SERVICE AGREEMENT NO. 2648

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STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT   
 BETWEEN THE

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.   
 AND

NEW YORK POWER AUTHORITY   
 Dated as of August 27, 2021

(North Country Energy Storage)

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This Standard Small Generator Interconnection Agreement (“Agreement” or “SGIA”) is made   
and entered into this 27th day of August, 2021, by and between the New York Independent   
System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the   
State of New York (“NYISO”) and New York Power Authority, a municipal instrumentality   
organized and existing under the laws of the State of New York (“NYPA”), each hereinafter   
sometimes referred to individually as “Party” or referred to collectively as the “Parties.”

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

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Article 1 Scope and Limitations of Agreement

1.1 Applicability

This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW   
Inverter Process contained in SGIP Attachment 5.

1.2 Purpose

This Agreement governs the terms and conditions under which NYPA’s Small

Generating Facility will interconnect with, and operate in parallel with, the New York State Transmission System or the Distribution System.

1.3 Scope of Interconnection Service

1.3.1 The NYISO will provide Energy Resource Interconnection Service to NYPA at   
 the Point of Interconnection.

1.3.2 This Agreement does not constitute an agreement to purchase or deliver power.

The purchase or delivery of power and other services that NYPA may require will   
be covered under separate agreements, if any, or applicable provisions of   
NYISO’s tariffs. NYPA will be responsible for separately making all necessary   
arrangements (including scheduling) for delivery of electricity in accordance with   
the applicable provisions of the ISO OATT. The execution of this Agreement   
does not constitute a request for, nor agreement to, provide Energy, any Ancillary   
Services or Installed Capacity under the NYISO Services Tariff. If NYPA wishes   
to supply or purchase Energy, Installed Capacity or Ancillary Services, then   
NYPA will make application to do so in accordance with the NYISO Services   
Tariff.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement by and between the NYISO and NYPA, except as otherwise expressly provided herein.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all   
 Applicable Laws and Regulations, Operating Requirements, and Good Utility   
 Practice.

1.5.2 NYPA shall construct, interconnect, operate and maintain the Small Generating   
 Facility and construct, operate, and maintain the Interconnection Facilities in   
 accordance with the applicable manufacturer’s recommended maintenance   
 schedule, and in accordance with this Agreement, and with Good Utility Practice.

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1.5.3 NYPA shall construct, operate, and maintain the Upgrades covered by this

Agreement in accordance with this Agreement, and with Good Utility Practice.

1.5.4 NYPA agrees to construct its facilities or systems in accordance with applicable

specifications that meet or exceed those provided by the National Electrical

Safety Code, the American National Standards Institute, IEEE, Underwriter’s

Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. NYPA agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of any Affected Systems.

1.5.5 NYPA shall operate, maintain, repair, and inspect, and shall be fully responsible

for the safe installation, maintenance, repair and condition of the facilities that it   
now or subsequently may own unless otherwise specified in the Attachments to   
this Agreement. NYPA shall provide Interconnection Facilities that adequately   
protect the electric system, its personnel, and other persons from damage and   
injury. NYPA’s responsibility for the design, installation, operation, maintenance   
and ownership of Interconnection Facilities shall be described in the Attachments   
to this Agreement.

1.5.6 The NYISO shall coordinate with all Affected Systems to support the

interconnection. NYPA shall cooperate with the NYISO in these efforts.

1.5.7 NYPA shall ensure “frequency ride through” capability and “voltage ride

through” capability of its Small Generating Facility. NYPA shall enable these   
capabilities such that its Small Generating Facility shall not disconnect   
automatically or instantaneously from its system or equipment and any Affected   
Systems for a defined under-frequency or over-frequency condition, or an under-  
voltage or over-voltage condition, as tested pursuant to section 2.1 of this   
agreement. The defined conditions shall be in accordance with Good Utility   
Practice and consistent with any standards and guidelines that are applied to other   
generating facilities in the Balancing Authority Area on a comparable basis. The   
Small Generating Facility’s protective equipment settings shall comply with   
NYPA’s automatic load-shed program. NYPA shall review the protective   
equipment settings to confirm compliance with the automatic load-shed program.   
The term “ride through” as used herein shall mean the ability of a Small   
Generating Facility to stay connected to and synchronized with NYPA’s system   
or equipment and any Affected Systems during system disturbances within a   
range of conditions, in accordance with Good Utility Practice and consistent with   
any standards and guidelines that are applied to other generating facilities in the   
Balancing Authority on a comparable basis. The term “frequency ride through” as   
used herein shall mean the ability of a Small Generating Facility to stay connected   
to and synchronized with NYPA’s system or equipment and any Affected   
Systems during system disturbances within a range of under-frequency and over-  
frequency conditions, in accordance with Good Utility Practice and consistent   
with any standards and guidelines that are applied to other generating facilities in

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the Balancing Authority Area on a comparable basis. The term “voltage ride

through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with NYPA’s system or equipment and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation,   
NYPA shall abide by all rules and procedures pertaining to the parallel operation of the Small   
Generating Facility in the applicable control area, including, but not limited to: (1) the rules and   
procedures concerning the operation of generation set forth in the NYISO tariffs or ISO   
Procedures or NYPA’s tariff; (2) any requirements consistent with Good Utility Practice or that   
are necessary to ensure the safe and reliable operation of the Transmission System or   
Distribution System; and (3) the Operating Requirements set forth in Attachment 5 of this   
Agreement.

1.7 Metering

NYPA shall be responsible for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. NYPA’s metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. NYPA shall design its Small Generating

Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the NYISO or NYPA has established different   
requirements that apply to all similarly situated generators in the New York   
Control Area or Transmission District (as applicable) on a comparable basis, in accordance with Good Utility Practice.

1.8.1.2 Non-Synchronous Generation. NYPA shall design its Small Generating   
Facility to maintain a composite power delivery at continuous rated power output   
at the high-side of the generator substation at a power factor within the range of

0.95 leading to 0.95 lagging, unless the NYISO or NYPA has established a

different power factor range that applies to all similarly situated non-synchronous   
generators in the control area or Transmission District (as applicable) on a   
comparable basis, in accordance with Good Utility Practice. This power factor   
range standard shall be dynamic and can be met using, for example, power   
electronics designed to supply this level of reactive capability (taking into account

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any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of September 21, 2016.

1.8.2 The NYISO is required to pay NYPA for reactive power, or voltage support

service, that NYPA provides from the Small Generating Facility in accordance with Rate Schedule 2 of the NYISO Services Tariff.

1.8.3 Primary Frequency Response. NYPA shall ensure the primary frequency

response capability of its Small Generating Facility by installing, maintaining, and   
operating a functioning governor or equivalent controls. The term “functioning   
governor or equivalent controls” as used herein shall mean the required hardware   
and/or software that provides frequency responsive real power control with the   
ability to sense changes in system frequency and autonomously adjust the Small   
Generating Facility’s real power output in accordance with the droop and   
deadband parameters and in the direction needed to correct frequency deviations.   
NYPA is required to install a governor or equivalent controls with the capability   
of operating: (1) with a maximum 5 percent droop and ±0.036 Hz deadband; or

(2) in accordance with the relevant droop, deadband, and timely and sustained

response settings from an approved Applicable Reliability Standard providing for   
equivalent or more stringent parameters. The droop characteristic shall be: (1)   
based on the nameplate capacity of the Small Generating Facility, and shall be   
linear in the range of frequencies between 59 to 61 Hz that are outside of the   
deadband parameter; or (2) based on an approved Applicable Reliability Standard   
providing for an equivalent or more stringent parameter. The deadband parameter   
shall be: the range of frequencies above and below nominal (60 Hz) in which the   
governor or equivalent controls is not expected to adjust the Small Generating   
Facility’s real power output in response to frequency deviations. The deadband   
shall be implemented: (1) without a step to the droop curve, that is, once the   
frequency deviation exceeds the deadband parameter, the expected change in the   
Small Generating Facility’s real power output in response to frequency deviations   
shall start from zero and then increase (for under-frequency deviations) or   
decrease (for over-frequency deviations) linearly in proportion to the magnitude   
of the frequency deviation; or (2) in accordance with an approved Applicable   
Reliability Standard providing for an equivalent or more stringent parameter.   
NYPA shall notify NYISO that the primary frequency response capability of the   
Small Generating Facility has been tested and confirmed during commissioning.   
Once NYPA has synchronized the Small Generating Facility with the New York   
State Transmission System, NYPA shall operate the Small Generating Facility   
consistent with the provisions specified in Articles 1.8.3.1 and 1.8.3.2 of this   
Agreement. The primary frequency response requirements contained herein shall   
apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.3.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the New York State Transmission System, NYPA shall operate the Small Generating Facility with its governor or equivalent

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controls in service and responsive to frequency. NYPA shall: (1) in coordination   
with NYISO, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set   
the droop parameter to a maximum of 5 percent; or (2) implement the relevant   
droop and deadband settings from an approved Applicable Reliability Standard   
that provides for equivalent or more stringent parameters. NYPA shall be   
required to provide the status and settings of the governor and equivalent controls   
to NYISO upon request. If NYPA needs to operate the Small Generating Facility   
with its governor or equivalent controls not in service, NYPA shall immediately   
notify NYISO and provide the following information: (1) the operating status of   
the governor or equivalent controls (i.e., whether it is currently out of service or   
when it will be taken out of service); (2) the reasons for removing the governor or   
equivalent controls from service; and (3) a reasonable estimate of when the   
governor or equivalent controls will be returned to service. NYPA shall make   
Reasonable Efforts to return its governor or equivalent controls into service as   
soon as practicable. NYPA shall make Reasonable Efforts to keep outages of the   
Small Generating Facility’s governor or equivalent controls to a minimum   
whenever the Small Generating Facility is operated in parallel with the New York   
State Transmission System.

1.8.3.2 Timely and Sustained Response. NYPA shall ensure that the Small   
Generating Facility’s real power response to sustained frequency deviations   
outside of the deadband setting is automatically provided and shall begin   
immediately after frequency deviates outside of the deadband, and to the extent   
the Small Generating Facility has operating capability in the direction needed to   
correct the frequency deviation. NYPA shall not block or otherwise inhibit the   
ability of the governor or equivalent controls to respond and shall ensure that the   
response is not inhibited, except under certain operational constraints including,   
but not limited to, ambient temperature limitations, physical energy limitations,   
outages of mechanical equipment, or regulatory requirements. The Small   
Generating Facility shall sustain the real power response at least until system   
frequency returns to a value within the deadband setting of the governor or   
equivalent controls. An Applicable Reliability Standard with equivalent or more   
stringent requirements shall supersede the above requirements.

1.8.3.3 Exemptions. Small Generating Facilities that are regulated by the United   
States Nuclear Regulatory Commission shall be exempt from Articles 1.8.3,

1.8.3.1, and 1.8.3.2 of this Agreement. Small Generating Facilities that are

behind the meter generation that is sized-to-load (i.e., the thermal load and the

generation are near-balanced in real-time operation and the generation is primarily   
controlled to maintain the unique thermal, chemical, or mechanical output   
necessary for the operating requirements of its host facility) shall be required to   
install primary frequency response capability requirements in accordance with the   
droop and deadband capability requirements specified in Article 1.8.3, but shall   
be otherwise exempt from the operating requirements in Articles 1.8.3, 1.8.3.1,

1.8.3.2, and 1.8.3.4 of this Agreement.

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1.8.3.4 Electric Storage Resources. NYPA shall establish an operating range in   
Attachment 5 of its SGIA that specifies a minimum state of charge and a   
maximum state of charge between which the electric storage resource will be   
required to provide primary frequency response consistent with the conditions set   
forth in Articles 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.3 of this Agreement. Attachment

5 shall specify whether the operating range is static or dynamic, and shall consider

(1) the expected magnitude of frequency deviations in the interconnection; (2) the   
expected duration that system frequency will remain outside of the deadband   
parameter in the interconnection; (3) the expected incidence of frequency   
deviations outside of the deadband parameter in the interconnection; (4) the   
physical capabilities of the electric storage resource; (5) operational limitations of   
the electric storage resources due to manufacturer specification; and (6) any other   
relevant factors agreed to between the NYISO and NYPA. If the operating range   
is dynamic, then Attachment 5 must establish how frequently the operating range   
will be reevaluated and the factors that may be considered during its reevaluation.

NYPA’s electric storage resource is required to provide timely and sustained

primary frequency response consistent with Article 1.8.3.2 of this Agreement

when it is online and dispatched to inject electricity to the New York State

Transmission System and/or receive electricity from the New York State

Transmission System. This excludes circumstances when the electric storage

resource is not dispatched to inject electricity to the New York State Transmission   
System and/or dispatched to receive electricity from the New York State   
Transmission System. If NYPA’s electric storage resource is charging at the time   
of a frequency deviation outside of its deadband parameter, it is to increase (for   
over-frequency deviations) or decrease (for under-frequency deviations) the rate   
at which it is charging in accordance with its droop parameter. NYPA’s electric   
storage resource is not required to change from charging to discharging, or vice   
versa, unless the response necessitated by the droop and deadband settings   
requires it to do so and it is technically capable of making such a transition.

1.9 Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement. Capitalized terms used herein that are not so defined shall have the meanings specified in Appendix 1 of Attachment Z, Section 25.1.2 of Attachment S, or Section 30.1 of Attachment X of the ISO OATT.

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Article 2 Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 NYPA shall test and inspect its Small Generating Facility and Interconnection

Facilities prior to interconnection. NYPA shall notify the NYISO of such

activities no fewer than five Business Days (or as may be agreed to by the Parties)   
prior to such testing and inspection. Testing and inspection shall occur on a   
Business Day. NYPA shall provide the NYISO a written test report when such   
testing and inspection is completed. The Small Generating Facility may not   
commence parallel operations if the NYISO finds that the Small Generating   
Facility has not been installed as agreed upon or may not be operated in a safe and   
reliable manner.

2.1.2 The NYISO shall provide NYPA written acknowledgment that it has received the   
 written test report. Such written acknowledgment shall not be deemed to be or   
 construed as any representation, assurance, guarantee, or warranty by the NYISO   
 of the safety, durability, suitability, or reliability of the Small Generating Facility   
 or any associated control, protective, and safety devices owned or controlled by   
 NYPA or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The NYISO, in consultation with NYPA, shall use Reasonable Efforts to list

applicable parallel Operating Requirements in Attachment 5 of this Agreement.

Additionally, the NYISO shall notify NYPA of any changes to these requirements as soon as they are known. The NYISO shall make Reasonable Efforts to   
cooperate with NYPA in meeting requirements necessary for NYPA to commence parallel operations by the in-service date.

2.2.2 NYPA shall not operate its Small Generating Facility in parallel with the New

York State Transmission System or the Distribution System without prior written authorization of the NYISO. The NYISO will provide such authorization once the NYISO receives notification that NYPA has complied with all applicable parallel Operating Requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the NYISO may send a qualified person to the premises   
 of the Small Generating Facility at or immediately before the time the Small   
 Generating Facility first produces energy to inspect the interconnection, and   
 observe the commissioning of the Small Generating Facility (including any   
 required testing), startup, and operation for a period of up to three Business Days   
 after initial start-up of the unit. In addition, NYPA shall notify the NYISO at   
 least five Business Days prior to conducting any on-site verification testing of the   
 Small Generating Facility.

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2.3.2 Following the initial inspection process described above, at reasonable hours, and   
 upon reasonable notice, or at any time without notice in the event of an   
 emergency or hazardous condition, the NYISO shall have access to the Small   
 Generating Facility for any reasonable purpose in connection with the   
 performance of the obligations imposed on it by this Agreement or if necessary to   
 meet its other legal obligations.

2.3.3 Each Party shall be responsible for its own costs associated with following this   
 article.

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Article 3 Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to

acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The NYISO and NYPA shall promptly file, or cause to be filed, this Agreement with FERC upon execution, if required. If the Agreement is disputed and NYPA requests that it be filed with   
FERC in an unexecuted form, the NYISO shall file, or cause to be filed, this Agreement and the NYISO shall identify the disputed language.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect

for a period of twenty-five (25) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with   
article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable   
Laws and Regulations applicable to such termination, including the filing with FERC of a notice   
of termination of this Agreement (if required), which notice has been accepted for filing by   
FERC.

3.3.1 NYPA may terminate this Agreement at any time by giving the NYISO 20

Business Days written notice. The NYISO may terminate this Agreement after the Small Generating Facility is Retired.

3.3.2 Any Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be

disconnected from the New York State Transmission System or the Distribution System, as applicable. All costs required to effectuate such disconnection shall be borne by NYPA, unless such termination resulted from the non-terminating   
Party’s Default of this SGIA or such non-terminating Party otherwise is   
responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve any Party of its liabilities and   
 obligations, owed or continuing at the time of the termination.

3.3.5 The limitations of liability, indemnification and confidentiality provisions of this   
 Agreement shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

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3.4.1 Emergency Conditions

“Emergency Condition” shall mean a condition or situation: (1) that in the judgment of   
the Party making the claim is imminently likely to endanger life or property; or (2) that, in the   
case of the NYISO, is imminently likely (as determined in a non-discriminatory manner) to   
cause a material adverse effect on the security of, or damage to the New York State   
Transmission System or Distribution System, or the electric systems of others to which the New   
York State Transmission System or Distribution System is directly connected; or (3) that, in the   
case of NYPA, is imminently likely (as determined in a non-discriminatory manner) to cause a   
material adverse effect on the security of, or damage to, the Small Generating Facility or the   
Interconnection Facilities. Under Emergency Conditions, the NYISO or NYPA may   
immediately suspend interconnection service and temporarily disconnect the Small Generating   
Facility. The NYISO shall notify NYPA promptly when it becomes aware of an Emergency   
Condition that may reasonably be expected to affect NYPA’s operation of the Small Generating   
Facility. NYPA shall notify the NYISO promptly when it becomes aware of an Emergency   
Condition that may reasonably be expected to affect the New York State Transmission System or   
Distribution System or any Affected Systems. To the extent information is known, the   
notification shall describe the Emergency Condition, the extent of the damage or deficiency, the   
expected effect on the operation of each Party’s facilities and operations, its anticipated duration,   
and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The NYISO may interrupt interconnection service or curtail the output of the Small   
Generating Facility and temporarily disconnect the Small Generating Facility from the New   
York State Transmission System or Distribution System when necessary for routine   
maintenance, construction, and repairs on the New York State Transmission System or   
Distribution System. The NYISO shall provide NYPA five Business Days’ notice prior to such   
interruption. The NYISO and NYPA shall use Reasonable Efforts to coordinate such reduction   
or temporary disconnection.

3.4.3 Forced Outages

During any forced outage, the NYISO may suspend interconnection service to the Small Generating Facility to effect immediate repairs on the New York State Transmission System or the Distribution System. The NYISO shall use Reasonable Efforts to provide NYPA with prior notice. If prior notice is not given, the NYISO shall, upon request, provide NYPA written   
documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The NYISO shall notify NYPA as soon as practicable if, based on Good Utility Practice,   
operation of the Small Generating Facility may cause disruption or deterioration of service to   
other customers served from the same electric system, or if operating the Small Generating   
Facility could cause damage to the New York State Transmission System, the Distribution   
System or Affected Systems, or if disconnection is otherwise required under Applicable   
Reliability Standards or the ISO OATT. Supporting documentation used to reach the decision to

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disconnect shall be provided to NYPA upon request. If, after notice, NYPA fails to remedy the adverse operating effect within a reasonable time, the NYISO may disconnect the Small   
Generating Facility. The NYISO shall provide NYPA with five Business Days notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

NYPA must receive written authorization from the NYISO before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the New York State Transmission System or the Distribution System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If NYPA makes such modification without the prior written authorization of the NYISO, the   
NYISO shall have the right to temporarily disconnect the Small Generating Facility. If   
disconnected, the Small Generating Facility will not be reconnected until the unauthorized   
modifications are authorized or removed.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility,

Interconnection Facilities, and the New York State Transmission System and Distribution

System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

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Article 4 Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 NYPA shall be responsible for the cost of the Interconnection Facilities itemized   
 in Attachment 2 of this Agreement. The NYISO shall provide a best estimate   
 cost, including overheads, for the purchase and construction of the   
 Interconnection Facilities and provide a detailed itemization of such costs. Costs   
 associated with Interconnection Facilities may be shared with other entities that   
 may benefit from such facilities by agreement of NYPA, such other entities, and   
 the NYISO.

4.1.2 NYPA shall be responsible for all expenses, including overheads, associated with   
 owning, operating, maintaining, repairing, and replacing the Interconnection   
 Facilities, as set forth in Attachment 2 to this Agreement.

4.2 Distribution Upgrades

NYPA shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. NYPA shall be responsible for the expenses, including overheads, associated with owning, operating, maintaining, repairing, and replacing the Distribution Upgrades, as set forth in Attachment 6 to this Agreement.

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Article 5 Cost Responsibility for System Upgrade Facilities and System Deliverability

Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires System Upgrade Facilities or System Deliverability Upgrades.

5.2 System Upgrades

NYPA shall procure, construct, install, and own the System Upgrade Facilities and

System Deliverability Upgrades described in Attachment 6 of this Agreement. To the extent that design work is necessary in addition to that already accomplished in the Class Year   
Interconnection Facilities Study for the Small Generating Facility, NYPA shall perform or cause to be performed such work.

5.2.1 As described in Section 32.3.5.3 of the SGIP in Attachment Z of the ISO OATT,   
 the responsibility of NYPA for the cost of the System Upgrade Facilities and   
 System Deliverability Upgrades described in Attachment 6 of this Agreement   
 shall be determined in accordance with Attachment S of the ISO OATT, as   
 required by Section 32.3.5.3.2 of Attachment Z. NYPA shall be responsible for   
 all System Upgrade Facility costs as required by Section 32.3.5.3.2 of Attachment   
 Z or its share of any System Upgrade Facilities and System Deliverability   
 Upgrades costs resulting from the final Attachment S process, as applicable, and   
 Attachment 6 to this Agreement shall be revised accordingly.

5.2.2 Pending the outcome of the Attachment S cost allocation process, if applicable,   
 NYPA may elect to proceed with the interconnection of its Small Generating   
 Facility in accordance with Section 32.3.5.3 of the SGIP.

5.3 Special Provisions for Affected Systems

For the repayment of amounts advanced to the Affected System Operator for System   
Upgrade Facilities or System Deliverability Upgrades, NYPA and Affected System Operator   
shall enter into an agreement that provides for such repayment, but only if responsibility for the   
cost of such System Upgrade Facilities is not to be allocated in accordance with Attachment S of   
the ISO OATT. The agreement shall specify the terms governing payments to be made by   
NYPA to the Affected System Operator as well as the repayment by the Affected System   
Operator.

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Article 6 Billing, Payment, Milestones, and Financial Security

6.1 Reserved.

6.2 Milestones

Subject to the provisions of the SGIP, the Parties shall agree on milestones for which

each Party is responsible and list them in Attachment 4 of this Agreement. A Party’s obligations   
under this provision may be extended by agreement. If a Party anticipates that it will be unable   
to meet a milestone for any reason other than a Force Majeure event, it shall immediately notify   
the other Party of the reason(s) for not meeting the milestone and: (1) propose the earliest   
reasonable alternate date by which it can attain this and future milestones, and (2) requesting   
appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone   
shall not unreasonably withhold agreement to such an amendment unless: (1) it will suffer   
significant uncompensated economic or operational harm from the delay, (2) attainment of the   
same milestone has previously been delayed, or (3) it has reason to believe that the delay in   
meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained   
by the Party proposing the amendment.

6.3 Reserved.

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Article 7 Assignment, Liability, Indemnity, Force Majeure, Consequential Damages,

and Default

7.1 Assignment

This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. This Agreement may be assigned by any Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 A Party may assign this Agreement without the consent of the other Party to any   
 affiliate of the assigning Party with an equal or greater credit rating and with the   
 legal authority and operational ability to satisfy the obligations of the assigning   
 Party under this Agreement, provided that the assigning Party promptly notifies   
 the other Party of such assignment. A Party may assign this Agreement without   
 the consent of the other Party in connection with the sale, merger, restructuring, or   
 transfer of a substantial portion of all of its assets, including the Interconnection   
 Facilities it owns, so long as the assignee in such a transaction directly assumes   
 all rights, duties and obligation arising under this Agreement.

7.1.2 NYPA shall have the right to assign this Agreement, without the consent of the   
 NYISO, for collateral security purposes to aid in providing financing for the   
 Small Generating Facility.

7.1.3 Any attempted assignment that violates this article is void and ineffective.

Assignment shall not relieve a Party of its obligations, nor shall a Party’s

obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the assigning Party. Where required, consent to assignment will not be   
unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party’s liability to the other Party for any loss, cost, claim, injury, liability, or

expense, including reasonable attorney’s fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall any Party be liable to the other Party for any indirect, special,   
consequential, or punitive damages.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a   
 result of carrying out the provisions of this Agreement. Liability under this   
 provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and   
 hold harmless the other Party (each an “ Indemnified Party”) from, any and all   
 damages, losses, claims, including claims and actions relating to injury to or death

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of any person or damage to property, the alleged violation of any Environmental Law, or the release or threatened release of any Hazardous Substance, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other   
obligations by or to third parties (any and all of these a “Loss”), arising out of or resulting from: (i) the Indemnified Party’s performance under this Agreement on behalf of the Indemnifying Party, except in cases where the Indemnifying Party can demonstrate that the Loss of the Indemnified Party was caused by the gross negligence or intentional wrongdoing by the Indemnified Party, or (ii) the   
violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of a Hazardous Substance.

7.3.3 If a Party is entitled to indemnification under this article as a result of a claim by a

third party, and the Indemnifying Party fails, after notice and reasonable

opportunity to proceed under this article, to assume the defense of such claim,   
such Indemnified Party may at the expense of the Indemnifying Party contest,   
settle or consent to the entry of any judgment with respect to, or pay in full, such   
claim.

7.3.4 If an Indemnifying Party is obligated to indemnify and hold any Indemnified

Party harmless under this article, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual loss, net of any insurance or   
other recovery.

7.3.5 Promptly after receipt by an Indemnified Party of any claim or notice of the

commencement of any action or administrative or legal proceeding or

investigation as to which the indemnity provided for in this article may apply, the   
Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of   
or delay in such notification shall not affect a Party’s indemnification obligation   
unless such failure or delay is materially prejudicial to the Indemnifying Party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, no Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or   
revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services,   
whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to   
another Party under another agreement will not be considered to be special, indirect, incidental,   
or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a “Force Majeure Event” shall mean “any act of God, labor   
 disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood,   
 explosion, breakage or accident to machinery or equipment, any order, regulation   
 or restriction imposed by governmental, military or lawfully established civilian

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authorities, or any other cause beyond a Party’s control. A Force Majeure Event   
does not include an act of negligence or intentional wrongdoing.” For the   
purposes of this article, this definition of Force Majeure shall supersede the   
definitions of Force Majeure set out in Section 32.10.1 of the ISO OATT.

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under

this Agreement, the Party affected by the Force Majeure Event (“Affected Party”)   
shall promptly notify the other Party, either in writing or via the telephone, of the   
existence of the Force Majeure Event. The notification must specify in   
reasonable detail the circumstances of the Force Majeure Event, its expected   
duration, and the steps that the Affected Party is taking to mitigate the effects of   
the event on its performance. The Affected Party shall keep the other Party   
informed on a continuing basis of developments relating to the Force Majeure   
Event until the event ends. The Affected Party will be entitled to suspend or   
modify its performance of obligations under this Agreement (other than the   
obligation to make payments) only to the extent that the effect of the Force   
Majeure Event cannot be mitigated by the use of Reasonable Efforts. The   
Affected Party will use Reasonable Efforts to resume its performance as soon as   
possible.

7.6 Breach and Default

7.6.1 No Breach of this Agreement shall exist where such failure to discharge an

obligation (other than the payment of money) is the result of a Force Majeure   
Event or the result of an act or omission of the other Party. Upon a Breach, the   
non-breaching Party shall give written notice of such Breach to the Breaching   
Party. Except as provided in article 7.6.2, the Breaching Party shall have 60   
calendar days from receipt of the Breach notice within which to cure such Breach;   
provided however, if such Breach is not capable of cure within 60 calendar days,   
the Breaching Party shall commence such cure within 20 calendar days after   
notice and continuously and diligently complete such cure within six months from   
receipt of the Breach notice; and, if cured within such time, the Breach specified   
in such notice shall cease to exist.

7.6.2 If a Breach is not cured as provided in this article, or if a Breach is not capable of

being cured within the period provided for herein, a Default shall exist and the

non-defaulting Party shall thereafter have the right to terminate this Agreement, in accordance with article 3.3 hereof, by written notice to the defaulting Party at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not the non-defaulting Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which they are entitled at law or in equity. The provisions of this article shall survive termination of this Agreement.

7.6.3 In the event that NYPA elects to proceed under Section 32.3.5.3 of the SGIP, if

the Interconnection Request is withdrawn or deemed withdrawn pursuant to the SGIP during the term of this Agreement, this Agreement shall terminate.

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Article 8 Insurance

8.1 NYPA shall, at its own expense, maintain in force throughout the period of this

Agreement insurance coverages for the Small Generating Facility in types and amounts consistent with its existing commercial practice for the generating facilities that it owns and operates and Good Utility Practice. Such insurance does not limit or qualify the liabilities and obligations assumed by NYPA under this Agreement. NYPA may self-insure this insurance obligation.

8.2 The NYISO agrees to maintain general liability insurance or self-insurance

consistent with existing commercial practice. Such insurance or self-insurance shall not exclude the liabilities undertaken pursuant to this Agreement.

8.3 The Parties further agree to notify one another whenever an accident or incident

occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

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Article 9 Confidentiality

9.1 Confidential Information shall mean any confidential and/or proprietary information

provided by one Party to the other Party that is clearly marked or otherwise designated   
“Confidential.” For purposes of this Agreement all design, operating specifications, and   
metering data provided by NYPA concerning the Small Generating Facility shall be   
deemed Confidential Information regardless of whether it is clearly marked or otherwise   
designated as such. Confidential Information shall include, without limitation,   
information designated as such by the NYISO Code of Conduct contained in Attachment   
F to the ISO OATT.

9.2 Confidential Information does not include information previously in the public domain,

required to be publicly submitted or divulged by Governmental Authorities (after notice   
to the other Party and after exhausting any opportunity to oppose such publication or   
release), or necessary to be divulged in an action to enforce this Agreement. Each Party   
receiving Confidential Information shall hold such information in confidence and shall   
not disclose it to any third party nor to the public without the prior written authorization   
from the Party providing that information, except to fulfill obligations under this

Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential

Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its

rights under this provision to prevent the release of Confidential Information

without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR §

lb.20, if FERC, during the course of an investigation or otherwise, requests

information from one of the Parties that is otherwise required to be maintained in   
confidence pursuant to this Agreement, the Party shall provide the requested   
information to FERC, within the time provided for in the request for information.   
In providing the information to FERC, the Party may, consistent with 18 CFR §   
388.112, request that the information be treated as confidential and non-public by   
FERC and that the information be withheld from public disclosure. Each Party is   
prohibited from notifying the other Party to this Agreement prior to the release of   
the Confidential Information to FERC. The Party shall notify the other Party to   
this Agreement when it is notified by FERC that a request to release Confidential   
Information has been received by FERC, at which time either of the Parties may   
respond before such information would be made public, pursuant to 18 CFR §   
388.112. Requests from a state regulatory body conducting a confidential   
investigation shall be treated in a similar manner if consistent with the applicable   
state rules and regulations.

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9.4 Consistent with the provisions of this article 9, the Parties to this Agreement will

cooperate in good faith to provide each other, Affected Systems, Affected System Operators, and state and federal regulators the information necessary to carry out the terms of the SGIP and this Agreement.

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Article 10 Disputes

10.1 The NYISO and NYPA agree to attempt to resolve all disputes arising out of the

interconnection process according to the provisions of this article.

10.2 In the event of a dispute, the Parties will first attempt to promptly resolve it on an

informal basis. If the Parties cannot promptly resolve the dispute on an informal basis, then any Party shall provide the other Party with a written Notice of Dispute. Such notice shall describe in detail the nature of the dispute.

10.3 If the dispute has not been resolved within two Business Days after receipt of the notice,

any Party may contact FERC’s Dispute Resolution Service (“DRS”) for assistance in resolving the dispute.

10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an

appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral

evaluation, or technical expert) to assist the Parties in resolving their dispute. The result of this dispute resolution process will be binding only if the Parties agree in advance. DRS can be reached at 1-877-337-2237 or via the internet at

[http://www.ferc.gov/legal/adr.asp.](http://www.ferc.gov/legal/adr.asp./)

10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for

one-half of any costs paid to neutral third-parties.

10.6 If any Party elects to seek assistance from the DRS, or if the attempted dispute resolution

fails, then any Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

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Article 11 Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC

policy and Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other Party to maintain the other Party’s tax status.

Nothing in this Agreement is intended to adversely affect the tax status of any Party

including the status of NYISO, or the status of NYPA with respect to the issuance of

bonds including, but not limited to, Local Furnishing Bonds. Notwithstanding any other   
provisions of this Agreement, NYPA shall not be required to comply with any provisions   
of this Agreement that would result in the loss of tax-exempt status of any of their Tax-  
Exempt Bonds or impair its ability to issue future tax-exempt obligations. For purposes   
of this provision, Tax-Exempt Bonds shall include the obligations of NYPA, the interest   
on which is not included in gross income under the Internal Revenue Code.

11.3 NYPA does not waive its exemption, pursuant to Section 201(f) of the FPA, from

Commission jurisdiction with respect to the Commission’s exercise of the FPA’s general ratemaking authority.

11.4 Except where otherwise noted, all costs, deposits, financial obligations and the like

specified in this Agreement shall be assumed not to reflect the impact of applicable taxes.

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Article 12 Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of New York, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party   
expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by the Parties, or under article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any   
character whatsoever in favor of any persons, corporations, associations, or entities other than the   
Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their   
successors in interest and where permitted, their assigns. Notwithstanding the foregoing, any   
subcontractor of NYPA or NYISO assisting either of those Parties with the Interconnection   
Request covered by this Agreement shall be entitled to the benefits of indemnification provided   
for under Article 7.3 of this Agreement and the limitation of liability provided for in Article 7.2   
of this Agreement.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict

performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by a Party of its rights with respect to this Agreement   
 shall not be deemed a continuing waiver or a waiver with respect to any other   
 failure to comply with any other obligation, right, duty of this Agreement.   
 Termination or default of this Agreement for any reason by NYPA shall not   
 constitute a waiver of NYPA’s legal rights to obtain an interconnection from the   
 NYISO. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or   
covenants which constitute any part of the consideration for, or any condition to, any Party’s compliance with its obligations under this Agreement.

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12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint

venture, agency relationship, or partnership between the Parties or to impose any partnership

obligation or partnership liability upon any Party. No Party shall have any right, power or

authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other   
Governmental Authority, (1) such portion or provision shall be deemed separate and   
independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the   
benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware   
and software is essential to ensure day-to-day reliability and operational security. FERC expects   
the NYISO and NYPA to comply with the recommendations offered by the President’s Critical   
Infrastructure Protection Board and, eventually, best practice recommendations from the electric   
reliability authority. All public utilities are expected to meet basic standards for system   
infrastructure and operational security, including physical, operational, and cyber-security   
practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of   
any hazardous substances, any asbestos or lead abatement activities, or any type of remediation   
activities related to the Small Generating Facility or the Interconnection Facilities, each of which   
may reasonably be expected to affect the other Party. The notifying Party shall: (1) provide the   
notice as soon as practicable, provided such Party makes a good faith effort to provide the notice   
no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly

furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any

subcontractor as it deems appropriate to perform its obligations under this Agreement; provided,   
however, that each Party shall require its subcontractors to comply with all applicable terms and

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conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring

Party of any of its obligations under this Agreement. The hiring Party   
shall be fully responsible to the other Party to the extent provided for in   
Articles 7.2 and 7.3 above for the acts or omissions of any subcontractor   
the hiring Party hires as if no subcontract had been made; provided,   
however, that in no event shall the NYISO be liable for the actions or   
inactions of NYPA or its subcontractors with respect to obligations of   
NYPA under this Agreement. Any applicable obligation imposed by this   
Agreement upon the hiring Party shall be equally binding upon, and shall   
be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any

limitation of subcontractor’s insurance.

12.12 Reservation of Rights

Nothing in this Agreement shall alter the right of the NYISO or NYPA to make unilateral   
filings with FERC to modify this Agreement with respect to any rates, terms and conditions,   
charges, classifications of service, rule or regulation under Section 205 or any other applicable   
provision of the Federal Power Act and FERC’s rules and regulations thereunder which rights   
are expressly reserved herein; provided that each Party shall have the right to protest any such   
filing by another Party and to participate fully in any proceeding before FERC in which such   
modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties   
or of FERC under Sections 205 or 206 of the Federal Power Act and FERC’s rules and   
regulations, except to the extent that the Parties otherwise agree as provided herein.

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Article 13 Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to NYPA :

New York Power Authority

Attn: Sr Vice President Power Supply Address: Blenheim Gilboa Project Valenti Road

City: Gilboa State: NY Zip: 12076 Phone: (518) 287-6301

If to the NYISO:

Before Commercial Operation of the Small Generating Facility

New York Independent System Operator, Inc.

Attention: Vice President, System and Resource Planning Address: 10 Krey Boulevard

City: Rensselaer State: NY Zip: 12144

Phone: (518) 356-6000

After Commercial Operation:

New York Independent System Operator, Inc. Attention: Vice President, Operations   
Address: 10 Krey Boulevard

City: Rensselaer State: NY Zip: 12144

Phone: (518) 356-6000

13.2 Reserved.

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone or e-mail to the telephone numbers and e-mail addresses set out below:

If to NYPA:

New York Power Authority

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Attn: Sr Vice President Power Supply Address: Blenheim Gilboa Project Valenti Road

City: Gilboa State: NY Zip: 12076 Phone: (518) 287-6301

Email: Brian.Saez@nypa.gov

If to the NYISO:

New York Independent System Operator, Inc. Attention: Vice President, Operations   
Address: 10 Krey Boulevard

City: Rensselaer State: NY Zip: 12144

Phone: (518) 356-6000

E-mail: interconnectionsupport@nyiso.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications   
which may be necessary or convenient for the administration of this Agreement. This person   
will also serve as the point of contact with respect to operations and maintenance of the Party’s   
facilities.

NYPA’s Operating Representative:

New York Power Authority

Attn: Sr Vice President Power Supply Address: Blenheim Gilboa Project   
Valenti Road

City: Gilboa State: NY Zip: 12076

Phone: (518) 287-6301

NYISO’s Operating Representative:

New York Independent System Operator, Inc. Attention: Vice President, Operations   
Address: 10 Krey Boulevard

City: Rensselaer State: NY Zip: 12144

Phone: (518) 356-6000

E-mail: interconnectionsupport@nyiso.com

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

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Article 14 Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the New York Independent System Operator, Inc. By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For New York Power Authority

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Attachment 1

Glossary of Terms

Affected System - An electric system other than the transmission system owned, controlled or operated by NYPA that may be affected by the proposed interconnection.

Affected System Operator - Affected System Operator shall mean the operator of any Affected   
System.

Affected Transmission Owner -The New York public utility or authority (or its designated

agent) other than NYPA that: (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System   
Deliverability Upgrades or System Upgrade Facilities are installed pursuant to Attachment Z and Attachment S to the ISO OATT.

Applicable Laws and Regulations - All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or   
administrative orders, permits and other duly authorized actions of any Governmental Authority, including but not limited to Environmental Law.

Applicable Reliability Standards - The criteria, requirements and guidelines of the North

American Electric Reliability Council, the Northeast Power Coordinating Council, the New York   
State Reliability Council and related and successor organizations, or the Transmission District to   
which the Small Generating Facility is directly interconnected, as those criteria, requirements   
and guidelines are amended and modified and in effect from time to time; provided that no Party   
shall waive its right to challenge the applicability of or validity of any criterion, requirement or   
guideline as applied to it in the context of Attachment Z to the ISO OATT and this Agreement.   
For the purposes of this Agreement, this definition of Applicable Reliability Standards shall   
supersede the definition of Applicable Reliability Standards set out in Attachment X to the ISO   
OATT.

Base Case - The base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Parties; described in Section 30.2.3 of the Large Facility Interconnection Procedures.

Breach - The failure of a Party to perform or observe any material term or condition of this Agreement.

Business Day - Monday through Friday, excluding federal holidays.

Capacity Resource Interconnection Service -The service provided by NYISO to

Interconnection Customers that satisfy the NYISO Deliverability Interconnection Standard or that are otherwise eligible to receive CRIS in accordance with Attachment S to the ISO OATT; such service being one of the eligibility requirements for participation as a NYISO Installed   
Capacity Supplier.

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Commercial Operation shall mean the status of the Small Generating Facility that has

commenced generating electricity for sale, excluding electricity generated during Trial

Operation, notice of which must be provided to the NYISO in the form of Attachment 8 to this Agreement.

Commercial Operation Date of a unit shall mean the date on which the Large Generating

Facility commences Commercial Operation as agreed to by the Parties, notice of which must be provided to the NYISO in the form of Attachment 8 to this Agreement.

Connecting Transmission Owner - The New York public utility or authority (or its designated   
agent) that: (i) owns facilities used for the transmission of Energy in interstate commerce and   
provides Transmission Service under the Tariff, (ii) owns, leases or otherwise possesses an   
interest in the portion of the New York State Transmission System or Distribution System at the   
Point of Interconnection, and (iii) is a Party to the Standard Small Generator Interconnection   
Agreement. For purposes of this Agreement, NYPA is the Connecting Transmission Owner.

Default - The failure of a Party in Breach of this Agreement to cure such Breach under the Small Generator Interconnection Agreement.

Distribution System - The Transmission Owner’s facilities and equipment used to distribute   
electricity that are subject to FERC jurisdiction, and are subject to the NYISO’s Large Facility Interconnection Procedures in Attachment X to the ISO OATT or Small Generator   
Interconnection Procedures in Attachment Z to the ISO OATT under FERC Order Nos. 2003   
and/or 2006. For the purpose of this Agreement, the term Distribution System shall not include LIPA’s distribution facilities.

Distribution Upgrades - The additions, modifications, and upgrades to the Connecting

Transmission Owner’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer’s wholesale sale of electricity in interstate commerce.   
Distribution Upgrades do not include Interconnection Facilities or System Upgrade Facilities or System Deliverability Upgrades.

Energy Resource Interconnection Service - The service provided by NYISO to interconnect   
the Interconnection Customer’s Small Generating Facility to the New York State Transmission   
System or Distribution System in accordance with the NYISO Minimum Interconnection   
Standard, to enable the New York State Transmission System to receive Energy and Ancillary   
Services from the Small Generating Facility, pursuant to the terms of the ISO OATT.

Force Majeure - Any act of God, labor disturbance, act of the public enemy, war, insurrection,   
riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order,   
regulation or restriction imposed by governmental, military or lawfully established civilian   
authorities, or any other cause beyond a Party’s control. A Force Majeure event does not include   
an act of negligence or intentional wrongdoing. For the purposes of this Agreement, this   
definition of Force Majeure shall supersede the definitions of Force Majeure set out in Section

32.2.11 of the NYISO Open Access Transmission Tariff.

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Good Utility Practice - Any of the practices, methods and acts engaged in or approved by a

significant portion of the electric industry during the relevant time period, or any of the practices,   
methods and acts which, in the exercise of reasonable judgment in light of the facts known at the   
time the decision was made, could have been expected to accomplish the desired result at a   
reasonable cost consistent with good business practices, reliability, safety and expedition. Good   
Utility Practice is not intended to be limited to the optimum practice, method, or act to the   
exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted   
in the region.

Governmental Authority - Any federal, state, local or other governmental regulatory or

administrative agency, court, commission, department, board, or other governmental subdivision,   
legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over   
the Parties, their respective facilities, or the respective services they provide, and exercising or   
entitled to exercise any administrative, executive, police, or taxing authority or power; provided,   
however, that such term does not include NYPA, NYISO, Affected Transmission Owner, or any   
Affiliate thereof.

Initial Synchronization Date shall mean the date upon which the Small Generating Facility is initially synchronized and upon which Trial Operation begins, notice of which must be provided to the NYISO in the form of Attachment 7.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably

expects it will be ready to begin use of the Interconnection Facilities to obtain back feed power.

Interconnection Customer - Any entity, including the Transmission Owner or any of the

affiliates or subsidiaries, that proposes to interconnect its Small Generating Facility with the New York State Transmission System or the Distribution System. For purposes of this Agreement, NYPA is the Interconnection Customer.

Interconnection Facilities - All facilities and equipment between the Small Generating Facility   
and the Point of Interconnection, including any modification, additions or upgrades that are   
necessary to physically and electrically interconnect the Small Generating Facility to the New   
York State Transmission System or the Distribution System. Interconnection Facilities are sole   
use facilities and shall not include Distribution Upgrades or System Upgrade Facilities.

Interconnection Request - The Interconnection Customer’s request, in accordance with the

Tariff, to interconnect a new Small Generating Facility, or to materially increase the capacity of,   
or make a material modification to the operating characteristics of, an existing Small Generating   
Facility that is interconnected with the New York State Transmission System or the Distribution   
System. For the purposes of this Agreement, this definition of Interconnection Request shall   
supersede the definition of Interconnection Request set out in Attachment X to the ISO OATT.

Interconnection Study - Any study required to be performed under Sections 32.2 or 32.3 of the   
SGIP.

Material Modification - A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

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New York State Transmission System - The entire New York State electric transmission

system, which includes: (i) the Transmission Facilities under ISO Operational Control; (ii) the

Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.

NYISO Deliverability Interconnection Standard - The standard that must be met, unless

otherwise provided for by Attachment S to the ISO OATT, by (i) any generation facility larger   
than 2MW in order for that facility to obtain CRIS; (ii) any Class Year Transmission Project   
proposing to interconnect to the New York State Transmission System and receive Unforced   
Capacity Delivery Rights; (iii) any entity requesting External CRIS Rights, and (iv) any entity   
requesting a CRIS transfer pursuant to Section 25.9.5 of Attachment S to the ISO OATT. To   
meet the NYISO Deliverability Interconnection Standard, the Interconnection Customer must, in   
accordance with the rules in Attachment S to the ISO OATT, fund or commit to fund any System   
Deliverability Upgrades identified for its project in the Class Year Deliverability Study.

NYISO Minimum Interconnection Standard - The reliability standard that must be met by   
any generation facility or Class Year Transmission Project that is subject to NYISO’s Large   
Facility Interconnection Procedures in Attachment X to the ISO OATT or the NYISO’s Small   
Generator Interconnection Procedures in this Attachment Z, that is proposing to connect to the   
New York State Transmission System or Distribution System, to obtain ERIS. The Minimum   
Interconnection Standard is designed to ensure reliable access by the proposed project to the   
New York State Transmission System or to the Distribution System. The Minimum

Interconnection Standard does not impose any deliverability test or deliverability requirement on the proposed interconnection.

Operating Requirements - Any operating and technical requirements that may be applicable   
due to Regional Transmission Organization, Independent System Operator, control area, or   
NYPA’s requirements, including those set forth in the Small Generator Interconnection   
Agreement. Operating Requirements shall include Applicable Reliability Standards.

Party or Parties - The NYISO, NYPA or both the NYISO and NYPA.

Point of Interconnection - The point where the Interconnection Facilities connect with the New York State Transmission System or the Distribution System.

Reasonable Efforts - With respect to an action required to be attempted or taken by a Party   
under this Agreement, efforts that are timely and consistent with Good Utility Practice and are   
otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility - The Interconnection Customer’s facility, no larger than 20 MW for   
the production and/or storage for later injection of electricity identified in the Interconnection   
Request if proposing to interconnect to the New York State Transmission System or Distribution   
System, but shall not include (i) facilities proposing to simply receive power from the New York   
State Transmission System or the Distribution System; (ii) facilities proposing to interconnect to   
the New York State Transmission System or the Distribution System made solely for the purpose   
of generation with no wholesale sale for resale nor to net metering; (iii) facilities proposing to the   
New York State Transmission System or the Distribution System made solely for the purpose of

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net metering; (iv) facilities proposing to interconnect to LIPA’s distribution facilities; and (v) the Interconnection Customer’s Interconnection Facilities. A facility will be treated as a single Small Generating Facility if all units within the facility are behind a single facility meter, even if such units are different technology types.

System Deliverability Upgrades - The least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications or additions to the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Deliverability Interconnection Standard for   
Capacity Resource Interconnection Service.

System Upgrade Facilities - The least costly configuration of commercially available

components of electrical equipment that can be used, consistent with Good Utility Practice and   
Applicable Reliability Requirements to make the modifications to the existing transmission   
system that are required to maintain system reliability due to: (i) changes in the system,   
including such changes as load growth and changes in load pattern, to be addressed in the form   
of generic generation or transmission projects; and (ii) proposed interconnections. In the case of   
proposed interconnection projects, System Upgrade Facilities are the modification or additions to   
the existing New York State Transmission System that are required for the proposed project to   
connect reliably to the system in a manner that meets the NYISO Minimum Interconnection   
Standard.

Tariff - The NYISO’s Open Access Transmission Tariff, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

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

Upgrades - The required additions and modifications to NYPA’s portion of the New York State Transmission System or the Distribution System at or beyond the Point of Interconnection.   
Upgrades may be System Upgrade Facilities or System Deliverability Upgrades Distribution Upgrades. Upgrades do not include Interconnection Facilities.

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Attachment 2

Detailed Scope of Work, Including Description and Costs of the Small Generating Facility,   
 Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and

metering equipment shall be itemized and identified as being owned by NYPA, as applicable. The NYISO, in consultation with NYPA, will provide a best estimate itemized cost, including overheads, of the Interconnection Facilities and metering equipment, and a best estimate   
itemized cost of the annual operation and maintenance expenses associated with its   
Interconnection Facilities and metering equipment.

A. PROJECT DESCRIPTION

The Small Generating Facility is a 20 MW energy storage facility located in the town of Burke in Franklin County, NY. The Small Generating Facility consists of ten (10) 2.475 MVA inverters. Power from each inverter will be stepped up to 13.8 kV through a 13.8/0.434 kV generator step up (“GSU”) transformer for each inverter.

The 13.8 kV collection system will bring the combined power output to one (1) 115/13.8 kV transformer which is connected to NYPA’s Willis 115 kV Substation.

As depicted in Figure 1 in Attachment 3, the Point of Interconnection (“POI”) for the Small Generating Facility will be at NYPA’s Willis 115 kV Substation.

B. INTERCONNECTION FACILITIES

As depicted in Figure 1 in Attachment 3, the Interconnection Facilities will consist of the following:

• one (1) 115 kV, 3000 A circuit breaker;

• three (3) 115 kV, 2000 A manually operated disconnect switches;

• two (2) 115 kV, 2000 A grounded motor operated disconnect switches;

• three (3) three-phase 120 kV surge arresters;

• one (1) underground 115 kV cable;

• one (1) capacitor-coupled voltage transformer (CCVT);

• one (1) 115kV/13.8kV 25MVA transformer;

• one (1) 13.8kV/ 208V 1,500KVA station service transformer;

• current and potential transformer (CT/PT) units for revenue metering;

• control and protective equipment;

• relay settings;

• support structures; and

• foundations.

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C. SCOPE OF WORK AND RESPONSIBILTIIES

NYPA will design, procure, and construct the Interconnection Facilities in accordance

with its applicable technical requirements. All Interconnection Facilities are owned by NYPA.

D. COST ESTIMATES FOR INTERCONNECTION FACILITIES

Description Estimated Costs

Interconnection Facilities $4,800,000.00

Total $4,800,000.00

E. O&M EXPENSES FOR INTERCONNECTION FACILITES

NYPA shall be responsible for the Operating and Maintenance (“O&M”) Expenses   
associated with the Interconnection Facilities, as provided in Section 4.1 of this Agreement.

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Attachment 3

Figure 1

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

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Attachment 4

Milestones

In-Service Date: 03/22/2022

Critical milestones and responsibility as agreed to by the Parties:

Milestone

1. Engineering Design Complete

2. Construction Complete

3. Initial Synchronization Date

4. Commercial Operation Date   
5. In-Service Date

Date Responsible Party

10/18/2021 NYPA

02/18/2022 NYPA

03/05/2022 NYPA

03/22/2022 NYPA   
03/22/2022 NYPA

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Attachment 5

Additional Operating Requirements for the New York State Transmission System, the   
 Distribution System and Affected Systems Needed to Support NYPA’s Needs

The NYISO shall also provide requirements that must be met by the Small Generating

Facility prior to initiating parallel operation with the New York State Transmission System or the Distribution System.

NYPA must comply with all applicable NYISO tariffs and Procedures, as amended from time to time.

1. Small Generating Facility’s Primary Frequency Response Operating Range

Pursuant to Article 1.8.3.4 of this Agreement, NYPA must provide primary frequency response consistent with Articles 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.3 of this Agreement when its operating range is between:

Minimum State of Charge: 10%; and   
Maximum State of Charge: 90%.

The operating range shall be static.

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Attachment 6

NYPA’s Description of its Upgrades and Best Estimate of Upgrade Costs

The NYISO, in consultation with NYPA, shall describe Upgrades and provide an

itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. NYPA shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

The cost estimate for System Upgrade Facilities and System Deliverability Upgrades

shall be taken from the ISO OATT Attachment S cost allocation process or applicable

Interconnection Study, as required by Section 32.3.5.3.2 of Attachment Z. The cost estimate for Distribution Upgrades shall include the costs of Distribution Upgrades that are reasonably   
allocable to NYPA at the time the estimate is made, and the costs of any Distribution Upgrades not yet constructed that were assumed in the Interconnection Studies for NYPA but are, at the time of the estimate, an obligation of an entity other than NYPA.

The cost estimates for Distribution Upgrades, System Upgrade Facilities, and System

Deliverability Upgrades are estimates. NYPA is ultimately responsible for the actual cost of the   
Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades needed   
for its Small Generating Facility, as that is determined under Attachments S, X, and Z of the ISO   
OATT.

A. DISTRIBUTION UPGRADES

None

B. SYSTEM UPGRADE FACILITIES

The Small Generating Facility will interconnect at NYPA’s Willis 115 kV Substation via existing 115KV breaker #1208 and a new breaker #1214 in a ring bus configuration. As   
depicted in Figure 1 in Attachment 3, the System Upgrade Facilities will consist of the following major equipment:

• One (1) 115 kV, 3000 A circuit breaker;

• Relay protection and

• Two (2) 115 kV, 2000 A manually operated disconnect switches.

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C. COST ESTIMATES RELATED TO DISTRIBUTION UPGRADES AND SYSTEM

UPGRADE FACILITIES

Description Estimated Costs

System Upgrade Facilities $1,700,000.00

Total $1,700,000.00

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Attachment 7

Initial Synchronization Date

[Date]

New York Independent System Operator, Inc. Attn: Vice President, Operations

10 Krey Boulevard

Rensselaer, NY 12144

Re: Small Generating Facility

Dear :

On [Date] [NYPA] initially synchronized the Small Generating Facility [specify units, if

applicable]. This letter confirms that [NYPA]’s Initial Synchronization Date was [specify].

Thank you.

[Signature]

[NYPA Representative]

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Attachment 8

Commercial Operation Date

[Date]

New York Independent System Operator, Inc. Attn: Vice President, Operations

10 Krey Boulevard

Rensselaer, NY 12144

Re: \_\_\_\_\_\_\_\_\_\_\_\_\_ Small Generating Facility

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

On [Date] [NYPA] has completed Trial Operation of Unit No. \_\_\_. This letter confirms that [NYPA] commenced Commercial Operation of the Small Generating Facility [specify units, as applicable], effective as of [Date plus one day].

Thank you.

[Signature]

[NYPA Representative]

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