

SERVICE AGREEMENT NO. 2935

SERVICE AGREEMENT NO. 2935

STANDARD INTERCONNECTION AGREEMENT

AMONG THE

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.

AND

CONSOLIDATED EDISON OF NEW YORK, INC.

AND

NYC ENERGY, LLC

Dated as of December 23, 2025

Facility Project Name: NYC Energy Battery Storage Project

Queue Position Nos. 522 and 1007

SERVICE AGREEMENT NO. 2935

TABLE OF CONTENTS

	<u>Page Number</u>
ARTICLE 1. DEFINITIONS.....	1
ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION.....	11
2.1 Effective Date.	11
2.2 Term of Agreement.....	11
2.3 Termination.....	11
2.4 Termination Costs.....	12
2.5 Disconnection.	13
2.6 Survival.....	13
ARTICLE 3. REGULATORY FILINGS	13
ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE.....	13
4.1 Provision of Service.....	13
4.2 No Transmission Delivery Service.	14
4.3 No Other Services.....	14
ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION.....	15
5.1 Options.....	15
5.2 General Conditions Applicable to Option to Build.....	16
5.3 Liquidated Damages.	18
5.4 Power System Stabilizers.....	19
5.5 Design and Equipment Procurement.	19
5.6 Construction Commencement.....	20
5.7 Work Progress.....	20
5.8 Information Exchange.....	20
5.9 Other Interconnection Options.....	21
5.10 Interconnection Customer’s Attachment Facilities (“ICAF”).	22
5.11 Connecting Transmission Owner’s Attachment Facilities Construction.....	23
5.12 Access Rights.....	23
5.13 Lands of Other Property Owners.	23
5.14 Permits.	24
5.15 Early Construction of Base Case Facilities.....	24

SERVICE AGREEMENT NO. 2935

5.16 Suspension.24

5.17 Taxes.....25

5.18 Tax Status; Non-Jurisdictional Entities.30

5.19 Modification.....30

ARTICLE 6. TESTING AND INSPECTION31

6.1 Pre-Commercial Operation Date Testing and Modifications.31

6.2 Post-Commercial Operation Date Testing and Modifications.....32

6.3 Right to Observe Testing.32

6.4 Right to Inspect.....32

ARTICLE 7. METERING32

7.1 General.....32

7.2 Check Meters.33

7.3 Standards.....33

7.4 Testing of Metering Equipment.....33

7.5 Metering Data.34

ARTICLE 8. COMMUNICATIONS.....34

8.1 Interconnection Customer Obligations.34

8.2 Remote Terminal Unit.34

8.3 No Annexation.....35

ARTICLE 9. OPERATIONS.....35

9.1 General.....35

9.2 NYISO and Connecting Transmission Owner Obligations.....35

9.3 Interconnection Customer Obligations.35

9.4 Start-Up and Synchronization.....36

9.5 Real and Reactive Power Control and Primary Frequency Response.36

9.6 Outages and Interruptions.....39

9.7 Switching and Tagging Rules.....43

9.8 Use of Attachment Facilities by Third Parties.....44

9.9 Disturbance Analysis Data Exchange.....44

9.10 Reserved.....44

ARTICLE 10. MAINTENANCE.....44

10.1 Connecting Transmission Owner Obligations.....44

SERVICE AGREEMENT NO. 2935

10.2 Interconnection Customer Obligations.44

10.3 Coordination.45

10.4 Secondary Systems.45

10.5 Operating and Maintenance Expenses.....45

ARTICLE 11. PERFORMANCE OBLIGATION.....45

11.1 Interconnection Customer’s Attachment Facilities.....45

11.2 Connecting Transmission Owner’s Attachment Facilities.45

11.3 System Upgrade Facilities and System Deliverability Upgrades.46

11.4 Upgrades on Affected Systems or Upgrades Required for Multiple
Projects on Connecting Transmission Owner’s System or Affected
Systems.46

11.5 Provision of Security.....46

11.6 Interconnection Customer’s Compensation for Emergency Services.47

11.7 Line Outage Costs.....47

ARTICLE 12. INVOICE47

12.1 General.....47

12.2 Final Invoice.47

12.3 Payment.....48

12.4 Disputes.....48

ARTICLE 13. EMERGENCIES.....48

13.1 Obligations.....48

13.2 Notice.....48

13.3 Immediate Action.....49

13.4 NYISO and Connecting Transmission Owner Authority.49

13.5 Interconnection Customer Authority.50

13.6 Limited Liability.....50

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW50

14.1 Regulatory Requirements.....50

14.2 Governing Law.50

ARTICLE 15. NOTICES.....51

15.1 General.....51

15.2 Billings and Payments.....51

15.3 Alternative Forms of Notice.51

SERVICE AGREEMENT NO. 2935

15.4 Operations and Maintenance Notice.....51

ARTICLE 16. FORCE MAJEURE.....51

ARTICLE 17. DEFAULT.....52

17.1 General.....52

17.2 Right to Terminate.....52

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE.....52

18.1 Indemnity.....52

18.2 No Consequential Damages.....53

18.3 Insurance.....54

ARTICLE 19. ASSIGNMENT56

ARTICLE 20. SEVERABILITY56

ARTICLE 21. COMPARABILITY.....57

ARTICLE 22. CONFIDENTIALITY.....57

22.1 Confidentiality.57

22.2 Term.....57

22.3 Confidential Information.57

22.4 Scope.....57

22.5 Release of Confidential Information.....58

22.6 Rights.....58

22.7 No Warranties.58

22.8 Standard of Care.58

22.9 Order of Disclosure.....58

22.10 Termination of Agreement.....59

22.11 Remedies.....59

22.12 Disclosure to FERC, its Staff, or a State.....59

22.13 Required Notices Upon Requests or Demands for Confidential
Information60

ARTICLE 23. INTERCONNECTION CUSTOMER AND CONNECTING
TRANSMISSION OWNER NOTICES OF ENVIRONMENTAL
RELEASES.....60

ARTICLE 24. INFORMATION REQUIREMENT60

24.1 Information Acquisition.....60

24.2 Information Submission by Connecting Transmission Owner.....60

SERVICE AGREEMENT NO. 2935

24.3 Updated Information Submission by Interconnection Customer.....61

24.4 Information Supplementation.61

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS62

25.1 Information Access.62

25.2 Reporting of Non-Force Majeure Events.....62

25.3 Audit Rights.....63

25.4 Audit Rights Periods.....63

25.5 Audit Results.....63

ARTICLE 26. SUBCONTRACTORS.....63

26.1 General.....63

26.2 Responsibility of Principal.....64

26.3 No Limitation by Insurance.64

ARTICLE 27. DISPUTES64

27.1 Submission.....64

27.2 External Arbitration Procedures.64

27.3 Arbitration Decisions.....65

27.4 Costs.....65

27.5 Termination.....65

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS.....65

28.1 General.....65

28.2 Good Standing.65

ARTICLE 29. MISCELLANEOUS.....66

29.1 Binding Effect.....66

29.2 Conflicts.....66

29.3 Rules of Interpretation.66

29.4 Compliance.67

29.5 Joint and Several Obligations.67

29.6 Entire Agreement.....67

29.7 No Third Party Beneficiaries.67

29.8 Waiver.....67

29.9 Headings.68

29.10 Multiple Counterparts.....68

SERVICE AGREEMENT NO. 2935

29.11 Amendment.....68
29.12 Modification by the Parties.....68
29.13 Reservation of Rights.....68
29.14 No Partnership.68
29.15 Other Transmission Rights.69
29.16 Modifications Related to NYISO’s Compliance with Order No. 2023.....69

APPENDICES

SERVICE AGREEMENT NO. 2935

STANDARD INTERCONNECTION AGREEMENT

THIS STANDARD INTERCONNECTION AGREEMENT (“Agreement”) is made and entered into this 23rd day of December 2025, by and among: (i) NYC Energy, LLC, a limited liability company organized and existing under the laws of the state of Delaware (“Interconnection Customer” with a Facility), (ii) 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 (iii) Consolidated Edison of New York, Inc. a transportation corporation organized and existing under the laws of the State of New York (“Connecting Transmission Owner”). Interconnection Customer, the NYISO, or Connecting Transmission Owner each may be referred to as a “Party” or collectively referred to as the “Parties.”

RECITALS

WHEREAS, NYISO operates the New York State Transmission System and Connecting Transmission Owner owns certain facilities included in the New York State Transmission System;

WHEREAS, Interconnection Customer’s proposed 79.9MW energy storage project (NYISO Queue Position No. 522) and its proposed 220.1MW expansion of the energy storage project (Queue Position No. 1007) participated in the Class Year Interconnection Facilities Study for Class Year 2023, and both projects are collectively the Facility subject to this Agreement as described in Appendix A to this Agreement; and,

WHEREAS, Interconnection Customer, NYISO, and Connecting Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Facility with the New York State Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

ARTICLE 1. DEFINITIONS

Whenever used in this Agreement with initial capitalization, the following terms shall have the meanings specified in this Article 1. Terms used in this Agreement with initial capitalization that are not defined in this Article 1 shall have the meanings specified in Section 1 of the ISO OATT, Section 40.1 of Attachment HH of the OATT, the body of the Standard Interconnection Procedures, or the body of this Agreement.

Affected System shall mean an electric system within the New York Control Area other than the transmission system owned, controlled or operated by the Connecting Transmission Owner that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System. Affected System Operator includes the Affected Transmission Owners.

Affected Transmission Owner shall mean the New York public utility or authority (or its designated agent) other than the Connecting Transmission Owner that (i) owns facilities used for

SERVICE AGREEMENT NO. 2935

the transmission of Energy in interstate commerce and provides Transmission Service under the ISO OATT, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Deliverability Upgrades, System Upgrade Facilities, Affected Network Upgrade Facilities, or Network Upgrade Facilities are or will be installed pursuant to Attachment P, Attachment X, Attachment S, or Attachment HH to the ISO OATT.

Affiliate shall mean, with respect to a person or entity, any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust or unincorporated organization, directly or indirectly controlling, controlled by, or under common control with, such person or entity. The term “control” shall mean the possession, directly or indirectly, of the power to direct the management or policies of a person or an entity. A voting interest of ten percent or more shall create a rebuttable presumption of control.

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

Applicable Reliability Councils shall mean the Electric Reliability Organization, the NPCC and the NYSRC.

Applicable Reliability Standards shall mean the requirements and guidelines of the Applicable Reliability Councils, and the Transmission District to which the Interconnection Customer’s Facility is directly interconnected, as those 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 or validity of any requirement or guideline as applied to it in the context of this Agreement.

Applicable Reliability Requirements: shall mean the NYSRC Reliability Rules, and other criteria, standards and procedures, as described in Section 40.12.1.2 of this Attachment HH, applied when conducting the Cluster Baseline Assessment and the Cluster Project Assessment; provided that no Party shall waive its right to challenge the applicability or validity of any requirement or guideline as applied to it in the context of the Standard Interconnection Procedures. The Applicable Reliability Requirements applied are those in effect when the particular assessment is commenced.

Attachment Facilities shall mean the Connecting Transmission Owner’s Attachment Facilities and the Interconnection Customer’s Attachment Facilities. Collectively, Attachment Facilities include all facilities and equipment between the Generating Facility or Cluster Study Transmission Project and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Facility to the New York State Transmission System or Distribution System. Attachment Facilities are sole use facilities and shall not include Stand Alone System Upgrade Facilities, Distribution Upgrades, System Upgrade Facilities or System Deliverability Upgrades.

SERVICE AGREEMENT NO. 2935

Balancing Authority shall mean an entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area shall mean the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies or Cluster Study by the NYISO, Connecting Transmission Owner or Interconnection Customer; as described, as applicable, in Section 30.2.3 of the Standard Large Facility Interconnection Procedures or Section 40.2.6 of the Standard Interconnection Procedures.

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

Breaching Party shall mean a Party that is in Breach of this Agreement.

Business Day shall mean Monday through Friday, excluding federal holidays.

Calendar Day shall mean any day including Saturday, Sunday or a federal holiday.

Capacity Resource Interconnection Service (“CRIS”) shall mean 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 or HH to the ISO OATT; such service being one of the eligibility requirements for participation as a NYISO Installed Capacity Supplier.

Class Year Interconnection Facilities Study (“Class Year Study”) shall mean a study conducted by the NYISO or a third party consultant for the Interconnection Customer to determine a list of facilities (including Connecting Transmission Owner’s Attachment Facilities, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades as identified in the Interconnection System Reliability Impact Study), the cost of those facilities, and the time required to interconnect the Large Generating Facility or Class Year Transmission Project with the New York State Transmission System or with the Distribution System. The scope of the study is defined in Section 30.8 of the Large Facility Interconnection Procedures in Attachment X to the ISO OATT.

Class Year Transmission Project shall mean an Interconnection Customer’s proposed new transmission facility that will interconnect to the New York State Transmission System or a proposed upgrade—an improvement to, addition to, or replacement of a part of an existing transmission facility—to the New York State Transmission System, for which (1) the Interconnection Customer is eligible to request and does request Capacity Resource Interconnection Service, subject to the eligibility requirements set forth in the ISO Procedures; or (2) the Interconnection Customer requests only Energy Resource Interconnection Service and the transmission facility for which it requests Energy Resource Interconnection Service is a transmission facility over which power flow can be directly controlled by power flow control

SERVICE AGREEMENT NO. 2935

devices directly connected to the Class Year Transmission Project without having to re-dispatch generation. Class Year Transmission Projects shall not include Attachment Facilities, Network Upgrade Facilities, System Upgrade Facilities or System Deliverability Upgrades.

Cluster shall mean a group of one or more Projects with validated Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Study shall mean the study conducted, as applicable, by the ISO, Connecting Transmission Owner, Affected Transmission Owner, Affected System Operator or a third party consultant for the Interconnection Customer to determine a list of facilities (including Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility or Cluster Study Transmission Project with the New York State Transmission System or with the Distribution System. The Cluster Study includes the Phase 1 Study and the Phase 2 Study.

Cluster Study Transmission Project shall mean an Interconnection Customer's proposed new transmission facility that will interconnect to the New York State Transmission System or a proposed upgrade—an improvement to, addition to, or replacement of a part of an existing transmission facility—to the New York State Transmission System, for which (1) the Interconnection Customer is eligible to request and does request Capacity Resource Interconnection Service, subject to the eligibility requirements set forth in the ISO Procedures; or (2) the Interconnection Customer requests only Energy Resource Interconnection Service and the transmission facility for which it requests Energy Resource Interconnection Service is a transmission facility over which power flow can be directly controlled by power flow control devices directly connected to the Cluster Study Transmission Project without having to re-dispatch generation. Cluster Study Transmission Projects shall not include Attachment Facilities, Network Upgrade Facilities, System Upgrade Facilities or System Deliverability Upgrades.

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

Commercial Operation Date of a unit shall mean the date on which the Facility commences Commercial Operation, notice of which must be provided by the Interconnection Customer to the NYISO and Connecting Transmission Owner in the form provided in Appendix E-2 to this Agreement.

Confidential Information shall mean any information that is defined as confidential by Article 22 of this Agreement.

Connecting Transmission Owner shall mean 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 ISO OATT, (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 this Agreement. For purposes of this Agreement, the Connecting Transmission Owner is set forth in the preamble of this Agreement.

SERVICE AGREEMENT NO. 2935

Connecting Transmission Owner's Attachment Facilities shall mean all facilities and equipment owned, controlled or operated by the Connecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this Agreement, including any modifications, additions or upgrades to such facilities and equipment. Connecting Transmission Owner's Attachment Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone System Upgrade Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

Contingent Facilities shall mean those Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, and/or System Deliverability Upgrades associated with Class Year Projects or Cluster Study Projects upon which the Facility's Class Year Study or Cluster Study Project Cost Allocations are dependent, and if delayed or not built, could impact the actual costs and timing of the Facility's Project Cost Allocation for System Upgrade Facilities or System Deliverability Upgrades.

Default shall mean the failure of a Party in Breach of this Agreement to cure such Breach in accordance with Article 17 of this Agreement.

Distribution System shall mean the Connecting Transmission Owner's facilities and equipment used to distribute electricity that are subject to FERC jurisdiction, and are subject to the NYISO's Standard Interconnection Procedures in Attachment HH to the ISO OATT under FERC Order Nos. 2003 and/or 2006. The term Distribution System shall not include LIPA's distribution facilities.

Distribution Upgrades shall mean the modifications or additions to the existing Distribution System at or beyond the Point of Interconnection that are required for the Facility to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard. Distribution Upgrades do not include Attachment Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

Effective Date shall mean the date on which this Agreement becomes effective in accordance with Article 2.1 of this Agreement.

Electric Reliability Organization ("ERO") shall mean the North American Electric Reliability Corporation or its successor organization.

Emergency State shall mean the condition or state that the New York State Power System is in when an abnormal condition occurs that requires automatic or immediate manual action to prevent or limit loss of the New York State Transmission System or Generators that could adversely affect the reliability of the New York State Power System.

Energy Resource Interconnection Service ("ERIS") shall mean the service provided by NYISO to interconnect the Interconnection Customer's Generating Facility, Class Year Transmission Project, or Cluster Study Transmission Project to the New York State Transmission System or to the Distribution System in accordance with the NYISO Minimum Interconnection Standard, to enable the New York State Transmission System to receive Energy and Ancillary

SERVICE AGREEMENT NO. 2935

Services from the Generating Facility, Class Year Transmission Project, or Cluster Study Transmission Project, pursuant to the terms of the ISO OATT.

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

Facility shall mean, as applicable, the Generating Facility, Class Year Transmission Project, or Cluster Study Transmission Project.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq. (“FPA”).

FERC shall mean the Federal Energy Regulatory Commission (“Commission”) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer’s device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include: the Interconnection Customer’s Attachment Facilities or Distribution Upgrades. A facility comprised of multiple Generators will be treated as a single Generating Facility if the facility proposed in the Interconnection Request is comprised of multiple Generators behind a single Point of Interconnection, even if such Generators are different technology types.

Generating Facility Capacity shall mean the net seasonal capacity of the Generating Facility or the aggregate net seasonal capacity of the Generating Facility consisting of more than one device for a production and/or storage for later injection.

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

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

SERVICE AGREEMENT NO. 2935

NYISO, Affected Transmission Owner, Affected System Operator, Connecting Transmission Owner, or any Affiliate thereof.

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

Initial Backfeed Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Connecting Transmission Owner’s Attachment Facilities to obtain back feed power. Initial Backfeed Date shall include the term In-Service Date as that term is used in Attachments S, X, and Z to the ISO OATT.

Interconnection Customer shall mean any entity, including the Connecting Transmission Owner or any of its affiliates or subsidiaries, that proposes to interconnect its Generating Facility, Class Year Transmission Project, or Cluster Study Transmission Project with the New York State Transmission System or the Distribution System. For purposes of applying the requirements in this Agreement, an Interconnection Customer shall include an entity that was categorized as a Interconnection Customer under the NYISO’s Standard Large Facility Interconnection Procedures.

Interconnection Customer’s Attachment Facilities shall mean all facilities and equipment that are located between the Generating Facility, Class Year Transmission Project, or Cluster Study Transmission Project and the Point of Change of Ownership as identified in Appendix A to this Agreement, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility, Class Year Transmission Project, or Cluster Study Transmission Project to the New York State Transmission System or Distribution System. Interconnection Customer’s Attachment Facilities are sole use facilities. For purposes of applying the requirements in this Agreement, Interconnection Customer’s Attachment Facilities shall include facilities that were categorized as Interconnection Customer’s Attachment Facilities under the NYISO’s Standard Large Facility Interconnection Procedures or Interconnection Customer’s Interconnection Facilities under the NYISO’s Small Generator Interconnection Procedures.

Interconnection Request shall mean Interconnection Customer’s request, in the form of Appendix 1 to the Standard Interconnection Procedures in Attachment HH to the ISO OATT or Appendix 1 to the Standard Large Facility Interconnection Procedures in Attachment X to the ISO OATT, in accordance with the ISO OATT, to interconnect a new Facility, Class Year Transmission Project, or Cluster Study Transmission Project to the New York State Transmission System or to the Distribution System, or to materially increase the capacity of, or make a material modification to the operating characteristics of, an existing Generating Facility, Class Year Transmission Project, or Cluster Study Transmission Project that is interconnected with the New York State Transmission System or with the Distribution System. For purposes of the Interconnection Request, a facility comprised of multiple Generators behind the same Point of Interconnection may

SERVICE AGREEMENT NO. 2935

be considered a single Generating Facility, provided the Interconnection Request identifies a single Interconnection Customer.

IRS shall mean the Internal Revenue Service.

ISO Services Tariff shall mean the NYISO Market Administration and Control Area Tariff, as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff thereto.

ISO OATT shall mean the NYISO Open Access Transmission Tariff, as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later Queue Position.

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

New York State Transmission System shall mean 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.

Notice of Dispute shall mean a written notice of a dispute or claim pursuant to Article 27.1 of this Agreement that arises out of or in connection with this Agreement or its performance.

NPCC shall mean the Northeast Power Coordinating Council or its successor organization.

NYISO Tariffs shall mean the ISO OATT and ISO Services Tariff.

NYSRC shall mean the New York State Reliability Council or its successor organization.

Party or Parties shall mean NYISO, Connecting Transmission Owner, or Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point where the Interconnection Customer's Attachment Facilities connect to the Connecting Transmission Owner's Attachment Facilities. The Point of Change of Ownership is set forth in Appendix A to this Agreement.

Point of Interconnection shall mean the point where the Attachment Facilities connect to the New York State Transmission System or to the Distribution System. The Point of Interconnection is set forth in Appendix A to this Agreement.

Provisional Interconnection Service shall mean interconnection service provided by the NYISO associated with interconnecting the Interconnection Customer's Facility to the New York State Transmission System (or Distribution System as applicable) and enabling the transmission

SERVICE AGREEMENT NO. 2935

system to receive electric energy from the Facility at the Point of Interconnection, pursuant to the terms of the Provisional Standard Interconnection Agreement and, if applicable, the ISO OATT.

Provisional Standard Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between the NYISO, Connecting Transmission Owner(s), and the Interconnection Customer. This agreement shall take the form of the Standard Interconnection Agreement, modified for provisional purposes and type of facility.

Reasonable Efforts shall mean, 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.

Retired shall mean a Generator that has permanently ceased operating on or after May 1, 2015 either: i) pursuant to applicable notice; or ii) as a result of the expiration of its Mothball Outage or its ICAP Ineligible Forced Outage.

Site Control shall mean the necessary land right sufficient to develop, construct, operate, and maintain the Facility over a term of at least ten (10) years from the date of submission of the Interconnection Request. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to occupy a site of sufficient size to construct and operate the Facility. The term “necessary land right” restricts the use of the site for mutually exclusive projects, but does not restrict multi-use applications of the site in addition to its use for the Facility, such as agriculture, ranching, etc. The ISO will maintain acreage requirements and other applicable parameters for each facility type on its OASIS or public website.

Stand Alone System Upgrade Facilities shall mean System Upgrade Facilities that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New York State Transmission System during their construction. The ISO, the Connecting Transmission Owner, and the Interconnection Customer must agree as to what constitutes Stand Alone System Upgrade Facilities and identify them in Appendix A to the Standard Interconnection Agreement. If the ISO, the Connecting Transmission Owner, and the Interconnection Customer disagree about whether a particular System Upgrade Facility is a Stand Alone System Upgrade Facility, the ISO and the Connecting Transmission Owner must provide the Interconnection Customer a written technical explanation outlining why the ISO and the Connecting Transmission Owner do not consider the System Upgrade Facility to be a Stand Alone System Upgrade Facility within fifteen (15) Business Days of its determination.

Standard Interconnection Agreement (“IA”) shall mean this agreement, which is the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility, Class Year Transmission Project, or Cluster Study Transmission Project, that is included in Attachment HH of the ISO OATT.

Standard Interconnection Procedures (“Interconnection Procedures” or “SIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a

SERVICE AGREEMENT NO. 2935

Generating Facility or Cluster Study Transmission Project that are included in this Attachment HH of the ISO OATT.

Standard Large Facility Interconnection Procedures (“Large Facility Interconnection Procedures” or “LFIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility or Class Year Transmission Project that are included in Attachment X of the ISO OATT.

Standard Upgrade Construction Agreement shall mean the agreement contained in Appendix 16 to Attachment HH that is made, as applicable, among: (i) the ISO, (ii) the Affected System Operator or Affected Transmission Owner, and (iii) the Interconnection Customer or Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary System Upgrade Facilities, System Deliverability Upgrades, or Affected System Network Upgrades on the New York State Transmission System or Distribution System.

Standard Multiparty Upgrade Construction Agreement shall mean the agreement contained in Appendix 17 to Attachment HH that is made, as applicable, among (i) the ISO, (ii) the Affected System Operator or Affected Transmission Owner, and (iii) multiple Interconnection Customers or Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary System Upgrade Facilities, System Deliverability Upgrades, or Affected System Network Upgrades on the New York State Transmission System or Distribution System.

Synchronization Date shall mean the date upon which the Generating Facility, Class Year Transmission Project, or Cluster Study Transmission Project is initially synchronized and upon which Trial Operation begins, notice of which must be provided by the Interconnection Customer to the NYISO and Connecting Transmission Owner in the form provided in Appendix E-1. Synchronization Date shall include the term Initial Synchronization Date as that term is used in Attachments S, X, and Z to the ISO OATT.

System Deliverability Upgrades shall mean 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 Byways and Highways and Other Interfaces on the existing New York State Transmission System and Distribution System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Deliverability Interconnection Standard at the requested level of Capacity Resource Interconnection Service.

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

SERVICE AGREEMENT NO. 2935

System Upgrade Facilities shall mean 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 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 Minimum Interconnection Standard.

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

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date.

This Agreement shall become effective upon execution by the Parties, subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC. The NYISO and Connecting Transmission Owner shall promptly file this Agreement with FERC upon execution in accordance with Article 3.

2.2 Term of Agreement.

Subject to the provisions of Article 2.3, this Agreement shall remain in effect for a period of forty (40) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination.

2.3.1 Written Notice.

This Agreement may be terminated:

(i) by the Interconnection Customer after giving the NYISO and Connecting Transmission Owner ninety (90) Calendar Days advance written notice; or

(ii) by the NYISO and Connecting Transmission Owner by providing written notice to Interconnection Customer after, as applicable, the Generating Facility is Retired or the Class Year Transmission Project or Cluster Study Transmission Project permanently ceases Commercial Operation.

2.3.2 Default.

Any Party may terminate this Agreement in accordance with Article 17.

2.3.3 Compliance.

SERVICE AGREEMENT NO. 2935

Notwithstanding Articles 2.3.1 and 2.3.2, no termination of this Agreement 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, which notice has been accepted for filing by FERC.

2.4 Termination Costs.

If a Party elects to terminate this Agreement pursuant to Article 2.3.1 above, the terminating Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Attachment Facilities and equipment) or charges assessed by the other Parties, as of the date of the other Parties' receipt of such notice of termination, that are the responsibility of the terminating Party under this Agreement. In the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this Agreement, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of the Connecting Transmission Owner's Attachment Facilities that have not yet been constructed or installed, the Connecting Transmission Owner shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Connecting Transmission Owner shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Connecting Transmission Owner for any or all such costs of materials or equipment not taken by Interconnection Customer, Connecting Transmission Owner shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by the Connecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts.

If Interconnection Customer terminates this Agreement, it shall be responsible for all costs incurred in association with Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Attachment Facilities and equipment, and other expenses including any System Upgrade Facilities and System Deliverability Upgrades for which the Connecting Transmission Owner has incurred expenses and has not been reimbursed by the Interconnection Customer.

2.4.2 Connecting Transmission Owner may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Connecting Transmission Owner shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Attachment Facilities, and any other facilities already installed or constructed pursuant to the terms of this Agreement, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

SERVICE AGREEMENT NO. 2935

2.5 Disconnection.

Upon termination of this Agreement, Interconnection Customer and Connecting Transmission Owner will take all appropriate steps to disconnect the Interconnection Customer's Facility from the New York State Transmission System or Distribution System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

2.6 Survival.

This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder; including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit Interconnection Customer and Connecting Transmission Owner each to have access to the lands of the other pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

NYISO and Connecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Any information related to studies for interconnection asserted by Interconnection Customer to contain Confidential Information shall be treated in accordance with Article 22 of this Agreement and Attachment F to the ISO OATT. If the Interconnection Customer has executed this Agreement, or any amendment thereto, Interconnection Customer shall reasonably cooperate with NYISO and Connecting Transmission Owner with respect to such filing and to provide any information reasonably requested by NYISO and Connecting Transmission Owner needed to comply with Applicable Laws and Regulations.

ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE

4.1 Provision of Service.

NYISO will provide Interconnection Customer with interconnection service of the following type for the term of this Agreement.

4.1.1 Product.

Subject to Article 4.1.2, NYISO will provide Energy Resource Interconnection Service and Capacity Resource Interconnection Service to Interconnection Customer at the Point of Interconnection.

4.1.2 Execution of Agreement Prior to Completion of Class Year Study or Cluster Study.

SERVICE AGREEMENT NO. 2935

If the Agreement, including a Provisional Standard Interconnection Agreement, is executed prior to the completion of, as applicable, the Class Year Study or Cluster Study for the Facility, Interconnection Customer shall, as applicable: (i) in the Class Year Study decision process accept the Project Cost Allocation and post Security for any System Upgrade Facilities that are identified for the Facility and cost allocated in the Class Year Study, or (ii) in the Cluster Study decision process accept the Project Cost Allocation and post Security for any Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and Distribution Upgrades that are identified for the Facility and cost allocated in the Cluster Study. Interconnection Customer must accept such cost allocation and post the required Security even if the Project Cost Allocation exceeds the estimate included in this Agreement and includes equipment not identified in the Agreement. Unless Interconnection Customer otherwise obtains CRIS in accordance with the requirements in Attachments S or HH to the OATT, Interconnection Customer cannot participate as an Installed Capacity Supplier until after, as applicable, the Class Year Study or Cluster Study is completed and (1) the project is deemed deliverable and Interconnection Customer accepts its Deliverable MWs, or (2) the Interconnection Customer accepts its Project Cost Allocation and posts Security for any required System Deliverability Upgrades. If the upgrades or cost estimates identified in the Class Year Study or Cluster Study or otherwise determined in accordance with Attachments S or HH differ from the amounts and description in this Agreement, the Parties shall amend the Agreement, pursuant to Articles 29.11 and 29.12 of this Agreement, to reflect the results of, as applicable, the Class Year Study or Cluster Study.

4.1.3 Interconnection Customer is responsible for ensuring that its actual Facility output matches the scheduled delivery from the Facility to the New York State Transmission System, consistent with the scheduling requirements of the NYISO's FERC-approved market structure, including ramping into and out of such scheduled delivery, as measured at the Point of Interconnection, consistent with the scheduling requirements of the ISO OATT and any applicable FERC-approved market structure.

4.2 No Transmission Delivery Service.

The execution of this Agreement does not constitute a request for, nor agreement to provide, any Transmission Service under the ISO OATT, and does not convey any right to deliver electricity to any specific customer or Point of Delivery. If Interconnection Customer wishes to obtain Transmission Service on the New York State Transmission System, then Interconnection Customer must request such Transmission Service in accordance with the provisions of the ISO OATT.

4.3 No Other Services.

The execution of this Agreement does not constitute a request for, nor agreement to provide Energy, any Ancillary Services or Installed Capacity under the ISO Services Tariff. If Interconnection Customer wishes to supply Energy, Installed Capacity or Ancillary Services, then Interconnection Customer will make application to do so in accordance with the ISO Services Tariff.

SERVICE AGREEMENT NO. 2935

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

5.1 Options.

Unless otherwise mutually agreed to by Interconnection Customer and Connecting Transmission Owner, Interconnection Customer shall select the Initial Backfeed Date, Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B hereto. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to the Connecting Transmission Owner, the Connecting Transmission Owner shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to the Connecting Transmission Owner, Interconnection Customer shall notify the Connecting Transmission Owner within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option.

The Connecting Transmission Owner shall design, procure, and construct the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities and System Deliverability Upgrades, using Reasonable Efforts to complete the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities and System Deliverability Upgrades by the dates set forth in Appendix B hereto. The Connecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Connecting Transmission Owner reasonably expects that it will not be able to complete the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities and System Deliverability Upgrades by the specified dates, the Connecting Transmission Owner shall promptly provide written notice to Interconnection Customer and NYISO, and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option.

If the dates designated by Interconnection Customer are acceptable to Connecting Transmission Owner, the Connecting Transmission Owner shall so notify Interconnection Customer and NYISO within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Connecting Transmission Owner's Attachment Facilities by the designated dates. If Connecting Transmission Owner subsequently fails to complete Connecting Transmission Owner's Attachment Facilities by the Initial Backfeed Date, to the extent necessary to provide back feed power; or fails to complete System Upgrade Facilities or System Deliverability Upgrades by the Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by Interconnection Customer and Connecting Transmission Owner for such Trial Operation; or fails to complete the System Upgrade Facilities and System Deliverability Upgrades by the Commercial Operation

SERVICE AGREEMENT NO. 2935

Date, as such dates are reflected in Appendix B hereto; Connecting Transmission Owner shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, *provided, however*, the dates designated by Interconnection Customer shall be extended day for day for each day that NYISO refuses to grant clearances to install equipment.

5.1.3 Option to Build.

Individual or multiple Interconnection Customer(s) shall have the option to assume responsibility for the design, procurement and construction of Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities on the dates specified in Article 5.1.2 if the requirements in this Article 5.1.3 are met. When multiple Interconnection Customers may agree to exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to the NYISO and Connecting Transmission Owner an agreement regarding responsibilities and payments for the construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities planned to be built under this option. NYISO, Connecting Transmission Owner, and the individual Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone System Upgrade Facilities and identify such Stand Alone System Upgrade Facilities in Appendix A hereto. Except for Stand Alone System Upgrade Facilities, Interconnection Customer shall have no right to construct System Upgrade Facilities or System Deliverability Upgrades under this option.

5.1.4 Negotiated Option.

If the dates designated by Interconnection Customer are not acceptable to the Connecting Transmission Owner, Interconnection Customer and Connecting Transmission Owner shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of all facilities other than the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities if Interconnection Customer elects to exercise the Option to Build under Article 5.1.3. If the two Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), Connecting Transmission Owner shall assume responsibility for the design, procurement and construction of all facilities other than the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities if Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build.

If Interconnection Customer assumes responsibility for the design, procurement and construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities, the following conditions apply:

5.2.1 Interconnection Customer shall engineer, procure equipment, and construct the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade

SERVICE AGREEMENT NO. 2935

Facilities (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Connecting Transmission Owner;

5.2.2 Interconnection Customer's engineering, procurement and construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities shall comply with all requirements of law to which Connecting Transmission Owner would be subject in the engineering, procurement or construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities;

5.2.3 Connecting Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities;

5.2.4 Prior to the commencement of construction, Interconnection Customer shall provide to Connecting Transmission Owner and NYISO a schedule for construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities, and shall promptly respond to requests for information from Connecting Transmission Owner or NYISO;

5.2.5 At any time during construction, Connecting Transmission Owner shall have the right to gain unrestricted access to the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities and to conduct inspections of the same;

5.2.6 At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities not meet the standards and specifications provided by Connecting Transmission Owner, Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities;

5.2.7 Interconnection Customer shall indemnify Connecting Transmission Owner and NYISO for claims arising from Interconnection Customer's construction of Connecting Transmission Owner's Attachment Facilities, Stand Alone System Upgrade Facilities under procedures applicable to Article 18.1 Indemnity;

5.2.8 Interconnection Customer shall transfer control of Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities to the Connecting Transmission Owner;

5.2.9 Unless Interconnection Customer and Connecting Transmission Owner otherwise agree, Interconnection Customer shall transfer ownership of Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities to Connecting Transmission Owner;

5.2.10 Connecting Transmission Owner shall approve and accept for operation and maintenance the Connecting Transmission Owner's Attachment Facilities and Stand Alone

SERVICE AGREEMENT NO. 2935

System Upgrade Facilities to the extent engineered, procured, and constructed in accordance with this Article 5.2;

5.2.11 Interconnection Customer shall deliver to NYISO and Connecting Transmission Owner “as built” drawings, information, and any other documents that are reasonably required by NYISO or Connecting Transmission Owner to assure that the Attachment Facilities and Stand Alone System Upgrade Facilities are built to the standards and specifications required by Connecting Transmission Owner; and

5.2.12 If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay the Connecting Transmission Owner the agreed upon amount of [\$ PLACEHOLDER] for the Connecting Transmission Owner to execute the responsibilities enumerated to Connecting Transmission Owner under Article 5.2. The Connecting Transmission Owner shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages.

The actual damages to Interconnection Customer, in the event the Connecting Transmission Owner’s Attachment Facilities, System Upgrade Facilities or System Deliverability Upgrades are not completed by the dates designated by Interconnection Customer and accepted by the Connecting Transmission Owner pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer’s fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Connecting Transmission Owner to Interconnection Customer in the event that Connecting Transmission Owner does not complete any portion of the Connecting Transmission Owner’s Attachment Facilities, System Upgrade Facilities or System Deliverability Upgrades by the applicable dates, shall be an amount equal to 1/2 of 1 percent per day of the actual cost of the Connecting Transmission Owner’s Attachment Facilities, System Upgrade Facilities and System Deliverability Upgrades, in the aggregate, for which Connecting Transmission Owner has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Connecting Transmission Owner’s Attachment Facilities, System Upgrade Facilities and System Deliverability Upgrades for which the Connecting Transmission Owner has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Connecting Transmission Owner to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this Agreement. Liquidated damages, when Interconnection Customer and Connecting Transmission Owner agree to them, are the exclusive remedy for the Connecting Transmission Owner’s failure to meet its schedule.

Further, Connecting Transmission Owner shall not pay liquidated damages to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of the Connecting Transmission Owner’s Attachment Facilities, System Upgrade Facilities or System

SERVICE AGREEMENT NO. 2935

Deliverability Upgrades to take the delivery of power for the Interconnection Customer's Facility's Trial Operation or to export power from Interconnection Customer's Facility on the specified dates, unless Interconnection Customer would have been able to commence use of the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities or System Deliverability Upgrades to take the delivery of power for Interconnection Customer's Facility's Trial Operation or to export power from the Interconnection Customer's Facility, but for Connecting Transmission Owner's delay; (2) the Connecting Transmission Owner's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an interconnection agreement with the Connecting Transmission Owner and NYISO, or action or inaction by any other Party, or any other cause beyond Connecting Transmission Owner's reasonable control or reasonable ability to cure; (3) Interconnection Customer has assumed responsibility for the design, procurement and construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities; or (4) the Connecting Transmission Owner and Interconnection Customer have otherwise agreed. In no event shall NYISO have any liability whatever to Interconnection Customer for liquidated damages associated with the engineering, procurement or construction of Attachment Facilities, System Upgrade Facilities or System Deliverability Upgrades.

5.4 Power System Stabilizers.

Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the requirements identified in the Class Year Study or Cluster Study conducted for Interconnection Customer's Facility. NYISO and Connecting Transmission Owner reserve the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Facility. If the Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify the Connecting Transmission Owner and NYISO.

5.5 Design and Equipment Procurement.

If responsibility for construction of the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, or System Deliverability Upgrades is to be borne by the Connecting Transmission Owner, then the Connecting Transmission Owner shall commence design of the applicable facilities for which it is responsible and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless Interconnection Customer and Connecting Transmission Owner otherwise agree in writing:

5.5.1 NYISO and Connecting Transmission Owner have completed the Class Year Study or Cluster Study;

5.5.2 The NYISO has completed the required cost allocation analyses, and Interconnection Customer has accepted its Project Cost Allocation for, as applicable, the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades required for the Facility in accordance with the provisions of Attachment S or HH of the ISO OATT;

SERVICE AGREEMENT NO. 2935

5.5.3 The Connecting Transmission Owner has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B hereto; and

5.5.4 Interconnection Customer has provided security to the Connecting Transmission Owner for the design and procurement of the applicable facilities in accordance with Article 11.5 by the date(s) specified in Appendix B hereto.

5.6 Construction Commencement.

The Connecting Transmission Owner shall commence construction of the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and System Deliverability Upgrades;

5.6.3 The Connecting Transmission Owner has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B hereto; and

5.6.4 Interconnection Customer has provided security to the Connecting Transmission Owner for the construction of the applicable facilities in accordance with Article 11.5 by the date(s) specified in Appendix B hereto.

5.7 Work Progress.

Interconnection Customer and Connecting Transmission Owner will keep each other, and NYISO, advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from Interconnection Customer or Connecting Transmission Owner. If, at any time, Interconnection Customer determines that the completion of the Connecting Transmission Owner's Attachment Facilities will not be required until after the specified Initial Backfeed Date, Interconnection Customer will provide written notice to the Connecting Transmission Owner and NYISO of such later date upon which the completion of the Connecting Transmission Owner's Attachment Facilities will be required.

5.8 Information Exchange.

As soon as reasonably practicable after the Effective Date, Interconnection Customer and Connecting Transmission Owner shall exchange information, and provide NYISO the same information, regarding the design and compatibility of their respective Attachment Facilities and

SERVICE AGREEMENT NO. 2935

compatibility of the Attachment Facilities with the New York State Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options

5.9.1 Limited Operation.

If any of the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, or System Deliverability Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of Interconnection Customer's Facility, NYISO shall, upon the request and at the expense of Interconnection Customer, in conjunction with the Connecting Transmission Owner, perform operating studies on a timely basis to determine the extent to which Interconnection Customer's Facility and the Interconnection Customer's Attachment Facilities may operate prior to the completion of the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, or System Deliverability Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this Agreement. Connecting Transmission Owner and NYISO shall permit Interconnection Customer to operate Interconnection Customer's Facility and Interconnection Customer's Attachment Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service.

Prior to: (i) Interconnection Customer's eligibility under the Standard Large Facility Interconnection Procedures or Standard Interconnection Procedures pursuant to which it may enter into an interconnection agreement before the completion of the Class Year Study or Cluster Study and (ii) the completion of requisite Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, System Distribution Upgrades, or System Protection Facilities, Interconnection Customer may request an evaluation for Provisional Interconnection Service. NYISO, in conjunction with the Connecting Transmission Owner, shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Facility or the New York State Transmission System (or Distribution System as applicable). NYISO, in conjunction with the Connecting Transmission Owner, shall determine whether any Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, System Deliverability Upgrades, or System Protection Facilities, which are necessary to meet Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, are in place prior to the commencement of interconnection service from the Facility. Where available studies indicate that the Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, System Deliverability Upgrades, or System Protection Facilities are required for the interconnection of a new, modified and/or expanded Facility but such facilities are not currently in place, NYISO, in conjunction with the Connecting Transmission Owner, will perform a study, at Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Facility in the Provisional Standard Interconnection Agreement shall be studied, at the Interconnection Customer's expense, and updated annually. The NYISO shall issue the study's findings in writing to Interconnection Customer and Connecting Transmission Owner(s). Following a determination by NYISO, in conjunction with the Connecting Transmission Owner, that Interconnection Customer may

SERVICE AGREEMENT NO. 2935

reliably provide Provisional Interconnection Service, NYISO shall tender to Interconnection Customer and Connecting Transmission Owner, a Provisional Standard Interconnection Agreement. NYISO, Interconnection Customer, and Connecting Transmission Owner may execute the Provisional Standard Interconnection Agreement, or Interconnection Customer may request the filing of an unexecuted Provisional Standard Interconnection Agreement with the Commission. Interconnection Customer shall assume all risk and liabilities with respect to changes between the Provisional Standard Interconnection Agreement and the Standard Interconnection Agreement, including changes in output limits and the cost responsibilities for the Attachment Facilities, System Upgrade Facilities, System Deliverability Upgrades, and/or System Protection Facilities.

5.10 Interconnection Customer's Attachment Facilities ("ICAF").

Interconnection Customer shall, at its expense, design, procure, construct, own and install the DAF, as set forth in Appendix A hereto.

5.10.1 ICAF Specifications.

Interconnection Customer shall submit initial specifications for the ICAF, including System Protection Facilities, to Connecting Transmission Owner and NYISO at least one hundred eighty (180) Calendar Days prior to the Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Synchronization Date. Connecting Transmission Owner and NYISO shall review such specifications to ensure that the ICAF are compatible with the technical specifications, operational control, and safety requirements of the Connecting Transmission Owner and NYISO and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed to be Confidential Information.

5.10.2 No Warranty.

The review of Interconnection Customer's final specifications by Connecting Transmission Owner and NYISO shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Facility or the ICAF. Interconnection Customer shall make such changes to the ICAF as may reasonably be required by Connecting Transmission Owner or NYISO, in accordance with Good Utility Practice, to ensure that the ICAF are compatible with the technical specifications, operational control, and safety requirements of the Connecting Transmission Owner and NYISO.

5.10.3 ICAF Construction.

The DAF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless Interconnection Customer and Connecting Transmission Owner agree on another mutually acceptable deadline, Interconnection Customer shall deliver to the Connecting Transmission Owner and NYISO "as-built" drawings, information and documents for the ICAF, such as: a one-line diagram, a site plan showing the Facility and the ICAF, plan and elevation drawings showing the layout of the ICAF, a relay functional diagram, relaying AC and DC schematic wiring diagrams

SERVICE AGREEMENT NO. 2935

and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Facility to the step-up transformers and the ICAF, and the impedances (determined by factory tests) for the associated step-up transformers and the Facility. Interconnection Customer shall provide to, and coordinate with, Connecting Transmission Owner and NYISO with respect to proposed specifications for the excitation system, automatic voltage regulator, Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Connecting Transmission Owner's Attachment Facilities Construction.

The Connecting Transmission Owner's Attachment Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Connecting Transmission Owner and Interconnection Customer agree on another mutually acceptable deadline, the Connecting Transmission Owner shall deliver to Interconnection Customer "as-built" drawings, relay diagrams, information and documents for the Connecting Transmission Owner's Attachment Facilities set forth in Appendix A.

The Connecting Transmission Owner shall not transfer operational control of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities to the NYISO upon completion of such facilities.

5.12 Access Rights.

Upon reasonable notice and supervision by the Granting Party, and subject to any required or necessary regulatory approvals, either the Connecting Transmission Owner or Interconnection Customer ("Granting Party") shall furnish to the other of those two Parties ("Access Party") at no cost any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain the ingress and egress at the Point of Interconnection to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Facility with the New York State Transmission System or Distribution System; (ii) operate and maintain the Facility, the Attachment Facilities, and the New York State Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. The Access Party shall indemnify the Granting Party against all claims of injury or damage from third parties resulting from the exercise of the access rights provided for herein.

5.13 Lands of Other Property Owners.

If any part of the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and/or System Deliverability Upgrades is to be installed on property owned by persons other than Interconnection Customer or Connecting Transmission Owner, the Connecting

SERVICE AGREEMENT NO. 2935

Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes for its own or affiliated generation, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and/or System Deliverability Upgrades upon such property.

5.14 Permits.

NYISO, Connecting Transmission Owner, and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Connecting Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to the Connecting Transmission Owner's own, or an Affiliate's generation, if any.

5.15 Early Construction of Base Case Facilities.

Interconnection Customer may request Connecting Transmission Owner to construct, and Connecting Transmission Owner shall construct, subject to a binding cost allocation agreement reached in accordance with Attachment S or HH to the ISO OATT, including Section 25.8.7 or 40.17 thereof, using Reasonable Efforts to accommodate Interconnection Customer's Initial Backfeed Date, all or any portion of any System Upgrade Facilities or System Deliverability Upgrades required for Interconnection Customer to be interconnected to the New York State Transmission System which are included in the Base Case of the Class Year Study or Cluster Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's Initial Backfeed Date.

5.16 Suspension.

Interconnection Customer reserves the right, upon written notice to Connecting Transmission Owner and NYISO, to suspend at any time all work by Connecting Transmission Owner or Interconnection Customer, as applicable, associated with the construction and installation of Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and/or System Deliverability Upgrades required for only that Interconnection Customer under this Agreement with the condition that the New York State Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and the safety and reliability criteria of Connecting Transmission Owner and NYISO. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs and/or obligations in accordance with Attachment HH to the OATT including those which Connecting Transmission Owner (i) has incurred pursuant to this Agreement prior to the suspension and (ii) incurs as a result of the suspension of such work, including any costs incurred by the Connecting Transmission Owner to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the New York State Transmission System during such suspension and, if cancellation or suspension of material, equipment, and labor contracts which Connecting Transmission Owner cannot reasonably avoid; *provided, however*, that prior to canceling or

SERVICE AGREEMENT NO. 2935

suspending any such material, equipment, or labor contract, Connecting Transmission Owner shall obtain Interconnection Customer's authorization to do so. Interconnection Customer's election to suspend work pursuant to this Article 5.16 shall not toll the time period by which an Interconnection Customer may extend the Commercial Operation Date for the Facility without such extension being a Material Modification pursuant to Attachment HH to the OATT.

Connecting Transmission Owner shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. If: (i) pursuant to this Article 5.16, Interconnection Customer suspends work associated with the construction and installation of Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and/or System Deliverability Upgrades that is required under this Agreement, and (ii) Interconnection Customer has, as applicable, either not recommenced work or requested Connecting Transmission Owner to recommence its work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Connecting Transmission Owner and NYISO, if no effective date is specified.

5.17 Taxes.

If the Facility is a Class Year Transmission Project or a Cluster Study Transmission Project, Appendix C to this Agreement shall include any project-specific variations from the tax requirements established in this Article 5.17 that are appropriate for the transmission facility.

5.17.1 Interconnection Customer Payments Not Taxable.

Interconnection Customer and Connecting Transmission Owner intend that all payments or property transfers made by Interconnection Customer to Connecting Transmission Owner for the installation of the Connecting Transmission Owner's Attachment Facilities and the System Upgrade Facilities and the System Deliverability Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants.

In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Generating Facility will pass to another party prior to the transmission of the electricity on the New York State Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to the Connecting Transmission Owner for the Connecting Transmission Owner's Attachment Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of the Connecting Transmission Owner's Attachment Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions,

SERVICE AGREEMENT NO. 2935

calculated in accordance with the “5 percent test” set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Connecting Transmission Owner’s request, Interconnection Customer shall provide Connecting Transmission Owner with a report from an independent engineer confirming its representation in clause (iii), above. Connecting Transmission Owner represents and covenants that the cost of the Connecting Transmission Owner’s Attachment Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Connecting Transmission Owner.

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Connecting Transmission Owner from the cost consequences of any current tax liability imposed against Connecting Transmission Owner as the result of payments or property transfers made by Interconnection Customer to Connecting Transmission Owner under this Agreement, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Connecting Transmission Owner.

Connecting Transmission Owner shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this Agreement unless (i) Connecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Connecting Transmission Owner should be reported as income subject to taxation or (ii) any Governmental Authority directs Connecting Transmission Owner to report payments or property as income subject to taxation; *provided, however,* that Connecting Transmission Owner may require Interconnection Customer to provide security, in a form reasonably acceptable to Connecting Transmission Owner (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Connecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Connecting Transmission Owner of the amount due, including detail about how the amount was calculated.

This indemnification obligation shall terminate at the earlier of (1) the expiration of the ten-year testing period and the applicable statute of limitation, as it may be extended by the Connecting Transmission Owner upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount.

Interconnection Customer’s liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Connecting Transmission Owner, in addition to the amount paid for the Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades, an amount equal to (1) the current taxes

SERVICE AGREEMENT NO. 2935

imposed on Connecting Transmission Owner (“Current Taxes”) on the excess of (a) the gross income realized by Connecting Transmission Owner as a result of payments or property transfers made by Interconnection Customer to Connecting Transmission Owner under this Agreement (without regard to any payments under this Article 5.17) (the “Gross Income Amount”) over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the “Present Value Depreciation Amount”), plus (2) an additional amount sufficient to permit the Connecting Transmission Owner to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Connecting Transmission Owner’s composite federal and state tax rates at the time the payments or property transfers are received and Connecting Transmission Owner will be treated as being subject to tax at the highest marginal rates in effect at that time (the “Current Tax Rate”), and (ii) the Present Value Depreciation Amount shall be computed by discounting Connecting Transmission Owner’s anticipated tax depreciation deductions as a result of such payments or property transfers by Connecting Transmission Owner’s current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer’s liability to Connecting Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value Depreciation Amount})) / (1 - \text{Current Tax Rate})$. Interconnection Customer’s estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law.

At Interconnection Customer’s request and expense, Connecting Transmission Owner shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Connecting Transmission Owner under this Agreement are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer’s knowledge. Connecting Transmission Owner and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Connecting Transmission Owner shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Connecting Transmission Owner shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events.

If, within 10 years from the date on which the relevant Connecting Transmission Owner Attachment Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a “disqualification event” occurs within the meaning of IRS Notice 88-129, or (iii) this Agreement terminates and Connecting Transmission Owner retains ownership

SERVICE AGREEMENT NO. 2935

of the Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Connecting Transmission Owner, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests.

In the event any Governmental Authority determines that Connecting Transmission Owner's receipt of payments or property constitutes income that is subject to taxation, Connecting Transmission Owner shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Connecting Transmission Owner may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Connecting Transmission Owner may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Connecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Connecting Transmission Owner shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Connecting Transmission Owner on a periodic basis, as invoiced by Connecting Transmission Owner, Connecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest, including any costs associated with obtaining the opinion of independent tax counsel described in this Article 5.17.7. The Connecting Transmission Owner may abandon any contest if Interconnection Customer fails to provide payment to the Connecting Transmission Owner within thirty (30) Calendar Days of receiving such invoice. At any time during the contest, Connecting Transmission Owner may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Connecting Transmission Owner, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. The Connecting Transmission Owner may also settle any tax controversy without receiving Interconnection Customer's consent or any such written advice; however, any such settlement will relieve Interconnection Customer from any obligation to indemnify Connecting Transmission Owner for the tax at issue in the contest (unless the failure to obtain written advice is attributable to Interconnection Customer's unreasonable refusal to the appointment of independent tax counsel).

5.17.8 Refund.

SERVICE AGREEMENT NO. 2935

In the event that (a) a private letter ruling is issued to Connecting Transmission Owner which holds that any amount paid or the value of any property transferred by Interconnection Customer to Connecting Transmission Owner under the terms of this Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Connecting Transmission Owner in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Connecting Transmission Owner under the terms of this Agreement is not taxable to Connecting Transmission Owner, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Connecting Transmission Owner are not subject to federal income tax, or (d) if Connecting Transmission Owner receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Connecting Transmission Owner pursuant to this Agreement, Connecting Transmission Owner shall promptly refund to Interconnection Customer the following:

(i) Any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) Interest on any amounts paid by Interconnection Customer to Connecting Transmission Owner for such taxes which Connecting Transmission Owner did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Connecting Transmission Owner refunds such payment to Interconnection Customer, and

(iii) With respect to any such taxes paid by Connecting Transmission Owner, any refund or credit Connecting Transmission Owner receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to the Connecting Transmission Owner for such overpayment of taxes (including any reduction in interest otherwise payable by Connecting Transmission Owner to any Governmental Authority resulting from an offset or credit); *provided, however*, that Connecting Transmission Owner will remit such amount promptly to Interconnection Customer only after and to the extent that Connecting Transmission Owner has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to the Connecting Transmission Owner's Attachment Facilities.

The intent of this provision is to leave both Interconnection Customer and Connecting Transmission Owner, to the extent practicable, in the event that no taxes are due with respect to any payment for Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes.

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Connecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Connecting Transmission Owner for which Interconnection Customer may be required to

SERVICE AGREEMENT NO. 2935

reimburse Connecting Transmission Owner under the terms of this Agreement. Interconnection Customer shall pay to Connecting Transmission Owner on a periodic basis, as invoiced by Connecting Transmission Owner, Connecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Connecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Connecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Connecting Transmission Owner.

5.18 Tax Status; Non-Jurisdictional Entities.

5.18.1 Tax Status.

Each Party shall cooperate with the other Parties to maintain the other Parties' 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 any Connecting Transmission Owner with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds. Notwithstanding any other provisions of this Agreement, LIPA, NYPA and Consolidated Edison Company of New York, Inc. 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 their ability to issue future tax-exempt obligations. For purposes of this provision, Tax-Exempt Bonds shall include the obligations of the Long Island Power Authority, NYPA and Consolidated Edison Company of New York, Inc., the interest on which is not included in gross income under the Internal Revenue Code.

5.18.2 Non-Jurisdictional Entities.

LIPA and NYPA do not waive their exemptions, 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.

5.19 Modification.

5.19.1 General.

Either Interconnection Customer or Connecting Transmission Owner may undertake modifications to its facilities covered by this Agreement; *provided, however*, that if Interconnection Customer seeks to undertake any modifications for the Facility, Interconnection Customer must comply with the modification requirements for Facilities, including for extensions of the Commercial Operation Date, set forth in the ISO OATT and ISO Procedures. If either Interconnection Customer or Connecting Transmission Owner plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party, and to NYISO, sufficient information regarding such modification so that the other Party and NYISO may evaluate the potential impact of such modification prior to commencement

SERVICE AGREEMENT NO. 2935

of the work. Such information shall be deemed to be Confidential Information hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party and NYISO at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, the NYISO shall provide, within sixty (60) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the New York State Transmission System, Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof. The Interconnection Customer shall be responsible for the cost of any such additional modifications, including the cost of studying the impact of the Interconnection Customer modification.

5.19.2 Standards.

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this Agreement, NYISO requirements and Good Utility Practice.

5.19.3 Modification Costs.

Interconnection Customer shall not be assigned the costs of any additions, modifications, or replacements that Connecting Transmission Owner makes to the Connecting Transmission Owner's Attachment Facilities or the New York State Transmission System to facilitate the interconnection of a third party to the Connecting Transmission Owner's Attachment Facilities or the New York State Transmission System, or to provide Transmission Service to a third party under the ISO OATT, except in accordance with the cost allocation procedures in Attachment HH of the ISO OATT. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Interconnection Customer's Attachment Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Attachment Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications.

Prior to the Commercial Operation Date, the Connecting Transmission Owner shall test the Connecting Transmission Owner's Attachment Facilities (including required control technologies and protection systems), System Upgrade Facilities, and System Deliverability Upgrades and Interconnection Customer shall test the Facility and the Interconnection Customer's Attachment Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Interconnection Customer and Connecting Transmission Owner shall each make any

SERVICE AGREEMENT NO. 2935

modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall, as applicable, generate test energy at or transit test energy over the Facility only if it has arranged for the injection of such test energy in accordance with ISO Procedures.

6.2 Post-Commercial Operation Date Testing and Modifications.

Interconnection Customer and Connecting Transmission Owner shall each at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice and Applicable Reliability Standards as may be necessary to ensure the continued interconnection of the Facility with the New York State Transmission System in a safe and reliable manner. Interconnection Customer and Connecting Transmission Owner shall each have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing.

Interconnection Customer and Connecting Transmission Owner shall each notify the other Party, and the NYISO, in advance of its performance of tests of its Attachment Facilities. The other Party, and the NYISO, shall each have the right, at its own expense, to observe such testing.

6.4 Right to Inspect.

Interconnection Customer and Connecting Transmission Owner shall each have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Attachment Facilities, the System Protection Facilities and other protective equipment. NYISO shall have these same rights of inspection as to the facilities and equipment of Interconnection Customer and Connecting Transmission Owner. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Attachment Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be treated in accordance with Article 22 of this Agreement and Attachment F to the ISO OATT.

ARTICLE 7. METERING

7.1 General.

Interconnection Customer and Connecting Transmission Owner shall each comply with applicable requirements of NYISO and the New York Public Service Commission when exercising its rights and fulfilling its responsibilities under this Article 7. Unless otherwise agreed by the

SERVICE AGREEMENT NO. 2935

Connecting Transmission Owner and NYISO approved meter service provider and Interconnection Customer, the Connecting Transmission Owner shall install Metering Equipment at the Point of Interconnection prior to any operation of the Facility and shall own, operate, test and maintain such Metering Equipment. Net power flows including MW and MVAR, MWHR and loss profile data to and from the Facility shall be measured at the Point of Interconnection. Connecting Transmission Owner shall provide metering quantities, in analog and/or digital form, as required, to Interconnection Customer or NYISO upon request. Where the Point of Interconnection for the Facility is other than the generator terminal, the Interconnection Customer shall also provide gross MW and MVAR quantities at the generator terminal as required by NYISO. If the Facility is a Class Year Transmission Project or a Cluster Study Transmission Project, Appendix C to this Agreement shall include any project-specific variations from the metering requirements established in this Article 7 that are appropriate for the transmission facility. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters.

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Connecting Transmission Owner's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this Agreement, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Connecting Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards.

Connecting Transmission Owner shall install, calibrate, and test revenue quality Metering Equipment including potential transformers and current transformers in accordance with applicable ANSI and PSC standards as detailed in the NYISO Control Center Communications Manual and in the NYISO Revenue Metering Requirements Manual.

7.4 Testing of Metering Equipment.

Connecting Transmission Owner shall inspect and test all of its Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by NYISO or Interconnection Customer, Connecting Transmission Owner shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Connecting Transmission Owner shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer and NYISO may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Connecting Transmission Owner's failure to maintain, then Connecting Transmission Owner shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Connecting Transmission

SERVICE AGREEMENT NO. 2935

Owner shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment. The NYISO shall reserve the right to review all associated metering equipment installation on Interconnection Customer's or Connecting Transmission Owner's property at any time.

7.5 Metering Data.

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Connecting Transmission Owner, Interconnection Customer, and NYISO. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Facility to the Point of Interconnection.

ARTICLE 8. COMMUNICATIONS

8.1 Interconnection Customer Obligations.

In accordance with applicable NYISO requirements, Interconnection Customer shall maintain satisfactory operating communications with Connecting Transmission Owner and NYISO. Interconnection Customer shall provide standard voice line and dedicated voice line communications at its Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Connecting Transmission Owner and NYISO as set forth in Appendix D hereto. The data circuit(s) shall extend from the Facility to the location(s) specified by Connecting Transmission Owner and NYISO. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit.

Prior to the Synchronization Date of the Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Connecting Transmission Owner at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Connecting Transmission Owner and NYISO through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Connecting Transmission Owner and NYISO. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Connecting Transmission Owner and NYISO.

Each Party will promptly advise the appropriate other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the

SERVICE AGREEMENT NO. 2935

attention and/or correction by that other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation.

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Party providing such equipment and the Party receiving such equipment.

ARTICLE 9. OPERATIONS

9.1 General.

Each Party shall comply with Applicable Laws and Regulations and Applicable Reliability Standards. Each Party shall provide to the other Parties all information that may reasonably be required by the other Parties to comply with Applicable Laws and Regulations, and Applicable Reliability Standards. If the Facility is a Class Year Transmission Project or a Cluster Study Transmission Project, Appendix C to this Agreement shall include any project-specific variations from the operating requirements established in this Article 9 that are appropriate for the transmission facility.

9.2 NYISO and Connecting Transmission Owner Obligations.

Connecting Transmission Owner and NYISO shall cause the New York State Transmission System and the Connecting Transmission Owner's Attachment Facilities to be operated, maintained and controlled in a safe and reliable manner in accordance with this Agreement and the NYISO Tariffs. Connecting Transmission Owner and NYISO may provide operating instructions to Interconnection Customer consistent with this Agreement, the NYISO Tariffs, ISO Procedures, and Connecting Transmission Owner's operating protocols and procedures, as such requirements may change from time to time. Connecting Transmission Owner and NYISO will consider changes to their respective operating protocols and procedures proposed by Interconnection Customer.

9.3 Interconnection Customer Obligations.

Interconnection Customer shall at its own expense operate, maintain, and control the Facility and the Interconnection Customer's Attachment Facilities in a safe and reliable manner and in accordance with this Agreement. Interconnection Customer shall operate the Facility and the Interconnection Customer's Attachment Facilities in accordance with any additional NYISO and Connecting Transmission Owner requirements, as such requirements are set forth or referenced in Appendix C hereto. Appendix C will be modified to reflect changes to the requirements as they may change from time to time. Any Party may request that the appropriate other Party or Parties provide copies of the requirements set forth or referenced in Appendix C hereto.

SERVICE AGREEMENT NO. 2935

9.4 Start-Up and Synchronization.

Consistent with the mutually acceptable procedures of Interconnection Customer and Connecting Transmission Owner, Interconnection Customer is responsible for the proper synchronization of the Facility to the New York State Transmission System in accordance with NYISO and Connecting Transmission Owner procedures and requirements.

9.5 Real and Reactive Power Control and Primary Frequency Response.

9.5.1 Power Factor Design Criteria.

9.5.1.1 Synchronous Generation. Interconnection Customer shall design the Facility to maintain effective 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 the Transmission Owner in whose Transmission District the Facility interconnects has established different requirements that apply to all generators in the New York Control Area or Transmission District (as applicable) on a comparable basis, in accordance with Good Utility Practice.

Interconnection Customer shall design and maintain the plant auxiliary systems to operate safely throughout the entire real and reactive power design range.

9.5.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Facility to maintain 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 the Transmission Owner in whose Transmission District the Facility interconnects has established a different power factor range that applies to all non-synchronous generators in the New York 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 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 interconnection non-synchronous generators that have not yet executed a Class Year Study Agreement or a Cluster Study Agreement as of September 21, 2016.

Interconnection Customer shall design and maintain the plant auxiliary systems to operate safely throughout the entire real and reactive power design range.

9.5.2 Voltage Schedules.

Once Interconnection Customer has synchronized the Facility with the New York State Transmission System, NYISO shall require Interconnection Customer to operate the Facility to produce or absorb reactive power within the design capability of the Facility set forth in Article 9.5.1 (Power Factor Design Criteria). NYISO's voltage schedules shall treat all sources of reactive power in the New York Control Area in an equitable and not unduly discriminatory manner. NYISO shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules in accordance with ISO Procedures, and may make changes to such schedules as

SERVICE AGREEMENT NO. 2935

necessary to maintain the reliability of the New York State Transmission System. Interconnection Customer shall operate the Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design capability of the Facility set forth in Article 9.5.1 (Power Factor Design Criteria) as directed by the Connecting Transmission Owner's system operator or the NYISO. If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify NYISO.

9.5.3 Payment for Reactive Power.

NYISO shall pay Interconnection Customer for reactive power or voltage support service that Interconnection Customer provides from the Facility in accordance with the provisions of Rate Schedule 2 of the ISO Services Tariff.

9.5.4 Voltage Regulators.

Whenever the Facility is operated in parallel with the New York State Transmission System, the automatic voltage regulators shall be in automatic operation at all times. If the Facility's automatic voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify NYISO, or its designated representative, and ensure that such Facility's real and reactive power are within the design capability of the Facility's generating unit(s) and steady state stability limits and NYISO system operating (thermal, voltage and transient stability) limits. Interconnection Customer shall not cause its Facility to disconnect automatically or instantaneously from the New York State Transmission System or trip any generating unit comprising the Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the New York Control Area on a comparable basis.

9.5.5 Primary Frequency Response.

Interconnection Customer shall ensure the primary frequency response capability of its 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 Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop \pm 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 Facility, and shall be linear in the range of frequencies between 59 and 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 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

SERVICE AGREEMENT NO. 2935

deviation exceeds the deadband parameter, the expected change in the 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. Interconnection Customer shall notify NYISO that the primary frequency response capability of the Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Facility with the New York State Transmission System, Interconnection Customer shall operate the Facility consistent with the provisions specified in Articles 9.5.1.1 and 9.5.5.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Facilities.

9.5.5.1 Governor or Equivalent Controls.

Whenever the Facility is operated in parallel with the New York State Transmission System, Interconnection Customer shall operate the Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer 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. Interconnection Customer shall be required to provide the status and settings of the governor and equivalent controls to NYISO and/or the Connecting Transmission Owner upon request. If Interconnection Customer needs to operate the Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify NYISO and the Connecting Transmission Owner, and provide both with 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. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Facility's governor or equivalent controls to a minimum whenever the Facility is operated in parallel with the New York State Transmission System.

9.5.5.2 Timely and Sustained Response.

Interconnection Customer shall ensure that the 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 Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer 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 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.

SERVICE AGREEMENT NO. 2935

9.5.5.3 Exemptions.

Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 9.5.5, 9.5.5.1, and 9.5.5.2 of this Agreement. 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 9.5.5, but shall be otherwise exempt from the operating requirements in Articles 9.5.5, 9.5.5.1, 9.5.5.2, and 9.5.5.4 of this Agreement.

9.5.5.4 Electric Storage Resources.

Interconnecting Customer interconnecting a Facility that contains an electric storage resource shall establish an operating range in Appendix C of this Agreement 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 9.5.5, 9.5.5.1, 9.5.5.2, and 9.5.5.3 of this Agreement. Appendix C 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 by the NYISO, Connecting Transmission Owner, and Interconnection Customer. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 9.5.5.2 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 Interconnection Customer'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. Interconnection Customer'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.

9.6 Outages and Interruptions.

9.6.1 Outages.

SERVICE AGREEMENT NO. 2935

9.6.1.1 Outage Authority and Coordination.

Interconnection Customer and Connecting Transmission Owner may each, in accordance with ISO Procedures and Good Utility Practice and in coordination with the other Party, remove from service any of its respective Attachment Facilities or System Upgrade Facilities and System Deliverability Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency State, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to both the Interconnection Customer and the Connecting Transmission Owner. In all circumstances either Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.6.1.2 Outage Schedules.

The Connecting Transmission Owner shall post scheduled outages of its transmission facilities on the NYISO OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Facility to Connecting Transmission Owner and NYISO for a minimum of a rolling thirty-six month period. Interconnection Customer shall update its planned maintenance schedules as necessary. NYISO may direct, or the Connecting Transmission Owner may request, Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the New York State Transmission System. Compensation to Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of rescheduling maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent the request to reschedule maintenance, shall be in accordance with the ISO OATT. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities other than at the direction of the NYISO or request of the Connecting Transmission Owner.

9.6.1.3 Outage Restoration.

If an outage on the Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades of the Connecting Transmission Owner or Interconnection Customer adversely affects the other Party's operations or facilities, the Party that owns the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns the facility that is out of service shall provide the other Party and NYISO, to the extent such information is known, information on the nature of the Emergency State, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.6.2 Interruption of Service. If required by Good Utility Practice or Applicable Reliability Standards to do so, the NYISO or Connecting Transmission Owner may require Interconnection Customer to interrupt or reduce production or transmission of electricity if such production or transmission of electricity could adversely affect the ability of NYISO and

SERVICE AGREEMENT NO. 2935

Connecting Transmission Owner to perform such activities as are necessary to safely and reliably operate and maintain the New York State Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.6.2:

9.6.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.6.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating and merchant transmission facilities directly connected to the New York State Transmission System;

9.6.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, NYISO or Connecting Transmission Owner shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.6.2.4 Except during the existence of an Emergency State, when the interruption or reduction can be scheduled without advance notice, NYISO or Connecting Transmission Owner shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. NYISO or Connecting Transmission Owner shall coordinate with each other and Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer, the Connecting Transmission Owner and the New York State Transmission System;

9.6.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Facility, Attachment Facilities, and the New York State Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.6.3 Ride Through Capability and Performance.

The New York State Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Councils in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Facility as required by the Applicable Reliability Councils to ensure frequency “ride through” capability of the New York State Transmission System. Facility response to frequency deviations of predetermined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the NYISO and Connecting Transmission Owner in accordance with Good Utility Practice. Interconnection Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Applicable Reliability Councils to ensure voltage “ride through” capability of the New York State Transmission System. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the New York State Transmission System during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice

SERVICE AGREEMENT NO. 2935

and consistent with any standards and guidelines that are applied to other Generating Facilities in the Balancing Authority Area on a comparable basis unless the Transmission Owner in whose Transmission District the Facility interconnects has established different requirements that apply on a comparable basis in accordance with Good Utility Practice. For abnormal frequency conditions and voltage conditions within the “no trip zone” as that term is defined by ERO Reliability Standard PRC-024-3, any successor mandatory ride through ERO reliability standards, or any more stringent NPCC or NYSRC requirements applicable to Generating Facilities in the Balancing Authority Area on a comparable basis, the non-synchronous Generating Facility must ensure that, within any physical limitations of the Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

9.6.4 System Protection and Other Control Requirements.

9.6.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Facility or Interconnection Customer’s Attachment Facilities. Connecting Transmission Owner shall install at Interconnection Customer’s expense any System Protection Facilities that may be required on the Connecting Transmission Owner’s Attachment Facilities or the New York State Transmission System as a result of the interconnection of the Facility and Interconnection Customer’s Attachment Facilities.

9.6.4.2 The protection facilities of both Interconnection Customer and Connecting Transmission Owner shall be designed and coordinated with other systems in accordance with Good Utility Practice and Applicable Reliability Standards.

9.6.4.3 Interconnection Customer and Connecting Transmission Owner shall each be responsible for protection of its respective facilities consistent with Good Utility Practice and Applicable Reliability Standards.

9.6.4.4 The protective relay design of Interconnection Customer and Connecting Transmission Owner shall each incorporate the necessary test switches to perform the tests required in Article 6 of this Agreement. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer’s Facility or Connecting Transmission Owner’s facilities.

9.6.4.5 Interconnection Customer and Connecting Transmission Owner will each test, operate and maintain System Protection Facilities in accordance with Good Utility Practice, ERO and NPCC criteria.

SERVICE AGREEMENT NO. 2935

9.6.4.6 Prior to the Initial Backfeed Date, and again prior to the Commercial Operation Date, Interconnection Customer and Connecting Transmission Owner shall each perform, or their agents shall perform, a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, Interconnection Customer and Connecting Transmission Owner shall each perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.6.5 Requirements for Protection.

In compliance with NPCC requirements and Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Facility to any short circuit occurring on the New York State Transmission System not otherwise isolated by Connecting Transmission Owner's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the New York State Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Facility and the New York State Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of Interconnection Customer and Connecting Transmission Owner. Interconnection Customer shall be responsible for protection of the Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Facility and Interconnection Customer's other equipment if conditions on the New York State Transmission System could adversely affect the Facility.

9.6.6 Power Quality.

Neither the facilities of Interconnection Customer nor the facilities of Connecting Transmission Owner shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.7 Switching and Tagging Rules.

Interconnection Customer and Connecting Transmission Owner shall each provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a nondiscriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

SERVICE AGREEMENT NO. 2935

9.8 Use of Attachment Facilities by Third Parties.

9.8.1 Purpose of Attachment Facilities.

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Attachment Facilities shall be constructed for the sole purpose of interconnecting the Facility to the New York State Transmission System and shall be used for no other purpose.

9.8.2 Third Party Users.

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Connecting Transmission Owner's Attachment Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Attachment Facilities based upon the pro rata use of the Attachment Facilities by Connecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Attachment Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Attachment Facilities by Connecting Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.9 Disturbance Analysis Data Exchange.

The Parties will cooperate with one another and the NYISO in the analysis of disturbances to either the Facility or the New York State Transmission System by gathering and providing access to any information relating to any disturbance, including information from disturbance recording equipment, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

9.10 Reserved.

ARTICLE 10. MAINTENANCE

10.1 Connecting Transmission Owner Obligations.

Connecting Transmission Owner shall maintain its transmission facilities and Attachment Facilities in a safe and reliable manner and in accordance with this Agreement.

10.2 Interconnection Customer Obligations.

Interconnection Customer shall maintain its Facility and Attachment Facilities in a safe and reliable manner and in accordance with this Agreement.

SERVICE AGREEMENT NO. 2935

10.3 Coordination.

Interconnection Customer and Connecting Transmission Owner shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Facility and the Attachment Facilities. Interconnection Customer and Connecting Transmission Owner shall keep NYISO fully informed of the preventive and corrective maintenance that is planned, and shall schedule all such maintenance in accordance with ISO Procedures.

10.4 Secondary Systems.

Interconnection Customers and Connecting Transmission Owner shall each cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of Interconnection Customer's or Connecting Transmission Owner's facilities and equipment which may reasonably be expected to impact the other Party. Interconnection Customer and Connecting Transmission Owner shall each provide advance notice to the other Party, and to NYISO, before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Attachment Facilities; and (2) operation, maintenance, repair and replacement of Connecting Transmission Owner's Attachment Facilities. The Connecting Transmission Owner shall be entitled to the recovery of incremental operating and maintenance expenses that it incurs associated with System Upgrade Facilities and System Deliverability Upgrades if and to the extent provided for under Attachment HH to the ISO OATT.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Interconnection Customer's Attachment Facilities.

Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Attachment Facilities described in Appendix A hereto, at its sole expense.

11.2 Connecting Transmission Owner's Attachment Facilities.

Connecting Transmission Owner or Interconnection Customer, as determined in accordance with Article 5 of this Agreement, shall design, procure, construct, and/or install the Connecting Transmission Owner's Attachment Facilities described in Appendix A hereto at the

SERVICE AGREEMENT NO. 2935

sole expense of the Interconnection Customer. Connecting Transmission Owner shall own the Connecting Transmission Owner's Attachment Facilities.

11.3 System Upgrade Facilities and System Deliverability Upgrades.

Connecting Transmission Owner or Interconnection Customer, as determined in accordance with Article 5 of this Agreement, shall design, procure, construct, and/or install the System Upgrade Facilities and System Deliverability Upgrades described in Appendix A hereto. Connecting Transmission Owner shall own the System Upgrade Facilities and System Deliverability Upgrades. The responsibility of the Interconnection Customer for costs related to System Upgrade Facilities and System Deliverability Upgrades shall be determined in accordance with the provisions of Attachment HH to the OATT.

11.4 Upgrades on Affected Systems or Upgrades Required for Multiple Projects on Connecting Transmission Owner's System or Affected Systems.

If any System Upgrade Facilities or System Deliverability Upgrades are required on an Affected System or Connecting Transmission Owner's system in connection with the interconnection of the Facility and are subject to the requirements to enter a Standard Upgrades Construction Agreement or a Standard Multiparty Upgrade Construction Agreement pursuant to the requirements in Attachment HH to the OATT, the upgrades will be described in Appendix A to this Agreement and constructed in accordance with the applicable construction agreement. If the Facility is subject to an Affected System Study for potential impacts to an External Affected System, the status of the Affected System Study and any identified Affected System Network Upgrades on the External Affected System will be described in Appendix A to this Agreement.

11.5 Provision of Security.

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Connecting Transmission Owner's Attachment Facilities, Interconnection Customer shall provide Connecting Transmission Owner, at Interconnection Customer's option, a guarantee, a letter of credit or other form of security that is reasonably acceptable to Connecting Transmission Owner and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1 of this Agreement. Such security for payment shall be in an amount sufficient to cover the cost for Interconnection Customer's share of constructing, procuring and installing the applicable portion of Connecting Transmission Owner's Attachment Facilities, and shall be reduced on a dollar-for-dollar basis for payments made to Connecting Transmission Owner for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the commercially reasonable creditworthiness requirements of Connecting Transmission Owner, and contains terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

SERVICE AGREEMENT NO. 2935

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Connecting Transmission Owner and must specify a reasonable expiration date.

11.5.3 Attachment HH to the ISO OATT shall govern the Security that Interconnection Customer provided for System Upgrade Facilities and System Deliverability Upgrades for a Generating Facility or Class Year Transmission Project that participated in a Class Year Study.

11.6 Interconnection Customer's Compensation for Emergency Services.

If, during an Emergency State, Interconnection Customer provides services at the request or direction of the NYISO or Connecting Transmission Owner, Interconnection Customer will be compensated for such services in accordance with the ISO Services Tariff.

11.7 Line Outage Costs.

Notwithstanding anything in the ISO OATT to the contrary, the Connecting Transmission Owner may propose to recover line outage costs associated with the installation of Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, or System Deliverability Upgrades on a case-by-case basis.

ARTICLE 12. INVOICE

12.1 General.

Interconnection Customer and Connecting Transmission Owner shall each submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month, or as otherwise agreed by such Parties and as set forth in Section 4 of Appendix B. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. Interconnection Customer and Connecting Transmission Owner may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts one Party owes to the other Party under this Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice.

Within six months after completion of the construction of the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and System Deliverability Upgrades, Connecting Transmission Owner shall provide an invoice of the final cost of the construction of the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and System Deliverability Upgrades, determined in accordance with Attachment HH to the ISO OATT, and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Connecting Transmission Owner shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

SERVICE AGREEMENT NO. 2935

12.3 Payment.

Invoices shall be rendered to the paying Party at the address specified in Appendix F hereto. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices will not constitute a waiver of any rights or claims the paying Party may have under this Agreement.

12.4 Disputes.

In the event of a billing dispute between Connecting Transmission Owner and Interconnection Customer, Connecting Transmission Owner shall continue to perform under this Agreement as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Connecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Connecting Transmission Owner may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's Regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

ARTICLE 13. EMERGENCIES

13.1 Obligations.

Each Party shall comply with the Emergency State procedures of NYISO, the Applicable Reliability Councils, of Applicable Laws and Regulations, and any emergency procedures agreed to by the NYISO Operating Committee.

13.2 Notice.

NYISO or, as applicable, Connecting Transmission Owner shall notify Interconnection Customer promptly when it becomes aware of an Emergency State that affects the Connecting Transmission Owner's Attachment Facilities or the New York State Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Facility or the Interconnection Customer's Attachment Facilities. Interconnection Customer shall notify NYISO and Connecting Transmission Owner promptly when it becomes aware of an Emergency State that affects the Facility or the Interconnection Customer's Attachment Facilities that may reasonably be expected to affect the New York State Transmission System or the Connecting Transmission Owner's Attachment Facilities. To the extent information is known, the notification shall describe the Emergency State, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Connecting Transmission Owner's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

SERVICE AGREEMENT NO. 2935

13.3 Immediate Action.

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Connecting Transmission Owner, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Facility or the Interconnection Customer's Attachment Facilities in response to an Emergency State either declared by NYISO, Connecting Transmission Owner or otherwise regarding New York State Transmission System.

13.4 NYISO and Connecting Transmission Owner Authority.

13.4.1 General.

NYISO or Connecting Transmission Owner may take whatever actions with regard to the New York State Transmission System or the Connecting Transmission Owner's Attachment Facilities it deems necessary during an Emergency State in order to (i) preserve public health and safety, (ii) preserve the reliability of the New York State Transmission System or the Connecting Transmission Owner's Attachment Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

NYISO and Connecting Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Facility or the Interconnection Customer's Attachment Facilities. NYISO or Connecting Transmission Owner may, on the basis of technical considerations, require the Facility to mitigate an Emergency State by taking actions necessary and limited in scope to remedy the Emergency State, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Facility; implementing a reduction or disconnection pursuant to Article 13.4.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Facility and the Interconnection Customer's Attachment Facilities. Interconnection Customer shall comply with all of the NYISO and Connecting Transmission Owner's operating instructions concerning Facility real power and reactive power output within the manufacturer's design limitations of the Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection.

NYISO or Connecting Transmission Owner may reduce generation or transmission from or disconnect the Facility or the Interconnection Customer's Attachment Facilities, when such reduction or disconnection is necessary under Good Utility Practice due to an Emergency State. These rights are separate and distinct from any right of Curtailment of NYISO pursuant to the ISO OATT. When NYISO or Connecting Transmission Owner can schedule the reduction or disconnection in advance, NYISO or Connecting Transmission Owner shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. NYISO or Connecting Transmission Owner shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and the New York State Transmission System. Any reduction or

SERVICE AGREEMENT NO. 2935

disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Facility, the Attachment Facilities, and the New York State Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.5 Interconnection Customer Authority.

Consistent with Good Utility Practice and this Agreement, Interconnection Customer may take whatever actions or inactions with regard to the Facility or the Interconnection Customer's Attachment Facilities during an Emergency State in order to (i) preserve public health and safety, (ii) preserve the reliability of the Facility or the Interconnection Customer's Attachment Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the New York State Transmission System and the Connecting Transmission Owner's Attachment Facilities. NYISO and Connecting Transmission Owner shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.6 Limited Liability.

Except as otherwise provided in Article 11.6 of this Agreement, no Party shall be liable to another Party for any action it takes in responding to an Emergency State so long as such action is made in good faith and is consistent with Good Utility Practice and the NYISO Tariffs.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements.

Each Party's obligations under this Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this Agreement shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 2005 or the Public Utility Regulatory Policies Act of 1978, as amended.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance 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.

14.2.2 This Agreement is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

SERVICE AGREEMENT NO. 2935

ARTICLE 15. NOTICES

15.1 General.

Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by a Party to the other Parties and any instrument required or permitted to be tendered or delivered by a Party in writing to the other Parties shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F hereto.

A Party may change the notice information in this Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments.

Billings and payments shall be sent to the addresses set out in Appendix F hereto.

15.3 Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone or email to the telephone numbers and email addresses set out in Appendix F hereto.

15.4 Operations and Maintenance Notice.

Interconnection Customer and Connecting Transmission Owner shall each notify the other Party, and NYISO, in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10 of this Agreement.

ARTICLE 16. FORCE MAJEURE

Economic hardship is not considered a Force Majeure event. A Party shall not be responsible or liable, or deemed, in Default with respect to any obligation hereunder, (including obligations under Article 4 of this Agreement), other than the obligation to pay money when due, to the extent the Party is prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Parties in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

SERVICE AGREEMENT NO. 2935

ARTICLE 17. DEFAULT

17.1 General.

No Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Parties. Upon a Breach, the non-Breaching Parties shall give written notice of such to the Breaching Party. The Breaching Party shall have thirty (30) 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 thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 Right to Terminate.

If a Breach is not cured as provided in this Article 17, or if a Breach is not capable of being cured within the period provided for herein, the non-Breaching Parties acting together shall thereafter have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate 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 will survive termination of this Agreement.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnity.

Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and save harmless, as applicable, the other Parties (each an “Indemnified Party”) from, any and all damages, losses, claims, including claims and actions relating to injury to or death 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 of its obligations 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 of the Indemnified Party or (ii) the violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of any Hazardous Substance.

18.1.1 Indemnified Party.

If a Party is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1.3, 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.

SERVICE AGREEMENT NO. 2935

18.1.2 Indemnifying Party.

If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 18, 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.

18.1.3 Indemnity Procedures.

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 Article 18.1 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.

Except as stated below, the Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be unreasonably withheld, conditioned or delayed.

18.2 No Consequential Damages.

Other than the liquidated damages heretofore described and the indemnity obligations set forth in Article 18.1, in no event shall any Party 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 separate

SERVICE AGREEMENT NO. 2935

agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance.

Interconnection Customer and Connecting Transmission Owner shall each, at its own expense, procure and maintain in force throughout the period of this Agreement and until released by the other Parties, the following minimum insurance coverages, with insurance companies licensed to write insurance or approved eligible surplus lines carriers in the state of New York with a minimum A.M. Best rating of A or better for financial strength, and an A.M. Best financial size category of VIII or better:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of New York State.

18.3.2 Commercial General Liability ("CGL") Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available using Insurance Services Office, Inc. Commercial General Liability Coverage ("ISO CG") Form CG 00 01 04 13 or a form equivalent to or better than CG 00 01 04 13, with minimum limits of Two Million Dollars (\$2,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 If applicable, the Commercial General Liability and Comprehensive Automobile Liability Insurance policies should include contractual liability for work in connection with construction or demolition work on or within 50 feet of a railroad, or a separate Railroad Protective Liability Policy should be provided.

18.3.5 Excess Liability Insurance over and above the Employers' Liability, Commercial General Liability and Comprehensive Automobile Liability Insurance coverages, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence and Twenty Million Dollars (\$20,000,000) aggregate. The Excess policies should contain the same extensions listed under the Primary policies.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies of Interconnection Customer and Connecting Transmission Owner shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insureds using ISO CG Endorsements: CG 20 33 04 13, and CG 20 37 04 13 or CG 20 10 04 13 and CG 20 37 04 13 or equivalent to or better forms. All policies shall contain provisions

SERVICE AGREEMENT NO. 2935

whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) Calendar days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory. Interconnection Customer and Connecting Transmission Owner shall each be responsible for its respective deductibles or retentions.

18.3.8 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for at least three (3) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by Interconnection Customer and Connecting Transmission Owner.

18.3.9 If applicable, Pollution Liability Insurance in an amount no less than \$7,500,000 per occurrence and \$7,500,000 in the aggregate. The policy will provide coverage for claims resulting from pollution or other environmental impairment arising out of or in connection with work performed on the premises by the other party, its contractors and and/or subcontractors. Such insurance is to include coverage for, but not be limited to, cleanup, third party bodily injury and property damage and remediation and will be written on an occurrence basis. The policy shall name the Other Party Group as additional insureds, be primary and contain a waiver of subrogation.

18.3.10 The requirements contained herein as to the types and limits of all insurance to be maintained by Interconnection Customer and Connecting Transmission Owner are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by those Parties under this Agreement.

18.3.11 Within ninety (90) Calendar Days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, Interconnection Customer and Connecting Transmission Owner shall provide certificate of insurance for all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

18.3.12 Notwithstanding the foregoing, Interconnection Customer and Connecting Transmission Owner may each self-insure to meet the minimum insurance requirements of Articles 18.3.1 through 18.3.9 to the extent it maintains a self-insurance program; provided that, such Party's senior debt is rated at investment grade, or better, by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.1 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article 18.3.12, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Articles 18.3.1 through 18.3.9 and provide evidence of such coverages. For any period of time that a Party's senior debt is unrated by Standard & Poor's or is rated at less than investment grade

SERVICE AGREEMENT NO. 2935

by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.1 through 18.3.9.

18.3.13 Interconnection Customer and Connecting Transmission Owner agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

18.3.14 Subcontractors of each party must maintain the same insurance requirements stated under Articles 18.3.1 through 18.3.9 and comply with the Additional Insured requirements herein. In addition, their policies must state that they are primary and non-contributory and contain a waiver of subrogation.

ARTICLE 19. ASSIGNMENT

This Agreement may be assigned by a Party only with the written consent of the other Parties; provided that a Party may assign this Agreement without the consent of the other Parties 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 further that a Party may assign this Agreement without the consent of the other Parties in connection with the sale, merger, restructuring, or transfer of a substantial portion or all of its assets, including the Attachment Facilities it owns, so long as the assignee in such a transaction directly assumes in writing all rights, duties and obligations arising under this Agreement; and provided further that Interconnection Customer shall have the right to assign this Agreement, without the consent of the NYISO or Connecting Transmission Owner, for collateral security purposes to aid in providing financing for the Facility, provided that Interconnection Customer will promptly notify the NYISO and Connecting Transmission Owner of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the NYISO and Connecting Transmission Owner of the date and particulars of any such exercise of assignment right(s) and will provide the NYISO and Connecting Transmission Owner with proof that it meets the requirements of Articles 11.5 and 18.3. If the Facility is made up of more than one resource, a Party may only assign this Agreement for the entire Facility and may not divide the Agreement into separate agreements for the individual resources that constitute the Facility. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Connecting Transmission Owner) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the

SERVICE AGREEMENT NO. 2935

Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the rights and obligations of Interconnection Customer and Connecting Transmission Owner shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality.

Certain information exchanged by the Parties during the term of this Agreement shall constitute confidential information (“Confidential Information”) and shall be subject to this Article 22.

If requested by a Party receiving information, the Party supplying the information shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.2 Term.

During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.3 Confidential Information.

The following shall constitute Confidential Information: (1) any non-public information that is treated as confidential by the disclosing Party and which the disclosing Party identifies as Confidential Information in writing at the time, or promptly after the time, of disclosure; or (2) information designated as Confidential Information by the NYISO Code of Conduct contained in Attachment F to the ISO OATT.

22.4 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of

the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 22.9

SERVICE AGREEMENT NO. 2935

of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.5 Release of Confidential Information.

No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by FERC Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of a Party, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.6 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Parties of Confidential Information shall not be deemed a waiver by any Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.7 No Warranties.

By providing Confidential Information, no Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.8 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Parties under this Agreement or its regulatory requirements, including the ISO OATT and ISO Services Tariff. The NYISO shall, in all cases, treat the information it receives in accordance with the requirements of Attachment F to the ISO OATT.

22.9 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for

production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Parties with prompt notice of such request(s) or requirement(s)

SERVICE AGREEMENT NO. 2935

so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.10 Termination of Agreement.

Upon termination of this Agreement for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Parties, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Parties) or return to the other Parties, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Parties pursuant to this Agreement.

22.11 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.12 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, 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 or the ISO OATT, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 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. A Party shall not be liable for any losses, consequential or otherwise, resulting from that Party divulging Confidential Information pursuant to a FERC or state regulatory body request under this paragraph.

SERVICE AGREEMENT NO. 2935

22.13 Required Notices Upon Requests or Demands for Confidential Information

Except as otherwise expressly provided herein, no Party shall disclose Confidential Information to any person not employed or retained by the Party possessing the Confidential Information, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Agreement, the ISO OATT or the ISO Services Tariff. Prior to any disclosures of a Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. INTERCONNECTION CUSTOMER AND CONNECTING TRANSMISSION OWNER NOTICES OF ENVIRONMENTAL RELEASES

Interconnection Customer and Connecting Transmission Owner shall each 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 Facility or the Attachment Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENT

24.1 Information Acquisition.

Connecting Transmission Owner and Interconnection Customer shall each submit specific information regarding the electrical characteristics of their respective facilities to the other, and to NYISO, as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Connecting Transmission Owner.

The initial information submission by Connecting Transmission Owner shall occur no later than one hundred eighty (180) Calendar Days prior to the Synchronization Date and shall include New York State Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise mutually agreed to by Interconnection Customer and Connecting Transmission Owner and set forth in the Milestones table in Appendix B to this Agreement. On a monthly basis, Connecting Transmission Owner or Interconnection Customer, as applicable, shall provide the other Parties with a status report on the construction and installation of the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and System Deliverability Upgrades for which

SERVICE AGREEMENT NO. 2935

it is responsible, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer.

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Synchronization Date, unless otherwise mutually agreed to by Interconnection Customer and Connecting Transmission Owner and set forth in the Milestone table in Appendix B to this Agreement. Interconnection Customer shall submit a completed copy of the Facility data requirements contained in, as applicable, Appendix 1 to the Standard Large Facility Interconnection Procedures in Attachment X to the OATT or Appendix 1 to the Standard Interconnection Procedures in Attachment HH to the OATT. It shall also include any additional information provided to Connecting Transmission Owner for the Class Year Study or Cluster Study. Information in this submission shall be the most current Facility design or expected performance data. Information submitted for stability models shall be compatible with NYISO standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is different from what Interconnection Customer originally provided to Connecting Transmission Owner and NYISO in its Interconnection Request or, if applicable, pursuant to an Class Year Study Agreement among Connecting Transmission Owner, NYISO and Interconnection Customer and this difference may be reasonably expected to affect the other Parties' facilities or the New York State Transmission System, but does not require the submission of a new Interconnection Request, then NYISO will conduct appropriate studies to determine the impact on the New York State Transmission System based on the actual data submitted pursuant to this Article 24.3. Such studies will provide an estimate of any additional modifications to the New York State Transmission System, Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades based on the actual data and a good faith estimate of the costs thereof. The Interconnection Customer shall not begin Trial Operation until such studies are completed. The Interconnection Customer shall be responsible for the cost of any modifications required by the actual data, including the cost of any required studies.

24.4 Information Supplementation.

Prior to the Commercial Operation Date, Interconnection Customer and Connecting Transmission Owner shall supplement their information submissions described above in this Article 24 with any and all "as-built" Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. If the Facility is a Class Year Transmission Project or Cluster Study Transmission Project, Appendix C to this Agreement shall include any project-specific variations from the testing requirements established in this Article 24.4 that are appropriate for the transmission facility.

SERVICE AGREEMENT NO. 2935

Interconnection Customer shall conduct tests on the Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Facility to verify proper operation of the Facility’s automatic voltage regulator. Unless otherwise agreed, the test conditions shall include: (1) Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Facility terminal or field voltages is provided. Facility testing shall be conducted and results provided to the Connecting Transmission Owner and NYISO for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Connecting Transmission Owner and NYISO any information changes due to equipment replacement, repair, or adjustment. Connecting Transmission Owner shall provide Interconnection Customer and NYISO any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Connecting Transmission Owner substation that may affect the Interconnection Customer’s Attachment Facilities equipment ratings, protection or operating requirements. Interconnection Customer and Connecting Transmission Owner shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access.

Each Party (“Disclosing Party”) shall make available to another Party (“Requesting Party”) information that is in the possession of the Disclosing Party and is necessary in order for the Requesting Party to: (i) verify the costs incurred by the Disclosing Party for which the Requesting Party is responsible under this Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 of this Agreement and to enforce their rights under this Agreement.

25.2 Reporting of Non-Force Majeure Events.

Each Party (the “Notifying Party”) shall notify the other Parties when the Notifying Party becomes aware of its inability to comply with the provisions of this Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this Agreement.

SERVICE AGREEMENT NO. 2935

25.3 Audit Rights.

Subject to the requirements of confidentiality under Article 22 of this Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to another Party, to audit at its own expense the other Party's accounts and records pertaining to the other Party's performance or satisfaction of its obligations under this Agreement. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, and each Party's actions in an Emergency State. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to the Party's performance and satisfaction of obligations under this Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4 of this Agreement.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and System Deliverability Upgrades shall be subject to audit for a period of twenty-four months following Connecting Transmission Owner's issuance of a final invoice in accordance with Article 12.2 of this Agreement.

25.4.2 Audit Rights Period for All Other Accounts and Records.

Accounts and records related to a Party's performance or satisfaction of its obligations under this Agreement other than those described in Article 25.4.1 of this Agreement shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results.

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

26.1 General.

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

SERVICE AGREEMENT NO. 2935

26.2 Responsibility of Principal.

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 Parties 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 or Connecting Transmission Owner be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of 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.

26.3 No Limitation by Insurance.

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

27.1 Submission.

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance (a "Dispute"), such Party shall provide the other Parties with written notice of the Dispute ("Notice of Dispute"). Such Dispute shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Parties. In the event the designated representatives are unable to resolve the Dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Parties' receipt of the Notice of Dispute, such Dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such Dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.

27.2 External Arbitration Procedures.

Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the Dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. In each case, the arbitrator(s) shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; *provided, however*, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

SERVICE AGREEMENT NO. 2935

27.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Attachment Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

27.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) one-third the cost of the single arbitrator jointly chosen by the Parties.

27.5 Termination.

Notwithstanding the provisions of this Article 27, any Party may terminate this Agreement in accordance with its provisions or pursuant to an action at law or equity. The issue of whether such a termination is proper shall not be considered a Dispute hereunder.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General.

Each Party makes the following representations, warranties and covenants:

28.2 Good Standing.

Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Facility, Attachment Facilities, System Upgrade Facilities, and System Deliverability Upgrades owned by such Party, as applicable, are located or interconnect; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted, to enter into this Agreement and carry out the transactions contemplated hereby, and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

28.2.1 Authority.

Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding

SERVICE AGREEMENT NO. 2935

obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.2.2 No Conflict.

The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.2.3 Consent and Approval.

Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement, and the Party will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

ARTICLE 29. MISCELLANEOUS

29.1 Binding Effect.

This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

29.2 Conflicts.

If there is a discrepancy or conflict between or among the terms and conditions of this cover agreement and the Appendices hereto, the terms and conditions of this cover agreement shall be given precedence over the Appendices, except as otherwise expressly agreed to in writing by the Parties. As permitted by the foregoing, the Parties expressly agree that the terms and conditions of the Appendices shall take precedence over the provisions of this cover agreement in case of a discrepancy or conflict between their terms and conditions.

29.3 Rules of Interpretation.

This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to

any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if

SERVICE AGREEMENT NO. 2935

applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement, or such Section to the Standard Interconnection Procedures or such Appendix to the Standard Interconnection Procedures, as the case may be; (6) “hereunder,” “hereof,” “herein,” “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including.”

29.4 Compliance.

Each Party shall perform its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, the ISO OATT, ISO Procedures, and Good Utility Practice. To the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its compliance therewith. When any Party becomes aware of such a situation, it shall notify the other Parties promptly so that the Parties can discuss the amendment to this Agreement that is appropriate under the circumstances.

29.5 Joint and Several Obligations.

Except as otherwise stated herein, the obligations of NYISO, Interconnection Customer, and Connecting Transmission Owner are several, and are neither joint nor joint and several.

29.6 Entire Agreement.

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

29.7 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 permitted their assigns.

29.8 Waiver.

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. Any waiver at any time by any Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other

SERVICE AGREEMENT NO. 2935

failure to comply with any other obligation, right, duty of this Agreement. Termination or Default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain Capacity Resource Interconnection Service and Energy Resource Interconnection Service from the NYISO and Connecting Transmission Owner in accordance with the provisions of the ISO OATT. Any waiver of this Agreement shall, if requested, be provided in writing.

29.9 Headings.

The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

29.10 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.

29.11 Amendment.

The Parties may by mutual agreement amend this Agreement, by a written instrument duly executed by all three of the Parties.

29.12 Modification by the Parties.

The Parties may by mutual agreement amend the Appendices to this Agreement, by a written instrument duly executed by all three of the Parties. Such an amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

29.13 Reservation of Rights.

NYISO and Connecting Transmission Owner shall have the right 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, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; 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 thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

29.14 No Partnership.

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among 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

SERVICE AGREEMENT NO. 2935

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, any other Party.

29.15 Other Transmission Rights.

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, or transmission congestion rights that Interconnection Customer shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the System Upgrade Facilities and System Deliverability Upgrades.

29.16 Modifications Related to NYISO's Compliance with Order No. 2023

If, as part of the NYISO's compliance proceeding at the Commission in response to Order No. 2023, the Commission directs that the NYISO modify the *pro forma* Standard Interconnection Agreement located in Appendix 15 of Attachment HH to the ISO OATT, the Parties shall amend and restate this Agreement to incorporate the modifications; *provided, however*, the Parties may agree to include in the amended and restated agreement non-conforming changes to any terms of the *pro forma* Standard Interconnection Agreement that have been modified to comply with the Commission's order, which non-conforming modifications must be filed with the Commission for its acceptance.

SERVICE AGREEMENT NO. 2935

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

New York Independent System Operator, Inc.

By:

Name:

Title:

Date:

Consolidated Edison of New York, Inc.

By:

Name:

Title:

Date:

NYC Energy, LLC

By:

Name:

Title:

Date:

SERVICE AGREEMENT NO. 2935

APPENDICES

Appendix A	Facility, Attachment Facilities, and Upgrades
Appendix B	Milestones
Appendix C	Operating Requirements
Appendix D	Security Arrangements Details
Appendix E-1	Synchronization Date
Appendix E-2	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings

SERVICE AGREEMENT NO. 2935

APPENDIX A

FACILITY, ATTACHMENT FACILITIES, AND UPGRADES

1. Description of Facility

Interconnection Customer is constructing a 79.9 MW battery storage project (Queue No. 522) and a 220.1 MW expansion (Queue No. 1007) to be located at Brooklyn Navy Yard, New York (“Facility”). The Facility has an expected maximum summer and winter generating and charging capacity of 300 MW, with a reactive power capability corresponding to a power factor of 0.85 lagging to 0.95 leading.

During the engineering and design phase, an Environmental Health and Safety (“EH&S”) review will be performed in accordance with Connecting Transmission Owner’s Health and Safety Procedure (CEHSP A11.03) standards.

The Parties understand that Interconnection Customer intends to submit a material modification request to the NYISO subsequent to the execution of this Agreement for modifications to the inverters for the Facility and related updates to the Attachment Facilities. If the NYISO determines that the requested modifications are not material and Interconnection Customer elects to proceed with the modifications, the Parties shall amend this Agreement, pursuant to Articles 29.11 and 29.12 of this Agreement, to reflect the resulting modifications. Any additional costs resulting from the modification will be allocated pursuant to Section 40.16.3 of Attachment HH to the ISO OATT.

2. Point(s) of Interconnection and Point(s) of Change of Ownership

(a) Point(s) of Interconnection (“POI”).

The POI for the Facility will be at the feeder termination compartment between new breakers 6 and 7.

(b) Point(s) of Change of Ownership (“PCO”).

The PCO is at the same point as the POI.

The POI and PCO are detailed on the simplified one-line diagram in Appendix A.

3. Attachment Facilities:

(a) Interconnection Customer’s Attachment Facilities (“ICAFs”)

The ICAFs include all of the facilities between Interconnection Customer's side of the PCO and the Facility. The Facility will interconnect to Connecting Transmission Owner's Hudson Avenue East Substation via 138 kV solid dielectric ("SD") underground feeder.

A-1

SERVICE AGREEMENT NO. 2935

As depicted in Figure A-1 to this Appendix A, the ICAFs will consist of the following major equipment:

- furnish and install revenue metering, current transformer (CT), potential transformer (PT), communication at Hudson Ave;
- furnish and install 3-Phase, 3 wire transmission line. 145 kV, solid dielectric underground rated cable, XLPE insulated, 4000kcmil copper conductor, copper shield;
- furnish and install 138 kV gas insulated switchgear (GIS) collector bus consisting of the following:
 - one (1) - 3000A main GIS breaker with disconnect / ground switch and
 - three (3) - 1200A feeder GIS breaker with disconnect / ground switches;
- furnish and install three (3) main transformers, 112/140 MVA, wye/delta/wye, 138kV/13.8 kV/34.5 kV equipped with Underload Tap Changers (ULTC) +/- 12% in 33 taps at 0.75% voltage regulation per tap;
- furnish and install 138 kV line protection; primary/backup relays, breaker failure, current transformers, potential transformer;
- furnish and install 138 kV transformer protection; primary/backup relays, CTs and PT; and
- furnish and install six(6) auxiliary power transformers equipped with Under Load Tap Changers (ULTC) +/- 5%, 5 taps at 2.5% voltage regulation per tap.

The Interconnection Customer shall design, engineer, procure, construct, and install the ICAFs in accordance with all applicable requirements of the Connecting Transmission Owner, to the extent not inconsistent with the terms of this Agreement, the ISO OATT, or applicable NYISO procedures.

(b) Connecting Transmission Owner's Attachment Facilities ("CTOAFs")

None.

4. System Upgrade Facilities ("SUFs"):

(a) Stand Alone System Upgrade Facilities

None.

(b) Other System Upgrade Facilities:

The Facility will interconnect to Connecting Transmission Owner's Hudson Avenue East Substation. The SUFs include the following:

Part 1:

SERVICE AGREEMENT NO. 2935

- Disconnect and remove existing circuit breaker 6 and retire all existing cables associated with it. This includes all existing power, relay protection, control, alarm, and indication cables.
- Furnish and install two (2) sets of bus supports for bus sections 5 and 5A.
- Disconnect and remove existing motor-operated disconnect switches 6-3, 6-5, associated structure and their associated ground switches 21-22 and 19-20.
- Remove existing foundations, as required.
- Disconnect and remove the existing 125V DC battery system, including all existing chargers and DC load boards.
- Design and install all associated foundations and support structures for new equipment.
- Modify ground grid to accommodate the new equipment grounding.
- Furnish and install one (1)-Lot 750 kcmil bare cooper or 4" x ½" cooper bar to ground new equipment.
- Furnish¹ and install new 138 kV double element GIS system ("the Breaker") consisting of:
 - Two (2) circuit breakers 6 & 7, to be rated 138kV, 650kV BIL, 3000A continues rating and 63kA interrupting rating.
 - Five (5) motor-operated combinations of disconnect switches and ground switches (6-5, 6-7, 7-6, 7-9, and HF6).
 - Three (3) motor-operated single-phase feeder ground switches.
 - Revenue grade PTs and CTs. ○ Protection grade PTs and CTs.
 - Solid dielectric underground to SF6 termination compartment.
 - Two (2) circuit breaker local control cabinets shall be installed above flood levels.
 - One (1) feeder local control cabinet shall be installed above flood levels.
 - SF6 to air bushings.
 - Automatic Transfer Switch (ATS) to provide redundant power for oscillatory critical loads on equipment.
- Furnish and install four (4) breaker interface device (BID) panels.
- Furnish and install two (2) pothead interface device panels.
- Furnish and install one (1)-Lot 1172 ACSR cable.
- Furnish and install four (4) relay panels consisting of:
 - One (1) panel for 1st line relay panel;
 - One (1) panel for 2nd line relay panel;
 - One (1) panel for miscellaneous electrical wiring; and
 - One (1) panel for revenue metering consisting of an approved revenue meter with a test switch.
- Furnish and install two (2) AC Distribution panels.
- Furnish and install two (2) DC Distribution panels.
- Furnish and install one (1)-Lot of conduit and precast cable trenches to accommodate 1st and 2nd line relay protections circuits.

¹ Per the Milestones Table 8., 8.a., and 11. in Appendix B, the Interconnection Customer will furnish and deliver the Breaker to Connecting Transmission Owner.

A-3

SERVICE AGREEMENT NO. 2935

- Upgrade remote telemetry unit (RTU) and communication system to include all new equipment controls, monitoring and communication.
- Upgrade area lighting and security camera for new equipment.
- Upgrade 125V DC (both systems) to accommodate an additional 125V DC load.

Part 2:

- Furnish and install two (2) sets of bus supports for bus sections 2 and 3.
- Remove flex bus connections between breaker 3 and disconnect switches 3-2 and 3-3.
- Disconnect and label existing control cables associated with disconnect switch motor operator 3-2 for posterior re-connection on new equipment.
- Disconnect and label existing control cables associated with disconnect switch motor operator 3-3 for posterior re-connection on new equipment.
- Disconnect and remove the existing motor-operated disconnect switches 3-2, their associated structure, and their associated ground switch 8.
- Disconnect and remove existing motor-operated disconnect switches 3-3, associated structure, and their associated ground switches 9 and 10.
- Analyze the existing structures and foundations associated with disconnect switches 3-3 and 3-2 to determine whether reinforcement or replacement is required.
- Furnish and install new 138 kV, 3000A, 63kA rated disconnect switch for 3-2 with associated ground switch 8.
- Furnish and install new 138kV, 3000A, 63kA rated disconnect switch for 3-3 with associated ground switches 9 and 10.
- Install new bus connections, flex cable, and expansion joints as necessary to facilitate installation of new disconnect switch 3-2.
- Install new bus connections, flex cable, and expansion joints as necessary to facilitate installation of new disconnect switch 3-3.
- Furnish and install new equipment signs and nameplates for the new disconnect switches and associated ground switches as per CE-ES-2002, part 28 (latest version).
- Modify the ground grid to accommodate the new equipment grounding if required.

5. Distribution Upgrades

None.

6. Affected Systems

None.

7. External Affected Systems

None.

8. System Deliverability Upgrades:

None.

SERVICE AGREEMENT NO. 2935

9. Cost Estimates

The total estimated costs (-15% to +30%) of the work associated with the Attachment Facilities and System Upgrade Facilities required for the interconnection of the Facility are presented in the table below.

System Upgrade Facilities at POI Part 1	\$39,700,000
System Upgrade Facilities Part 2	\$3,240,000
Total	\$42,940,000

10. Operating & Maintenance Expenses for CTOAFs

None.

11. Interconnection Customer’s Estimated Tax Liability

None.

12. Contingent Facilities

The Contingent Facilities for the Facilities that accepted their Project Cost Allocation and posted the related cash or Security in Class Year 2023 are described in the Class Year Study report for Class Year 2023.

13. Special Studies

The NYISO performed Subsynchronous Torsional Interaction (“SSTI”) screening analysis using Unit Interaction Factor (“UIF”) threshold of 0.10 for CY23 projects and existing generation units. The Facility (NYISO Queue Position Nos. Q522/Q1007) was tested against the existing Brooklyn Navy Yard generator.

Pursuant to Section 6 of NYISO *Class Year 2023 System Upgrade Facilities Study System Upgrade Facilities (SUF) and System Deliverability Upgrade (SDU) Report* (September 20, 2024), it is recommended for new HVDC/inverter-based resource interconnections that the actual design prevent unwanted potential SSTI with existing nearby generation units, and for new generation control actual design prevent unwanted potential SSTI with existing nearby HVDC/inverter-based generation. Based on this, Interconnection Customer will perform a detailed SSTI analysis for the Facility during the detailed engineering phase of the project as described in the Class Year report, will provide the study results to the NYISO for its review, and will make any required adjustments as described in the Class Year report.

SERVICE AGREEMENT NO. 2935

Figure A-1
Simplified One-Line Diagram
(see below)

[CONTAINS CEII – THIS PAGE REMOVED FROM PUBLIC VERSION]

SERVICE AGREEMENT NO. 2935

APPENDIX B

MILESTONES

1. Selected Option Pursuant to Article 5.1

Interconnection Customer elects the standard option in accordance with Article 5.1.1.

2. Milestones

The following milestones shall apply to the engineering, procurement, and construction activities related to the interconnection of the Facility. With the exception of the In-Service Dates and Commercial Operation Date, the timeframes projected for the milestones are non-binding estimates; *provided, however*, that pursuant to Article 5.1 of the Agreement, the Interconnection Customer and the Connecting Transmission Owner shall each use Reasonable Efforts to complete the System Upgrade Facilities for which it has construction responsibility by the dates set forth such milestones. The In-Service Dates and Commercial Operations Date can only be extended in accordance with the requirements set forth in the NYISO OATT. The actual dates for completion of the milestones are highly dependent upon system reliability, lead times for the procurement of equipment and material, release of engineering packages by the Interconnection Customer and approval of the “issued for construction” packages by Connecting Transmission Owner, the availability of labor, approved outage scheduling, receipt of regulatory approvals, and the results of equipment testing.

Task	Milestone	Date	Responsible Party
1.	Execute Interconnection Agreement	December 2025	Connecting Transmission Owner (“CTO”) / Interconnection Customer
2.	Provide initial prepayment/security	November 2024	Interconnection Customer
3.	Start Planning	Completed	Interconnection Customer
4.	Complete Planning	Completed	CTO/Interconnection Customer
5.	Start Engineering & Design	Completed	CTO/Interconnection Customer
6.	Start Procurement of GIS Breaker	Completed	Interconnection Customer
8a.	Complete GIS Breaker Order	Completed	Interconnection Customer

B-1

SERVICE AGREEMENT NO. 2935

7.	Start Construction	March 2026	CTO
8.	Complete Procurement – Equipment	September 2026	CTO/ Interconnection Customer
9.	Complete Delivery of GIS Breaker	September 2026	Interconnection Customer
10.	Complete Engineering & Design	June 2026	CTO/ Interconnection Customer
11.	Complete Construction	April 2027	CTO/ Interconnection Customer
12.	In-Service Date	April 28, 2027***	CTO/Interconnection Customer
13.	Initial Synchronization Date	May 1, 2027	Interconnection Customer
14.	Commercial Operations Date	June 1, 2027	Interconnection Customer

*** The identified in-service date is subject to outage availability which could be impacted by electrical emergencies, system contingencies and conditions.

3. Security

Interconnection Customer posted Security to Connecting Transmission Owner in the form of a Letter of Credit in the amount of \$42,940,000.00, which reflects the cost allocation for the System Upgrade Facilities.

4. Prepayment for Work Performed by Connecting Transmission Owner

Pursuant to Section 30.9 of Attachment X to the NYISO OATT, on November 3, 2021, the Connecting Transmission Owner and Interconnection Customer entered into a Master Services Agreement (“MSA”). On August 8, 2024, the Connecting Transmission Owner and Interconnection Customer executed a Transaction Form for Engineering Services. In accordance with the disbursement requirements of the Transaction Form for Engineering Services, Interconnection Customer paid Connecting Transmission Owner a deposit in the amount of \$100,000 to fund an Engineering Services Disbursement Account (“Engineering Services Prepayment Amount”). On March 6, 2025, the Connecting Transmission Owner and Interconnection Customer executed a Transaction Form for Equipment Procurement. In accordance with the disbursement requirements of the Transaction Form for Equipment Procurement, the Interconnection Customer has paid Connecting Transmission Owner deposits totaling \$200,000 to fund the Equipment Procurement Disbursement Account (“Equipment Procurement Pre-

payment Amount”). Collectively, the Engineering Services Prepayment Amount and the Equipment Procurement Pre-payment Amount, are referred to as “Pre-payment Amounts.” The

B-2

SERVICE AGREEMENT NO. 2935

Transaction Form for Engineering Services and the Transaction Form for Equipment Procurement are referred to as the “Transaction Forms.” Collectively, the Interconnection Customer has paid \$300,000. Upon execution of this Agreement by Connecting Transmission Owner, Interconnection Customer and the NYISO, the Transaction Forms will terminate; provided that all rights and obligations of the Parties, that by their nature, do not terminate with the expiration or termination of the Transaction Forms shall survive the expiration or termination of the Transaction Forms, including, but not limited to Section 1 of the Transaction Form for Engineering Services and 8 of the Transaction Forms. The Transaction Forms shall be superseded by this Agreement in accordance with Article 29.6.

Pursuant to the Milestones Table in Appendix B, and in accordance with the Transaction Form for Engineering Services, the Interconnection Customer will purchase the Breaker that will be installed by the Connecting Transmission Owner. The Interconnection Customer will transfer all warranties, good and valid title to, and a valid right to own, operate, use and maintain the Breaker free and clear of any and all Liens, under the purchase order (the “Purchase Order”) by and between the Breaker manufacturer and the Interconnection Customer for the procurement and delivery of the Breaker, including those rights and remedies otherwise afforded to purchaser (as defined in the Purchase Order) and owner (as defined in the Purchase Order) under various provisions of said Purchase Order. Interconnection Customer will cause Connecting Transmission Owner to be named as an additional insured, with waivers of subrogation on all insurance. No additional notification to or consent of any Governmental Authority is required to be secured by Interconnection Customer to effectuate Interconnection Customer’s grant, bargain, transfer, sale, assignment, conveyance, or delivery of the Breaker and its transferred warranties to Connecting Transmission Owner, and all Consents obtained pursuant to the applicable initial bill of sale remain in effect.

Upon Execution of this Agreement and the termination of the Transaction Forms, the funds from the Pre-payment Amounts shall be combined and held by Connecting Transmission Owner as immediately available funds in an account established by Connecting Transmission Owner in accordance with its internal procedures (the “IA Disbursement Account”). The funds in the Disbursement Account shall be drawn upon by Connecting Transmission Owner in the manner described below to pay Connecting Transmission Owner for its performance of the engineering, procurement and/or construction of the SUFs identified in Appendix A.

The price for the services described in Appendix A shall be based on the applicable hourly rates and other charges and costs set forth in the document entitled *Consolidated Edison Company of New York, Inc. 2025 Accommodation Billing Rates* (“2025 Accommodation Billing Schedule”). Interconnection Customer acknowledges and agrees that the rates, charges, and costs set forth in the 2025 Accommodation Billing Schedule are subject to periodic revision by Connecting Transmission Owner upon written notice to Interconnection Customer and that, after the date of the notice, the revised rates, charges, and costs referenced in the notice shall be applicable to the provided services. The rates, charges, and costs set forth in the 2025 Accommodation Billing Schedule, and any successor billing schedule, do not include any charge or fee for any governmental or non-governmental permits, authorization, consents or approvals that may be required in connection with the provided services. Interconnection Customer agrees

to pay any such charges and fees and to reimburse Connecting Transmission Owner for any such charges and fees that Connecting Transmission Owner is required to pay. Interconnection

B-3

SERVICE AGREEMENT NO. 2935

Customer's responsibility for the costs above the cost estimate amount included in Section 5 of Appendix A shall be determined in accordance with Section 40.16.3 of Attachment HH to the ISO OATT.

Interconnection Customer will be required to provide to Connecting Transmission Owner a deposit for Connecting Transmission Owner's services under this Agreement in the amount of \$300,000.00 to be held by Connecting Transmission Owner, together with all funds remaining in the Engineering Services Disbursement Account and the Equipment Procurement Disbursement Account, in immediately available funds in the IA Disbursement Account.

Connecting Transmission Owner shall issue invoices monthly that describe the period covered by the invoice and include the hours of services furnished during such period, a brief project description in support of the work tasks performed by each employee and contractor, identification of the employee titles and third-party contractors that performed the work and the applicable hourly rates and reimbursable charges and costs. For purposes of the provided services described in Section 4 of Appendix A, upon review by Interconnection Customer (within five (5) business days) of the monthly invoice, Connecting Transmission Owner is authorized to withdraw the amount of each such invoice from the IA Disbursement Account as payment for such invoice. If, at any time, the balance in the IA Disbursement Account falls below \$150,000.00 or is insufficient to cover the amount of any invoice, Interconnection Customer shall replenish the IA Disbursement Account within thirty (30) Calendar Days of receiving notice thereof by the payment of an additional amount of (i) \$150,000.00 and (ii) the amount of any such insufficiency. As the work progresses through engineering, procurement and construction, the Parties agree to revise the disbursement and replenishment amounts, commensurate with the planned activities. Notwithstanding the foregoing, if the balance of funds that would have been due under either of the Transaction Forms come due under this Agreement, such amount may be invoiced by the Connecting Transmission Owner.

Following the completion of the provided services, Connecting Transmission Owner shall issue a final statement (the "Final Statement") pursuant to Article 12.2 of this Agreement to Interconnection Customer showing the payments made by Interconnection Customer concerning the provided services and the amount of the invoices applied against the aggregate amount of such payments. In the event that the balance of the IA Disbursement Account remaining after application of all prior invoices is not sufficient to cover the amount of any outstanding invoice, Interconnection Customer shall, within thirty (30) Calendar Days of receipt of notice from the Connecting Transmission Owner, pay the Connecting Transmission Owner the amount of such insufficiency. To the extent that such remaining balance of the IA Disbursement Account exceeds the amount necessary to cover all invoices payable to the Connecting Transmission Owner for purposes of the provided services performed in accordance with Appendix A, Connecting Transmission Owner shall, within thirty (30) Calendar Days of issuing the Final Statement to Interconnection Customer, pay Interconnection Customer the amount of such balance.

5. Site Control

Check box if applicable []

SERVICE AGREEMENT NO. 2935

Interconnection Customer with qualifying regulatory limitations must demonstrate 100%

Not applicable.

SERVICE AGREEMENT NO. 2935

APPENDIX C –

OPERATING REQUIREMENTS

1. Interconnection Customer Operating Requirements

- a. Interconnection Customer must comply with all applicable NYISO tariffs and procedures, as amended from time to time.
- b. Interconnection Customer must comply with all applicable Connecting Transmission Owner tariffs and procedures, as amended from time to time, to the extent not inconsistent with the terms of this Agreement, the ISO OATT, or applicable NYISO procedures.
- c. The dedicated data circuits shall be maintained by Interconnection Customer in accordance with Article 8.1 of this Agreement.
- d. If the Facility's automatic voltage regulators are not capable of such automatic operation as required in Article 9.5.4 of this Agreement, the Interconnection Customer shall immediately notify the Connecting Transmission Owner in addition to the mandatory NYISO notification.
- e. Power Factor Design and Operation Criteria

Interconnection Customer shall design and operate the Facility to maintain an effective power delivery at maximum capability at each Point of Interconnection at a power factor within the range of 0.85 lagging (vars to the Connecting Transmission Owner) to 0.95 leading (vars from Connecting Transmission Owner) at each respective Point of Interconnection. This capability will be available to the Connecting Transmission Owner's system as requested by the Connecting Transmission Owner or the NYISO under normal system conditions (i.e., when all design facilities are in service), as well as in steady-state conditions occurring after design criteria contingencies described in the NYSRC Reliability Rules & Compliance Manual for Planning and Operating the New York State Power System. Interconnection Customer shall have Under-Load Tap Changing ("ULTC") capability on its Generator main power Step-up Transformers and ULTC capability on the associated Light & Power Transformer. Interconnection Customer and the Connecting Transmission Owner will review the Interconnection Customer's Attachment Facilities transformer tap settings as may be needed to optimize operation for such changes in transmission system conditions and implement such changes to optimize the tap settings with the Connecting Transmission Owner's approval.

The Facility shall be designed and operated to provide reactive power 0.85 lagging to 0.95 leading at all active power outputs down to 0 MW at the Point of Interconnection.

SERVICE AGREEMENT NO. 2935

f. Voltage Schedules

Once the Interconnection Customer has achieved Commercial Operation, NYISO shall require Interconnection Customer to operate the Facility to transmit the reactive power within the design capability set forth in Article 9.5.1 (Power Factor Design Criteria), for power factor from 0.85 lagging to 0.95 leading, provided that the voltage at the Point of Interconnection is within the range of 131 kV to 145 kV in accordance with Connecting Transmission Owner's Transmission Planning Design Criteria TP-7100. When the voltages are outside of the range specified in TP-7100 due to conditions outside the control of Connecting Transmission Owner and the NYISO, the Interconnection Customer shall also provide assistance consistent with Good Utility Practice within the full capability of the Facility in restoring the voltage at the Point of Interconnection to the normal range as may be directed by the Connecting Transmission Owner or NYISO operators. If the Facility is unable to provide the requested assistance, or maintain the specified power factor, it shall promptly notify both the Connecting Transmission Owner and NYISO operators through the normal verbal communications processes.

g. Momentary Cessation

The Facility shall continue to inject current at the Point of Interconnection inside the "No Trip" zone of the frequency and voltage ride through curves of NERC Standard PRC-024 Attachment 1 during low or high voltage or frequency conditions outside the continuous operating range.

h. Primary Frequency Response Operating Range

Interconnection Customer must comply with Connecting Transmission Owner's Transmission Planning specification TP-8100 Performance Requirements for Inverter-Based Generation. Accordingly, the Large Generating Facility shall provide 5% droop characteristics and, at a minimum, be responsive to frequency deviations exceeding ± 0.036 Hz.

1. Over-frequency Events

For over-frequency events exceeding 60.036 Hz, the real power output of the Large Generating Facility shall be lesser of the available real power and a power output limit that decreases at the rate of 0.33 per unit of the pre-disturbance power level per 1 Hz of frequency deviation above 60.036 Hz.

2. Under-frequency Events

For under-frequency events wherein the frequency is less than 59.964 Hz, the real power output of the Large Generating Facility shall be lesser of the available real power and a power output limit that increases at the rate of 0.33 per unit of the pre-disturbance power level per 1 Hz of frequency deviation below 59.964 Hz.

i. System Protection Facilities & Special Protection Facilities

SERVICE AGREEMENT NO. 2935

For purposes of Section 9.6.4 of this Agreement, Con Edison does not permit the installation of any special protection schemes as part of System Protection Facilities on its transmission system.

- j. Interconnection Customer's Facility's charge/discharge cycle is subject to interruptions from the Connecting Transmission Owner's system due to system conditions caused by unforeseen circumstances or system needs. Connecting Transmission Owner is not responsible for restoration efforts of Interconnection Customer's Facility during either the charging or discharging cycle.

2. Primary Frequency Response Operating Range

Pursuant to Article 9.5.5.4 of this Agreement, Interconnection Customer must provide primary frequency response consistent with Articles 9.5.5, 9.5.5.1, 9.5.5.2, and 9.5.5.3 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.

SERVICE AGREEMENT NO. 2935

APPENDIX D

SECURITY ARRANGEMENTS DETAILS

Infrastructure security of New York State Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day New York State Transmission System reliability and operational security. The Commission will expect the NYISO, all Transmission Owners, all Interconnection Customers and all other Market Participants 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 will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

SERVICE AGREEMENT NO. 2935

APPENDIX E-1
SYNCHRONIZATION DATE

[Date]

New York Independent System Operator, Inc.
Attn: Vice President, Operations
10 Krey Boulevard Rensselaer, NY 12144

Consolidated Edison Company of New York, Inc.
Attn: Angel Cardoza
Vice President, System and Transmission Operations
4 Irving Place
New York, NY 10004
Phone: (212-460-2688)
Email: cardozaa@coned.com

Re: _____ Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** initially synchronized the Facility [specify units, if applicable]. This letter confirms that **[Interconnection Customer]**'s Synchronization Date was [specify].

Thank you.

[Signature]

[Interconnection Customer Representative]

SERVICE AGREEMENT NO. 2935

APPENDIX E-2

COMMERCIAL OPERATION DATE

[Date]

New York Independent System Operator, Inc.
Attn: Vice President, Operations
10 Krey Boulevard Rensselaer, NY 12144

Consolidated Edison Company of New York, Inc.
Attn: Angel Cardoza
Vice President, System and Transmission Operations
4 Irving Place
New York, NY 10004
Phone: (212-460-2688)
Email: cardozaa@coned.com

Re: _____ Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

SERVICE AGREEMENT NO. 2935

APPENDIX F – ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS

Notices:

NYISO:

Before commercial operation of the Facility:

New York Independent System Operator, Inc.
Attn: Vice President, System and Resource
Planning
10 Krey Boulevard Rensselaer, NY 12144
Phone: (518) 356-6000 Fax: (518) 356-6118

After commercial operation of the Facility:

New York Independent System Operator, Inc.
Attn: Vice President, Operations
10 Krey Boulevard Rensselaer, NY 12144
Phone: (518) 356-6000 Fax: (518) 356-6118

Connecting Transmission Owner:

Consolidated Edison Company of New York, Inc.
Attn: Angel Cardoza
Vice President, System and Transmission Operations
4 Irving Place
New York, NY 10004 Phone:
(212-460-2688) Email:
cardozaa@coned.com

Interconnection Customer:

NYC Energy LLC
421 East Route 59
Nanuet, NY 10954
Attn: Chris Larsen or Paul Atkins
Phone: (845) 735-3511
Email: CLarsen@halmarinternational.com and PAtkins@halmarinternational.com

Billings and Payments:

Connecting Transmission Owner:

Consolidated Edison Company of New York, Inc.

SERVICE AGREEMENT NO. 2935

Attn: Angel Cardoza
Vice President, System and Transmission Operations
4 Irving Place
New York, NY 10004 Phone:
(212-460-2688) Email:
cardozaa@coned.com

Interconnection Customer:

NYC Energy LLC
421 East Route 59
Nanuet, NY 10954
Attn: Chris Larsen or Paul Atkins
Phone: (845) 735-3511
Email: CLarsen@halmarinternational.com and PAtkins@halmarinternational.com

Alternative Forms of Delivery of Notices (telephone or email):

NYISO:

New York Independent System Operator, Inc.
Attn: Vice President, System and Resource
Planning
10 Krey Boulevard Rensselaer, NY 12144
Phone: (518) 356-6000 Fax: (518) 356-6118
E-mail: interconnectionsupport@nyiso.com

Connecting Transmission Owner:

Consolidated Edison Company of New York, Inc.
Attn: Angel Cardoza
Vice President, System and Transmission Operations
4 Irving Place
New York, NY 10004 Phone:
(212-460-2688) Email:
cardozaa@coned.com

Interconnection Customer:

NYC Energy LLC
421 East Route 59
Nanuet, NY 10954
Attn: Chris Larsen or Paul Atkins
Phone: (845) 735-3511
Email: CLarsen@halmarinternational.com and PAtkins@halmarinternational.com

