability for any Guaranteed Obligation arising prior to the effective date of such termination (even if the amount of such Guaranteed Obligation is not then fully determined). If at any time any payment of any of the Guaranteed Obligation is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of the Company, the Guarantor's obligations hereunder with respect to such payment shall be reinstated at such time as though such payment had not been made.

4. Waiver by the Guarantor. The Guarantor irrevocably waives acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of any sale of collateral and any notice not provided for herein, and any requirement that at any time any person exhaust any right to take any action against the Company or its assets or any other guarantor or person. Without limitation of the foregoing, Guarantor expressly waives and agrees to waive its rights under Chapter 43 of the Texas Civil Practice and Remedies Code and releases and agrees to release the Counterparty from its obligations thereunder.

5. Subrogation. Upon making any payment hereunder, the Guarantor shall be subrogated to the rights of the Counterparty against the Company with respect to such payment; provided that the Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the Guaranteed Obligation then due shall have been paid in full and Counterparty agrees to take at Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation.

6. Stay of Acceleration Ineffective with Respect to Guarantor. In the event that acceleration of the time for payment of any amount payable by the Company under the Agreement is stayed upon the insolvency, bankruptcy or reorganization of the Company, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the Agreement shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the Counterparty.

7. Assignment: Successors and Assigns. The Guaranty shall be binding upon and inure to the benefit of the Guarantor and its successors and assigns and the Counterparty and its successors and assigns. Guarantor may not assign its rights and obligations hereunder without the prior written consent of the Counterparty, and any such purported assignment without such written consent will be void.

8. Amendments and Waivers. No provision of this Guaranty may be amended, supplemented, or modified, nor any of the terms and conditions hereof waived, except by a written instrument executed by the Guarantor and the Counterparty.

9. Remedies Cumulative. The rights, powers, remedies, and privileges provided in this Guaranty are cumulative and not exclusive of any rights, powers, remedies, and privileges provided by law and any other agreement.

10. Limitation. Notwithstanding anything in this Guaranty to the contrary, Guarantor's liability under this Guaranty and the Counterparty's right of recovery under the same shall be limited to an aggregate amount of _____ Dollars (\$ _____). In no event shall Guarantor be subject hereunder to consequential, exemplary, equitable, loss of profits, punitive, or any other damages, except to the extent specifically provided in the Agreement to be due from Company. In the event Counterparty engages in litigation to enforce this Guaranty, Guarantor agrees to pay, in addition to any amounts of Debtor which Guarantor has otherwise guaranteed to pay hereunder, any and all costs and expenses incurred by Counterparty (including reasonable attorney's fees) in enforcing this Guaranty provided Counterparty is successful in such litigation.

11. Representations and Warranties.

(A) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.

(B) The execution, delivery, and performance of the Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene any provision of law or of the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.

(C) All consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Guaranty have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by and no

notice to or filing with, any governmental authority is required in connection with the execution, delivery, or performance of this Guaranty.

(D) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

12. Notices. All notices or communications to the other party may be faxed and shall be followed in writing by registered or certified mail, or overnight delivery service to:

To Guarantor:

Attn: _____

Fax: ()

To Counterparty:

American Electric Power Service Corporation
Attn: Managing Director, Credit Risk Management
155 West Nationwide Blvd, Suite 500
Columbus, OH 43215
Fax: (614) 324-4591

or such other address as each party shall from time to time specify.

13. GOVERNING LAW AND JURISDICTION. THIS GUARANTY WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE.

14. Third Party Beneficiaries. This Guaranty shall not be construed to create any third party beneficiary relationship as to or with any person or entity other than the Counterparty.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed as of the date first above written.

(_____)

By: _____

Name:

Title: