**SMALL GENERATOR**

**INTERCONNECTION AGREEMENT (SGIA)**

**Between Niagara Mohawk Power Corporation d/b/a nationalgrid and WM Renewables, LLC for the Monroe-Livingston Counties Landfill Generation Facility**

**TABLE OF CONTENTS**

**Article 1. Scope and Limitations of Agreement** 1

1.5 Responsibilities of the Parties 2

1.6 Parallel Operation Obligations 2

1.7 Metering 3

1.8 Reactive Power 3

**Article 2. Inspection, Testing, Authorization, and Right of Access** 3

2.1 Equipment Testing and Inspection 4

2.2 Authorization Required Prior to Parallel Operation 4

2.3 Right of Access 5

**Article 3. Effective Date, Term, Termination, and Disconnection** 5

3.1 Effective Date 5

3.2 Term of Agreement 5

3.3 Termination 5

3.4 Temporary Disconnection 6

3.4.1 Emergency Conditions 6

3.4.2 Routine Maintenance, Construction, and Repair 7

3.4.3 Forced Outages 7

3.4.4 Adverse Operating Effects 7

3.4.5 Modification of the Small Generating Facility 7

3.4.6 Reconnection 8

**Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades** 8

4.1 Interconnection Facilities 8

4.2 Distribution Upgrades 8

**Article 5. Cost Responsibility for Network Upgrades** 9

5.1 Applicability 9

5.2 Network Upgrades 9

5.2.1 Repayment of Amounts Advanced for Network Upgrades 9

5.3 Special Provisions for Affected Systems 10

5.4 Rights Under Other Agreements 10

**Article 6. Billing, Payment, Milestones, and Financial Security** 10

6.1 Billing and Payment Procedures and Final Accounting 10

6.2 Milestones 11

6.3 Financial Security Arrangements 11

**Article 7.**  **Assignment, Liability, Indemnity, Force Majeure, Consequential Damages,** 12

7.1 Assignment 12

7.2 Limitation of Liability 12

7.3 Indemnity 12

7.4 Consequential Damages 13

7.5 Force Majeure 13

7.6 Default 14

**Article 8. Insurance** 14

**Article 9. Confidentiality** 15

**Article 10. Disputes** 16

**Article 11. Taxes** 16

**Article 12. Miscellaneous** 17

12.1 Governing Law, Regulatory Authority, and Rules 17

12.2 Amendment 17

12.3 No Third-Party Beneficiaries 17

12.4 Waiver 17

12.5 Entire Agreement 17

12.6 Multiple Counterparts 18

12.7 No Partnership 18

12.8 Severability 18

12.9 Security Arrangements 18

12.10 Environmental Release 18

12.11 Subcontractors 19

12.12 Reservation of Rights 19

**Article 13. Notices** 19

13.1 General 20

13.2 Billing and Payment 20

13.3 Alternative Form of Notice 21

13.4 Designated Operating Representative 21

13.5 Changes to the Notice Information 22

**Article 14. Signatures** 22

Attachment 1 – Glossary of Terms

Attachment 2 – Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Attachment 3 – One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 4 – Milestones

Attachment 5 – Additional Operating Requirements for the Transmission owner’s Transmission System and Affected Systems Needed to Support the Interconnection Customer’s Needs

Attachment 6 – Transmission Owner’s Description of its Upgrades and Best Estimate of Upgrade Costs

This Interconnection Agreement (“Agreement”) is made and entered into this \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2011 by Niagara Mohawk Power Corporation d/b/a nationalgrid (“Transmission Owner” ), and WM Renewable Energy, L.L.C. \_ (“Interconnection Customer”) each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties”.

**Transmission Owner Information**

Transmission Owner ” Niagara Mohawk Power Corporation d/b/a nationalgrid \_ Attention: Vice President Transmission Commercial Services

City: Waltham State: MA Zip:

Phone: 718-907-5706 Fax: 718-907-5707

**Interconnection Customer Information**

Interconnection Customer”

Attention: \_\_\_WM Renewable Energy, L.L.C.\_\_\_\_\_\_\_\_\_

City: \_\_Houston\_\_ State: \_\_TX\_\_\_\_\_\_\_\_ Zip: \_\_77433\_\_\_\_\_\_

Phone: \_\_713-265-1672\_\_\_\_\_\_\_\_\_\_\_ Fax: \_713-287-2423\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Interconnection Customer Application No: N/A\_\_\_

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

**Article 1. Scope and Limitations of Agreement**

1. This Agreement shall be used for all Interconnection Requests submitted under

the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.

* 1. This Agreement governs the terms and conditions under which the Interconnection Customer’s Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider’s Transmission System.
  2. This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer’s power The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the New York Independent System Operator (Transmission Provider).
  3. Nothing in this Agreement is intended to affect any other agreement between the Transmission Owner and the Interconnection Customer.
  4. Responsibilities of the Parties
     1. The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
     2. The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer’s recommended maintenance schedule, in accordance with this Agreement, and with Good Utility Practice.
     3. The Transmission Owner shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
     4. The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter’s Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and sate codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Owner or Affected Systems.
     5. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to the Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Owner and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Owner’s Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to the Agreement.
     6. The Transmission Owner shall coordinate with all Affected Systems to support the interconnection.
  5. Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff and / or by the Transmission Owner for the Transmission Provider’s Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

* 1. Metering

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

* 1. Reactive Power
     1. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.
     2. The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in Article 1.8.1.
     3. Payments shall be in accordance with the Tariff.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

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

* 1. Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Owner of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Owner may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Owner a written test report when such testing and inspection is completed.

* + 1. The Transmission Owner shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer’s written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Owner of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Owner shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Owner shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Owner shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

* + 1. The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Owners Transmission System without prior written authorization of the Transmission Owner The Transmission Owner will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

* + 1. Upon reasonable notice, the Transmission Owner may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Owner at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
    2. Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Owner shall have access to the Interconnection Customer’s premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.
    3. Each Party shall be responsible for its own costs associated with following this article.

**Article 3. Effective Date, Term, Termination, and Disconnection**

* 1. Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Transmission Owner shall promptly file this Agreement with the FERC upon execution, if required.

* 1. Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

* 1. Termination

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

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Owner 20 Business Days written notice.

* + 1. Either Party may terminate this Agreement after Default pursuant to article 7.6.
    2. Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Owner’s Transmission System. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.
    3. This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

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

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

The Transmission Owner may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Owner’s Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider’s Transmission System. The Transmission Owner shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission Owner shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

* + 1. Forced Outages

During any forced outage, the Transmission Owner may suspend interconnection service to effect immediate repairs on the Transmission Owner’s Transmission System. The Transmission Owner shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Owner shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

* + 1. Adverse Operating Effects

The Transmission Owner shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Owner’s Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Owner may disconnect the Small Generating Facility. The Transmission Owner shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

* + 1. Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Owner before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Owner’s prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

* + 1. Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Owner’s Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

**Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades**

None

* 1. Interconnection Facilities
     1. The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Owner shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Owner.
     2. The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Owner’s Interconnection Facilities.
  2. Distribution Upgrades

The Transmission owner shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Owner and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

**Article 5. Cost Responsibility for Network Upgrades None**

* 1. Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

* 1. Network Upgrades

The Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Owner and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Owner elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

* + 1. Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Owner for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider’s Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest 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 of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Transmission Owner, and Affected System operator may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Owner take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Owner will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

* + - 1. If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Owner shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.
  1. Special Provisions for Affected Systems

Unless the Transmission Owner provides, under this Agreement, for the repayment of amounts advanced to Affected System operator for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

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, transmission congestion rights, or transmission credits, that the 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 Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

**Article 6. Billing, Payment, Milestones, and Financial Security**

* 1. Billing and Payment Procedures and Final Accounting
     1. The Transmission Owner shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.
     2. Within three months of completing the construction and installation of the Transmission owner’s Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Owner shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer’s cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer’s previous aggregate payments to the Transmission Owner for such facilities or Upgrades. If the Interconnection Customer’s cost responsibility exceeds its previous aggregate payments, the Transmission Owner shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Owner within 30 calendar days. If the Interconnection Customer’s previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Owner shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.
  2. Milestones None

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

* 1. Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider’s Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer’s option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider’s Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

* + 1. The letter of credit or surety bond must be issued by a financial institution or insured reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

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

**and Default**

* 1. Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement;

* + 1. The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Owner, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Owner of any such assignment.
    2. Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party’s obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party’s liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney’s fees, relating to or arising from any act or omission in it performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

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

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party’s action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person 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.

* + 1. If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person’s actual loss, net of any insurance or other recovery.
    2. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

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

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

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

**Article 8. Insurance**

8.1 The Interconnection Customer shall, at is own expense, maintain in force general

liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liability, and such a proposal shall not be unreasonably rejected.

8.2 The Transmission Owner agrees to maintain general liability insurance of self-insurance consistent with the Transmission Owner’s commercial practice. Such insurance or self-insurance shall not exclude coverage for the Transmission Owner’s liabilities undertaken pursuant to this Agreement.

8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

**Article 9. Confidentiality**

9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated “Confidential.” For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

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

from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law of in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 81 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests form a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

**Article 10. Disputes**

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC’s Dispute Resolution Service (DRS) for assistance in resolving the dispute.

10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g. mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-33-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.

10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

**Article 11. Taxes**

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party’s tax status. Nothing in this Agreement is intended to adversely affect the Transmission Owner’s tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bond.

**Article 12. Miscellaneous**

12.1 Governing Law, Regulatory Authority, and Rules

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

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

12.5 Entire Agreement

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

12.6 Multiple Counterparts

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

12.7 No Partnership

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

venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

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

12.9 Security Arrangements

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

12.10 Environmental Release

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

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omission of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Owner be liable for the actions or inaction of the Interconnection Customer or its subcontractors with respect to obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligation under this article will not be limited in any way by any limitation of subcontractor’s insurance.

12.12 Reservation of Rights

The Transmission Owner shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classification 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 the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under an applicable provision of the Federal Power Act and FERC’s rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limited the right of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC’s rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

**Article 13. Notices**

13.1 General

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

If to the Interconnection Customer:

Interconnection Customer: \_\_\_WM Renewable Energy, L.L.C.\_\_

Attention: \_\_Randy Beck\_\_

Address: \_\_\_1001 Fannin, Suite 4000\_\_ \_\_\_\_

City: \_Houston\_\_\_\_ State: TX Zip:\_\_77002 \_\_\_\_\_\_

Phone: \_\_713-265-1672\_\_\_\_ Fax: \_713-287-2423\_\_

If to the Transmission Owner:

Transmission Owner: Niagara Mohawk Power Corporation d/b/a nationalgrid \_

Attention: \_Director, Transmission Commercial Services\_\_\_\_\_\_\_\_

Address: \_\_300 Erie Boulevard West \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City: \_\_Syracuse\_\_\_\_\_\_\_\_\_\_\_\_\_ State: \_NY\_\_ Zip:\_13202\_\_\_ \_\_\_\_\_\_\_\_

Phone: \_(781) 907-2422\_\_\_\_\_\_\_ Fax: \_(781) 907-5707\_\_\_\_\_\_\_\_\_\_\_\_\_\_

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: \_\_WM Renewable Energy, L.L.C.\_\_\_\_\_\_

Attention: \_\_\_\_Todd Roberts - Controller\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_1001 Fannin, Suite 4000\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City: \_\_Houston\_\_\_\_\_\_\_State: \_\_\_\_TX\_\_ Zip:\_77002\_\_\_\_

Phone: \_\_713-328-7343\_\_\_\_\_\_\_\_\_\_\_\_ Fax: \_\_713-287-2423\_ \_

If to the Transmission Owner:

Transmission Owner: Niagara Mohawk Power Corporation d/b/a nationalgrid \_\_\_

Attention: \_Transmission Billing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: West Wing, 2nd Floor

40 Sylvan Road\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City: \_ Waltham \_\_\_\_State: MA\_\_\_\_ Zip:\_02451\_\_\_\_\_\_\_ \_\_\_\_\_\_

Phone: \_(781) 907-2221\_\_\_\_\_\_ Fax: (781) 907-5707\_\_\_\_\_\_\_\_\_\_\_

13.3 Alternative Form of Notice

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

If to the Interconnection Customer:

Interconnection Customer: \_\_\_WM Renewable Energy, L.L.C.\_\_

Attention: \_\_Randy Beck\_\_

Address: \_\_\_1001 Fannin, Suite 4000\_\_ \_\_\_\_

City: \_Houston\_\_\_\_ State: TX Zip:\_\_77002 \_\_\_\_\_\_

Phone: \_\_713-265-1672\_\_\_\_ Fax: \_713-287-2423\_\_

If to the Transmission Owner:

Transmission Owner: \_ Niagara Mohawk Power Corporation d/b/a nationalgrid

Attention: \_Transmission Account Manager\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_300 Erie Boulevard West \_\_\_\_\_\_\_\_\_\_\_\_

City: Syracuse\_\_\_\_\_\_\_\_\_\_State: NY\_\_\_ Zip: 13202\_\_\_\_\_\_\_ \_\_\_\_\_\_

Phone: \_(315) 428-5047\_\_\_\_\_ Fax: \_(315) 428-5114\_\_

13.4 Designated Operating Representative

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

If to the Interconnection Customer:

Interconnection Customer: \_\_\_WM Renewable Energy, L.L.C.\_\_

Attention: \_\_Randy Beck\_\_

Address: \_\_\_1001 Fannin, Suite 4000\_\_ \_\_\_\_

City: \_Houston\_\_\_\_ State: TX Zip:\_\_77002 \_\_\_\_\_\_

Phone: \_\_713-265-1672\_\_\_\_ Fax: \_713-287-2423\_\_

If to the Transmission Owner:

Transmission Owner: \_ Niagara Mohawk Power Corporation d/b/a nationalgrid

Attention: \_Transmission Account Manager\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_300 Erie Boulevard West \_\_\_

City: \_Syracuse\_\_\_\_\_\_\_State: NY Zip: \_132042\_\_\_\_\_ \_\_\_\_\_\_

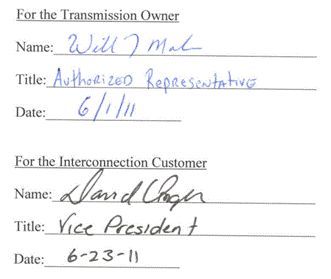
Phone: (315) 428-5047\_\_\_\_ Fax: \_(315) 428-5114\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

13.5 Changes to the Notice Information

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

**Article 14. Signatures**

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



**Attachment 1**

**Glossary of Terms**

**Affected System** – An electric system other than the Transmission owner’s Transmission System that may be affected by the proposed interconnection.

**Applicable Laws and Regulations** – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

**Business Day** – Monday through Friday, excluding Federal Holidays.

**Default** – The failure of a breaching Party to cure its Breach under the Small Generator Interconnection Agreement.

**Distribution System** – The Transmission Owner’s facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

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

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

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

**Interconnection Customer** – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Owner’s Transmission System.

**Interconnection Facilities** – The Transmission Owner’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Owner’s Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

**Interconnection Request** – The Interconnection Customer’s request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Owner’s Transmission System.

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

**Network Upgrades** – Additions, modifications, and upgrades to the Transmission Owner’s Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Owner’s Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Owner’s Transmission System. Network Upgrades do not include Distribution Upgrades.

**Operating Requirements** – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Owner’s requirements, including those set forth in the Small Generator Interconnection Agreement.

**Party or Parties** as applicable– The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

**Point of Interconnection** – The point where the Interconnection Facilities connect with the Transmission Owner’s Transmission System.

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

**Small Generating Facility** – The Interconnection Customer’s device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer’s Interconnection Facilities.

**Tariff** – The Transmission Provider’s Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

**Transmission Owner** – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

**Transmission Provider** – The public utility (or its designated agent) that controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. .

**Transmission System** – The facilities controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

**Upgrades** – The required additions and modifications to the Transmission Provider’s Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

**Attachment 2**

**Description and Costs of the Small Generating Facility,**

**Interconnection Facilities, and Metering Equipment**

The Interconnection Customer shall continue to own and maintain its Interconnection Facilities with Niagara Mohawk’s Transmission System, including the generator output leads, the generator step-up transformer and associated equipment up to and including the

substation take-off structure and disconnect switch No. 39,excluding Niagara Mohawk’s metering equipment.

The Transmission Owner’s Interconnection Facilities shall consist of Niagara Mohawk’s 0.77 mile 34.5kV transmission line, including the associated right of way, from the jaw side of disconnect switch No. 39 to Niagara Mohawk’s interconnection to the Caledonia - Golah No. 213 line.

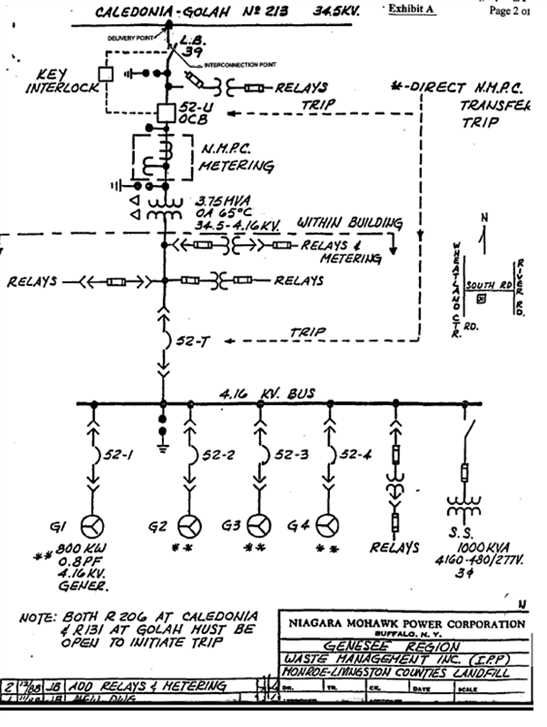
Delivery Point shall be the interconnection to the Caledonia - Golah No. 213line.

Interconnection Point shall be at the jaw side of disconnect switch No. 39.

**Attachment 3**

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

**Attachment 4**



**Milestones**

**N/A**

**Attachment 5**

**Additional Operating Requirements for the Transmission Owner’s Transmission System and Affected Systems Needed to Support**

**the Interconnection Customer’s Needs**

The Interconnection Customer agrees that the operation of the Small Generating Facility and the Interconnection Customer’s Interconnection Facilities must meet or exceed the standards of Good Utility Practice, which shall include, but not be limited to, NERC, NPCC, NYSRC and NYISO criteria, rules and standards, as they may be amended from time to time, including the rules, guidelines and criteria of any successor

organizations to the foregoing entities.

The Small Generating Facility and the Interconnection Customer’s Interconnection Facilities shall meet all requirements of Niagara Mohawk’s Electric System Bulletin No. 756; provided, however, that in the event of a conflict between the requirements, rules and regulations of the NYISO and the requirements of Electric System Bulletin No. 756, the requirements, rules and regulations of the NYISO shall govern.

**Attachment 6**

**Transmission Owner’s Description of its Upgrades**

**And Best Estimate of Upgrade Costs**

**N/A**

FERC rendition of the electronically filed tariff records in Docket No. [include if docket no. exists]

Filing Data:

CID: C000038

Filing Title: National Grid and General Mills Operations, LLC Interconnection Agreement 337 Company Filing Identifier: 971

Type of Filing Code: 10

Associated Filing Identifier: [if applicable]   
Tariff Title: NYISO Agreements   
Tariff ID: 58

Payment Confirmation: N   
Suspension Motion:

Tariff Record Data:

Record Content Description: Service Agreement No. 337

Tariff Record Title: NiMo and General Mills Interconnection Agreement 337 Record Version Number: 0.0.0

Option Code: A

Tariff Record ID: 162

Tariff Record Collation Value: 5050900

Tariff Record Parent Identifier: 2

Proposed Date: 2015-04-01

Priority Order: 500

Record Change Type: New

Record Content Type: 2

Associated Filing Identifier: [Source - if applicable]

Revised Service Agreement No. 337

AN

AMENDED INTERCONNECTION AGREEMENT

BETWEEN

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID   
 AND

GENERAL MILLS OPERATIONS, LLC

EXECUTION COPY

This AMENDED INTERCONNECTION AGREEMENT (the "Agreement") is made as   
of April 1, 2015 (the “EFFECTIVE DATE”), by and between Niagara Mohawk Power   
Corporation d/b/a National Grid, a corporation organized and existing under the laws of the   
state of New York ("Niagara Mohawk"), and General Mills Operations, LLC, a corporation   
organized and existing under the laws of the State of Delaware ("Producer"). (Collectively,   
Producer and Niagara Mohawk may be referred to as the "Parties" or "Party's", or individually,   
as a "Party.")

WHEREAS, Producer currently owns a power production facility (the "Production

Facility") and a manufacturing plant (the “Manufacturing Plant”) located in the City of

Buffalo, County of Erie, New York;

WHEREAS, Producer and Niagara Mohawk are parties to that certain Interconnection Agreement dated October 5, 2004, filed with the Federal Energy Regulatory Commission on October 15, 2004 in Docket No. ER05-57-000 (the “2004 Agreement” shall be referred to herein as the “Original Agreement”;

WHEREAS, Producer and Niagara Mohawk desire to amend the Original Agreement to continue to provide for the interconnection of the Production Facility to the Electrical System, as defined below, under the terms and conditions set forth herein;

WHEREAS, Producer's ability to deliver Electricity, as defined below, to Niagara   
Mohawk from the Production Facility requires the Production Facility to remain   
interconnected to the Electrical System through the Interconnection Facility, as defined below;   
and

WHEREAS, Producer currently has a Unique Configuration, as defined below, since the Production Facility and Manufacturing Plant are interconnected to the Electrical System through the same Interconnection Facility.

NOW THEREFORE, in consideration of the mutual representations, covenants and agreements set forth herein, the Parties to this Agreement agree as follows:

ARTICLE I

DEFINITIONS

The following terms, when used herein with initial capitalization, shall have the meanings specified in this section.

1.1 "Agreement" shall mean this Interconnection Agreement between Niagara Mohawk and

Producer, including all exhibits hereto, as the same may be amended, supplemented, revised, altered, changed, or restated in accordance with its terms.

2

1.2 "Bulletin No. 756" means that certain internal National Grid document dated September

2014, titled "Supplement to Specifications for Electrical Installations; Parallel Generation Requirements" and designated Electric System Bulletin No. 756 and its Appendix A, as amended or superseded.

1.3 "Commercially Reasonable Efforts" means efforts which are designed to enable a Party,

directly or indirectly, to satisfy expeditiously a condition to, or otherwise assist in the consummation of, the actions contemplated by this Agreement and which do not require the performing Party to expend any funds or assume liabilities other than expenditures and liabilities which are customary and reasonable in nature and amount in the context of the actions contemplated by this Agreement.

1.4 "Confidential Information" means any plan, specification, pattern, procedure, design,

device, list, concept, policy or compilation relating to the present or planned business of a   
Party which has not been released publicly by its authorized representatives and which   
has been designated as "Confidential" by the Party asserting a claim of confidentiality,   
whether such Confidential Information is conveyed orally, electronically, in writing,   
through inspection, or otherwise. Confidential Information as used herein also includes   
Confidential Information supplied by any Party to another Party prior to the execution of   
this Agreement, and such Confidential Information shall be considered in the same   
manner and be subject to the same treatment as the Confidential Information made   
available after the execution of this Agreement. Confidential Information shall also   
include Confidential Information observed by any Party while visiting the premises of   
another Party.

1.5 "Delivery Point" is the point at which the Interconnection Facility is connected to the

Electrical System for delivery of Electricity from the Production Facility to Niagara Mohawk as indicated on Exhibit A.

1.6 "Electrical System" means the properties, structures, facilities, equipment, devices, and

apparatus wholly or partly owned or leased by, or under contract to, or under the control of Niagara Mohawk or its Affiliates, other than the Interconnection Facility, which are necessary to interconnect the Production Facility to the transmission system, or are necessary for purposes of providing transmission and Retail Tariff services, including services under the NYISO Tariff.

1.7 "Electricity" shall mean electric capacity as measured in MW or kW, energy as measured

in MWh or kWh, and/or ancillary services.

1.8 "Emergency Condition" shall mean a condition or situation which is deemed imminently

likely to (i) endanger life, property, or public health; or (ii) adversely affect or impair the   
Transmission System, the Production Facility, or the electrical or transmission systems of   
others to which Niagara Mohawks electrical systems are directly or indirectly connected.

3

1.9 "FERC" shall mean the United States of America's Federal Energy Regulatory

Commission or any successor organization.

1.10 "Good Utility Practice" means any of the practices, methods and acts engaged in or

approved by a significant portion of the electric utility industry during the relevant time   
period, or any of the practices, methods and acts which, in the exercise of reasonable   
judgment in light of the facts known at the time the decision was made, could have been   
expected to accomplish the desired result at a reasonable cost consistent with good   
business practices, reliability, safety and expedition. Good Utility Practice is not   
intended to be limited to the optimum practice, method, or act, to the exclusion of all   
others, but rather to be acceptable practices, methods, or acts generally accepted in the   
region in which the Production Facility is located. Good Utility Practice shall include,   
but not be limited to, NERC (defined below) criteria, rules, guidelines and standards,   
NPCC (defined below) criteria, rules, guidelines and standards, New York State   
Reliability Council (defined below) criteria, rules, guidelines and standards, and NYISO   
(defined below) criteria, rules, guidelines and standards, where applicable, as they may be   
amended from time to time including the rules, guidelines and criteria of any successor   
organization to the foregoing entities. When applied to the Producer, the term Good   
Utility Practice shall also include standards applicable to a utility generator connecting to   
the distribution or transmission facilities or system of another utility.

1.11 "Hazardous Substance(s)" shall mean those substances, materials, products or wastes

which are classified as hazardous or toxic under any applicable federal, state or local law,   
or any regulations promulgated thereunder, effective as of the date of execution of this   
Agreement, and the presence of which requires remediation, removal or cleanup under   
this Agreement

1.12 "Interconnection Facility" is the jaw side of Producer's disconnect switch 262 and 272

and such facilities located between the Interconnection Point and the Delivery Point necessary to effect the transfer of Electricity produced at the Production Facility to the Electrical System, as such facilities are identified in more particularity in Exhibit A to this Agreement, and shall include any Modifications, replacements or upgrades made to the interconnection facility.

1.13 "Interconnection Point" shall mean the point at which the Production Facility is

connected to the Interconnection Facility, as indicated on Exhibit A.

1.14 "Interconnection Study" shall mean the July 29, 2004 study issued by Niagara Mohawk

to assess the operating status of the Production Facility and interconnection to the adjacent Electrical System. The July 29, 2004 Interconnection Study is attached hereto as Exhibit B.

1.15 "Manufacturing Plant" shall mean the manufacturing plant owned and operated by

Producer located at 54 South Michigan Ave., Buffalo, New York as indicated on the one

4

line diagram included as Exhibit A.

1.16 "Modification" means any new, significant construction, new facilities, additions,

reinforcements, alterations, improvements, appurtenances, replacements or upgrades or changes in the operations of the Production Facility or changes in the technology employed at the Production Facility after the execution of this Agreement which have a demonstrated operational or material impact to the Interconnection Facility, or Electrical System in accordance with Good Utility Practice.

1.17 "NERC" shall mean the North American Electric Reliability Council or any successor

organization.

1.18 “New York Control Area" shall have the same meaning as in the Independent System

Operator Agreement establishing the New York ISO (as defined below).

1.19 "Niagara Mohawk" shall mean Niagara Mohawk Power Corporation d/b/a National Grid

and its successors and permitted assigns.

1.20 "Niagara Mohawk Properties" shall mean those parcels of and/or interest in real property

that Niagara Mohawk uses for its electrical facilities upon which portions of the Interconnection Facility exist.

1.21 "NPCC" shall mean the Northeast Power Coordinating Council (a reliability council

under Section 202 of the Federal Power Act) or any successor organization.

1.22 "NYISO OATT" shall mean the FERC-approved Open Access Transmission Tariff for

the NYISO and/or the FERC-approved Service Tariff for the NYISO, as applicable, and

as it may be amended from time to time.

1.23 "NYPSC" means the New York Public Service Commission or any successor thereto.

1.24 "NYSRC" shall mean the New York State Reliability Council or any successor

organization.

1.25 "Producer" shall mean General Mills Operations, LLC and its successors and permitted

assigns.

1.26 "Production Facility" shall mean Producer's electricity production facility with a

maximum net Winter rating of 4.0 MW and with a maximum net Summer rating of 3.3   
MW located in the City of Buffalo, County of Erie, New York, to be owned, operated and   
maintained by Producer including the substation and transformer and all other generating,   
transformation and interconnection equipment on Producer's side of the Interconnection   
Point.

1.27 "Retail Delivery Point" means the point at which the Manufacturing Plant receives

5

delivery of retail services from Niagara Mohawk in accordance with the Retail Tariff as indicated on the one-line diagram included as Exhibit A. For purposes herein, the Retail Delivery Point and Delivery Point are the same point.

1.28 "Retail Tariff' means Niagara Mohawk's Retail Tariff, New York Public Service

Commission ("NYPSC") No. 220 — Electricity as approved by the NYPSC and all subsequent revisions, as it may be amended from time to time.

1.29 "Unique Configuration" means the existing relationship of the Parties, consisting of the

following: (a) the Retail Delivery Point and Delivery Point are physically connected to   
the Electrical System at the same point; (b) Niagara Mohawk provides retail services   
through the same facilities as indicated on Exhibit A; and (c) the Manufacturing Plant and   
Production Facility are currently under common ownership (i.e., Producer); and (d) the   
connection of the Manufacturing Plant to Niagara Mohawk's Electrical System is   
governed under the Retail Tariff. The Unique Configuration shall continue as long as   
these factors are in place.

1.30 "Upgrades" shall mean the upgrades and additions to Niagara Mohawk's Transmission

System and distribution facilities to be constructed and installed as identified in the Interconnection Study and pursuant to this Agreement, and identified in more particularity in Exhibit B to this Agreement.

ARTICLE II

AGREEMENT TO INTERCONNECT

DESCRIPTION OF INTERCONNECTION FACILITY

2.1 The Parties agree to maintain the interconnection of the Production Facility and

Manufacturing Plant to the Electrical System in accordance with the Interconnection Study, Exhibit A and the terms of this Agreement.

2.2 The Production Facility shall include all facilities and equipment up to the

Interconnection Point as indicated on Exhibit A. Producer agrees that the installation of the electrical equipment and the operation of the Production Facility must meet or exceed the standards of Good Utility Practice, all requirements of Bulletin No. 756 and the NYISO; provided, however, that in the event of a conflict between the requirements, rules and regulations of the NYISO and the requirements of Bulletin No. 756, the requirements, rules and regulations of the NYISO shall govern..

2.3 Producer recognizes that nothing in this Agreement or Producer's financial support of the

Interconnection Facility confers upon Producer any right to transmit electricity over the   
Electrical System, which right may be addressed in separate agreements between the   
Parties.

2.4 Niagara Mohawk shall use Good Utility Practice to own, operate and maintain the

6

Interconnection Facility. Niagara Mohawk does not, however, guarantee or warrant uninterrupted availability of the Interconnection Facility or the Electrical System. Any curtailment of deliveries over the Interconnection Facility or the Electrical System shall be governed by the terms and conditions of the NYISO OATT, or any other tariffs, approved by a regulatory body having jurisdiction.

2.5 Niagara Mohawk, in accordance with the rates, terms and conditions of the Retail Tariff,

shall provide Producer with retail service at the Retail Delivery Point, including, as applicable, the resale and/or delivery of Producer's allocations of the New York Power Authority’s (“NYPA”) power pursuant to applicable contracts and tariffs. NYPA is the statewide power authority chartered by the New York State legislature and owner of a significant portion of New York's generation and bulk transmission assets.

2.6 Without limiting its rights hereunder, Niagara Mohawk reserves the right to operate the

first means of disconnect on Producer's side of the Interconnection Point. Niagara   
Mohawk shall exercise such right of disconnect (a) in accordance with Bulletin No. 756,

(b) in the event of an Emergency Condition, (c) after giving Producer reasonable notice under the circumstances, (d) in a non-discriminatory manner, and (e) in accordance with Good Utility Practice.

2.7 If Producer relies on Niagara Mohawk's system protection equipment and practices for

protection of the Production Facility or if Producer relies on any other of Niagara Mohawk's equipment for support of its operations, Producer agrees to release, indemnify, defend, and save harmless Niagara Mohawk, its agents and employees, against any and all claims, judgments, cost, liability, damage, injury, penalties, judgments, fines (civil or criminal), or other costs arising from any damage or loss to the Production Facility as a result of such reliance, whether the loss, damage or injury result to or be sustained by Producer or any other persons, firms or corporations.

2.8 This Agreement does not waive, alter or impair the rights or obligations of any party

under any other agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PARTIES

3.1 Producer is a Corporation duly organized and validly existing under the laws of the State

of Delaware. Producer is qualified to do business under the laws of the State of New York, is in good standing under the laws of the State of New York, has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into this Agreement and the transactions contemplated herein and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement, and is duly authorized to execute and deliver this Agreement and consummate the transactions contemplated herein.

3.2 Niagara Mohawk is a corporation duly organized, validly existing and qualified to do

7

business under the laws of the State of New York, is in good standing under its certificate of incorporation and the laws of the State of New York, has the corporate authority to own its properties, to carry on its business as now being conducted, and to enter into this Agreement and the transactions contemplated herein and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement, and is duly authorized to execute and deliver this Agreement and consummate the transactions contemplated herein.

3.3 Producer and Niagara Mohawk each represent that: (a) it is not prohibited from entering

into this Agreement and discharging and performing all covenants and obligations on its   
part to be performed under and pursuant to this Agreement; (b) upon the acceptance of   
the terms of this Agreement by FERC, the execution and delivery of this Agreement, the   
consummation of the transactions contemplated herein including the fulfillment of and   
compliance with the provisions of this Agreement will not conflict with or constitute a   
breach of or a default under any of the terms, conditions or provisions of any law, rule or   
regulation, any order, judgment, writ, injunction, decree, determination, award or other   
instrument or legal requirement of any court or other agency of government, or any   
contractual limitation, corporate restriction or outstanding trust indenture, deed of trust,   
mortgage, loan agreement, lease, other evidence of indebtedness or any other agreement   
or instrument to which it is a party or by which it or any of its property is bound and will   
not result in a breach of or a default under any of the foregoing; and (c) unless this   
Agreement is materially modified by any court or appropriate regulatory authority having   
jurisdiction and subsequently terminated, this Agreement shall be a legal, valid and   
binding obligation enforceable in accordance with its terms, except as limited by any   
subsequent order of any court or appropriate regulatory authority having jurisdiction, or   
by any applicable reorganization, insolvency, liquidation, readjustment of debt,   
moratorium, or other similar laws affecting the enforcement of rights of creditors   
generally as such laws may be applied in the event of a reorganization, insolvency,   
liquidation, readjustment of debt or other similar proceeding of or moratorium applicable   
to the Party and by general principles of equity (regardless of whether such enforceability   
is considered in a proceeding in equity or at law.)

ARTICLE IV

INTERCONNECTION STUDY

4.1 INTERCONNECTION STUDY

4.1.1 Niagara Mohawk has conducted an Interconnection Study and furnished a   
 complete report dated July 29, 2004, attached hereto as Exhibit B, under a   
 separate Support Services Agreement. Producer agrees to reimburse Niagara   
 Mohawk for the costs of any and all repairs or upgrades Niagara Mohawk must   
 make to the Interconnection Facility, as outlined in the Report. Niagara Mohawk   
 agrees that when such repairs or upgrades of the Interconnection Facility are   
 completed, as may be required by the Report, the Interconnection Facility will be

8

in general compliance with Electrical System Bulletin No. 756, as may be updated   
from time to time. Producer agrees to comply with the Interconnection Study.

4.1.2 Producer has paid all actual costs required to conduct the Interconnection Study   
 attached hereto as Exhibit B.

4.1.3 Producer shall pay for any new interconnection study that, pursuant to Good   
 Utility Practice, may be required over time to determine the necessity of   
 Modifications to the Production Facility.

4.2 NIAGARA MOHAWK DESIGN, ENGINEERING AND CONSTRUCTION

ACTIVITIES

4.2.1 At Producer's request and expense, Niagara Mohawk agrees to design, engineer,

and construct any modifications to the Interconnection Facility and Upgrades to the extent necessary to comply with (a) Interconnection Study, (b) Good Utility Practice and (c) Niagara Mohawk's standards.

4.2.2 At Producer's request and expense, Niagara Mohawk agrees to procure any and all

equipment necessary for Niagara Mohawk to construct any modifications to the   
Interconnection Facility and Upgrades in accordance with the Interconnection   
Study.

4.2.3 All design, engineering, procurement, and construction activities performed by

Niagara Mohawk or a third party selected by Niagara Mohawk shall be performed   
in accordance with a schedule and an estimated budget mutually agreed to by the   
Parties in advance of the commencement of such activities. Niagara Mohawk   
agrees to inform Producer on the first business day of each month and at such   
other times as Producer reasonably requests of the status of all design,   
engineering, procurement, and construction activities performed by Niagara   
Mohawk or a third party selected by Niagara Mohawk, including, but not limited   
to, the following information: progress to date; a description of upcoming   
scheduled activities and events; the delivery status of all ordered equipment; a   
revised budget and cost report; and the identification of any event which Niagara   
Mohawk reasonably expects may delay construction of the Upgrades or the   
Interconnection Facility.

4.2.4 No design, engineering, procurement, or construction activities shall be

undertaken by Niagara Mohawk prior to Producer's receipt of the Interconnection   
Study and until such time as Producer issues a written notice to proceed with such   
activities and a money deposit received by Niagara Mohawk for services to be   
rendered.

4.2.5 Producer reserves the right, upon thirty (30) days prior written notice to Niagara

Mohawk, to suspend at any time all work by Niagara Mohawk associated with the

9

design, engineering, procurement, construction of the Upgrades or with any design, engineering, and construction activities relating to the Interconnection Facility. Producer acknowledges and agrees to reimburse Niagara Mohawk for all costs incurred by Niagara Mohawk that cannot, in the exercise of commerciallyreasonable business practices, be avoided, due to Producer's suspending said work in accordance with Article IX of this Agreement.

4.2.6 Niagara Mohawk shall, at Producer's expense, test the Interconnection Facility   
 and Upgrades to ensure their safe and reliable operation in accordance with Good   
 Utility Practice and will correct any situations contrary to Good Utility Practice.

4.3. ACCESS RIGHTS

4.3.1 Niagara Mohawk hereby grants to Producer all necessary access, and licenses,

including adequate and continuing rights of access to Niagara Mohawk's property,   
as is necessary for Producer to construct additional facilities as may be required,   
to operate, maintain, replace, and remove the Production Facility and the   
Interconnection Facility, to be present at Niagara Mohawk meter readings, and to   
exercise any other of its obligations under this Agreement. Niagara Mohawk   
hereby agrees to execute such grants, deeds, licenses, instruments or other   
documents as Producer may require to enable it to record such rights of way,   
easements, and licenses. To the extent that Producer requires access rights to   
Niagara Mohawk property for other reasons, Producer and Niagara Mohawk will   
negotiate the terms of such additional access rights as the need arises.

4.3.2 Producer hereby grants to Niagara Mohawk all necessary access, and licenses,

including adequate and continuing rights of access to Producer's property, as is necessary for Niagara Mohawk to construct additional facilities as may be required, to operate, maintain, replace, and remove the Interconnection Facility and to read meters in accordance with the terms of this Agreement and to exercise any other of its obligations under this Agreement. Producer hereby agrees to execute such grants, deeds, licenses, instruments or other documents as Niagara Mohawk may require to enable it to record such rights of way, easements, and licenses. To the extent that Niagara Mohawk requires access rights to Producer property for other reasons, Producer and Niagara Mohawk will negotiate the terms of such additional access rights as the need arises.

ARTICLE V

OPERATION, MAINTENANCE, AND MODIFICATION OF FACILITIES

5.1 OPERATION AND MAINTENANCE OF INTERCONNECTION FACILITY

5.1.1 Niagara Mohawk, at its own expense, shall operate, maintain and repair (repair   
 includes, but is not limited to, replacement of existing equipment when required

10

due to failure) the Interconnection Facility in accordance with Good Utility Practice.

5.1.2 Producer, at its own expense, will operate, maintain and repair (repair includes,

but is not limited to, replacement of existing equipment when required due to   
failure) the Production Facility in accordance with Good Utility Practice.   
Producer will notify Niagara Mohawk of the schedule for scheduled outages of   
the Production Facility for the upcoming year in accordance with, as may be   
applicable, Bulletin No. 756, Good Utility Practice, NYISO practices, where   
applicable, and Niagara Mohawk operating instructions and, upon making any   
changes to such schedules thereafter, shall promptly notify Niagara Mohawk of   
any such changes.

5.1.2a Producer, at its own expense, will operate, maintain and repair (repair includes,

but is not limited to, replacement of existing equipment when required due to   
failure) the Manufacturing Plant. Producer will notify Niagara Mohawk of the   
schedule for scheduled plant maintenance or similar planned occasions when the   
Manufacturing Plant will not require all or a substantial portion of the Retail   
Tariff electricity distribution service from Niagara Mohawk for the upcoming   
year in accordance with the Retail Tariff and Niagara Mohawk standard practices,   
and upon making any changes to such schedules thereafter, shall notify Niagara   
Mohawk of any such changes.

5.1.3 Producer agrees, at the expense of Producer, to confer to coordinate with Niagara

Mohawk, the planning and scheduling of any outages and any changes thereto in a manner that will minimize the effect on the Electrical System, consistent with Good Utility Practice, Bulletin No. 756, the Retail Tariff, NYISO practices, where applicable and Niagara Mohawk Operating Instructions.

5.1.4 The Parties agree to confer regularly to coordinate the planning and scheduling of

preventative and corrective maintenance in a manner that will preserve and maintain the reliability of the Electrical System and the Production Facility. The Parties shall conduct preventative maintenance and corrective maintenance activities on their Facilities at each party's own cost, as scheduled and planned, or as they become necessary, consistent with Good Utility Practice.

5.1.5 If Producer requests that Niagara Mohawk perform maintenance during a time

period other than as scheduled by Niagara Mohawk, Niagara Mohawk will use   
Commercially Reasonable Efforts to meet Producer's request as long as meeting   
the request would not reasonably be expected, as determined by Niagara   
Mohawk, to have an adverse impact upon Niagara Mohawk's operations or the   
operations of Niagara Mohawk's customers. Notwithstanding the foregoing,   
should Producer request to perform maintenance that Niagara Mohawk in good   
faith determines may have an adverse impact on Niagara Mohawk's operations or

11

the operations of Niagara Mohawk's customers, and if such maintenance may be   
delayed until after such period, Niagara Mohawk may reject Producer's   
scheduling request. Producer shall reimburse Niagara Mohawk for all costs   
reasonably incurred by Niagara Mohawk related to satisfying Producer's request.

5.2 MODIFICATION OF THE INTERCONNECTION FACILITY

5.2.1 Niagara Mohawk, at its own expense, shall retain the discretion to determine

whether, when, and in what manner any modifications to the Interconnection Facility are required by Good Utility Practice and, as soon as reasonably practicable, but not less than three (3) months in advance except in the cases of Emergency Conditions, shall advise Producer when it makes such a determination and whether performing the modification, or the modification itself, is expected to interrupt the flow of power over the Interconnection Facility.

5.2.2 If a modification to the Electrical System or Interconnection Facility is required to

support the operations of Producer, Niagara Mohawk shall construct, operate, maintain and repair the modification at Niagara Mohawk's expense unless the modifications are a result of a Producer Modification which requires changes to the Electrical System or Interconnection Facility.

5.2.3 Producer shall give Niagara Mohawk three months advance written notice of any

planned Modifications to the Production Facility.

5.2.3.1 Such notice shall include plans, specifications, information and

operating instructions relating to the impact of planned Modifications on the Electrical System and Interconnection Facility or Niagara Mohawk's electric operations.

5.2.3.2 If Niagara Mohawk determines that such Modification would have

a material adverse effect upon Niagara Mohawk's operations or the   
operations of Niagara Mohawk's customers, then Niagara Mohawk   
shall so notify the Producer. In the event that Producer elects to   
continue with such Modification, Niagara Mohawk shall be   
entitled to designate the earliest date upon which the Producer may   
begin the Modification, provided however, that Niagara Mohawk   
shall not designate a beginning date that is later than nine (9)   
months after receipt of the notice mandated by subsection 5.2.3.   
The Producer shall be responsible for all costs associated with such   
Modification, including any costs incurred by Niagara Mohawk   
associated with ensuring that the Electrical System and   
Interconnection Facility would be compatible with such   
Modification.

12

5.2.3.3 Notwithstanding the foregoing, should Producer propose a

schedule for performing a Modification that Niagara Mohawk in good faith determines may adversely affect Niagara Mohawk's operations or the operations of Niagara Mohawk's customers, Niagara Mohawk may reject such schedule.

5.2.3.4 All such Modifications to the Production Facility, Electrical

System or the Interconnection Facility, and any resulting effects on   
the Electrical System shall meet the rules and requirements of   
NERC, NPCC, NYSRC, the NRC, and the NYISO or their   
respective successors, the standards of Good Utility Practice, the   
Retail Tariff and the requirements of Bulletin No. 756; provided,   
however, that in the event of a conflict between the rules and   
requirements of the NYISO and the requirements of Bulletin No.   
756, the rules and requirements of the NYISO shall govern.

5.3 RELOCATION. REARRANGEMENT. ABANDONMENT OR RETIREMENT.

5.3.1 If, during the term of this Agreement, Niagara Mohawk determines that it is   
 required by Good Utility Practice to relocate, rearrange, abandon, or retire the   
 Electrical System or the Interconnection Facility, Niagara Mohawk shall use good   
 faith efforts to give Producer no less than one (1) year advance written notice and   
 shall, to the extent consistent with Good Utility Practice, defer such action, to the   
 extent reasonably practicable, so that Producer's operation of the Production   
 Facility may continue with minimal interruption.

5.3.2 If Niagara Mohawk is required or ordered by governmental authority or the   
 NYISO to relocate, rearrange, abandon, or retire the Electrical System or the   
 Interconnection Facility, Niagara Mohawk shall promptly give Producer written   
 notice of such requirement or order.

5.3.3 Due to the Unique Configuration, Niagara Mohawk shall be responsible for the   
 relocation, rearrangement, abandonment, or retirement of the Electrical System or   
 the Interconnection Facility unless due to a Modification to the Production   
 Facility.

ARTICLE VI

POWER DELIVERIES

6.1 METERING

6.1.1 Niagara Mohawk shall, at Producer's expense, provide, own, and maintain   
 compatible revenue quality metering equipment. Such metering equipment shall   
 record the delivery of energy, including reactive power, in such a manner so as to   
 measure total facility power output and consumption. Producer shall provide

13

suitable space within its facilities for installation of such metering equipment.

6.1.2 Producer, at its own expense, shall provide all necessary communication

equipment and transmission mediums such as telephone lines and any necessary   
protection for such communication equipment and related equipment, and shall   
furthermore be responsible for all communication required by Niagara Mohawk,   
the NYPSC or the NYISO. At Producer's expense, Niagara Mohawk shall   
purchase, own and maintain all telemetering equipment located at the Producer's   
facilities. Producer shall provide, install and own Niagara Mohawk approved or   
specified test switches in the transducer circuits that have been approved or   
specified by Niagara Mohawk. Producer shall be responsible for any and all costs   
involved in the relocation of communication circuits and transmission mediums   
that may be required by Niagara Mohawk, the NYPSC, or the NYISO from time   
to time.

6.1.3 All metering equipment installed pursuant to this Agreement and associated with

the Production Facility may be routinely tested by Niagara Mohawk in accordance with Good Utility Practice and applicable Niagara Mohawk, NYPSC and NYISO criteria, rules and standards.

6.1.4 Electricity delivered to the Delivery Point by Producer hereunder shall be

measured by electric watt hour meters of a type approved by the NYPSC. These   
metering facilities will be installed, owned, and maintained by Niagara Mohawk   
and shall be sealed by Niagara Mohawk, with the seal broken only upon occasions   
when the meters are to be inspected, tested or adjusted and representatives of both   
Niagara Mohawk and Producer are present. The metering and installation costs   
are to be borne by Producer. The meters shall be maintained in accordance with   
the rules set forth in 16 NYCRR Part 92, as amended from time to time, and with   
Good Utility Practice.

6.1.5 Niagara Mohawk will guarantee the installation of any meter and its accuracy for

a period of one (1) year from the date that meter is installed; provided, however,   
that this guarantee does not cover any incidental or consequential damages that   
the Producer may suffer as a result of the failure of a meter to which this   
guarantee applies. Any repair or replacement required during the initial year will   
be at the expense of Niagara Mohawk. In the event that any meter is found to be   
inaccurate after the initial year, Niagara Mohawk will repair or replace the same   
as soon as possible at the expense of Producer. Each Party shall have the right at   
all reasonable times, upon not giving less than ten (10) days notice to the other   
Party for the purpose of permitting the other Party to be present at the inspection,   
to inspect, and test said meters and, if said meters are found to be defective,   
Niagara Mohawk shall adjust, repair or replace the same at the expense of the   
Producer, or if within the initial year, by Niagara Mohawk. Any test or inspection   
requested by a Party shall be at the expense of that Party.

14

6.1.6 Producer may elect to install its own metering equipment in addition to Niagara

Mohawk metering equipment. Such metering equipment shall meet the   
requirements of 16 NYCRR Part 92, as may be amended from time to time.   
Should any metering equipment installed by Niagara Mohawk fail to register   
during the term of this Agreement, the Parties shall use Producer's metering   
equipment, if installed. On any day or days on which neither Party's metering   
equipment is in service, the quantity of energy delivered shall be determined in   
such manner as the Parties agree. Niagara Mohawk's meter(s) shall be read on a   
schedule compatible with Niagara Mohawk's normal meter reading schedule.

6.1.7 In the event Producer desires access to meter information, Producer, at its own

expense, shall be responsible for purchasing and installing software, hardware and/or other technology that may be required to access such meter information. The software, hardware and/or other technology installed for this purpose shall be in compliance with any applicable NYPSC and Niagara Mohawk rules, requirements, or standards.

6.1.8 Producer grants to the employees and agents of Niagara Mohawk the right of

access to Producer's premises at all reasonable times for such purposes of the   
reading of meters; inspection of meters, their wiring and related equipment; and   
installing, operating, maintaining, disconnecting and removing of any or all of the   
property belonging to Niagara Mohawk. If Producer refuses such access to the   
meters or other Niagara Mohawk equipment, or if access is obstructed or   
hazardous, Niagara Mohawk shall provide notice that Producer shall have five (5)   
days in which to permit access, or remove any obstruction or hazard. If, after five

(5) days from the receipt of the notice, Producer does not permit access or remove any obstruction or hazard, it will constitute an event of breach, and Niagara Mohawk may take any action in accordance with this Agreement or the Retail Tariff, including disconnecting the Production Facility from the Transmission System in accordance with Good Utility Practice, after providing reasonable notice. At all times that Niagara Mohawk personnel are on Producer's premises, they shall use commercially reasonable efforts to avoid interfering with operations of the Production Facility and the Manufacturing Plant.

6.2 LOSSES

If the metering equipment and the Delivery Points are not at the same location, the   
metering equipment shall record delivery of Electricity in a manner that accounts for   
losses occurring between the metering points and the Delivery Points, which shall be   
calculated by Niagara Mohawk utilizing the Pennsylvania Transformer, Transformer Test   
Report conducted on July 28, 1958. The metering point, the Delivery Points, associated   
equipment and distance between the metering point and the Delivery Points shall be as   
set forth in Schedule A. If the metering points are changed to another location, losses in   
accordance with this section will be recalculated. In addition, Producer will be   
responsible for all costs associated with the change in metering points.

15

6.3 REACTIVE POWER SUPPORT

Producer agrees to provide reactive capability to regulate and maintain system voltage at the Delivery Points in conformance with Bulletin No. 756, the Retail Tariff or any applicable NYISO tariff or agreement at no cost to Niagara Mohawk. Producer may seek compensation for reactive power pursuant to the terms of any applicable NYISO tariff or agreement or in any market for reactive power.

6.4 ISLANDING

With reference to Bulletin No. 756, Niagara Mohawk reserves the right to require, allow or prevent the islanding of the Production Facility during Emergency Conditions. This Agreement is not intended to impair or supersede any rights of the NYISO to allow or prevent the islanding of the Production Facility.

6.5 NYISO PENALTIES

Producer shall be solely responsible and liable for any penalties or charges imposed by the NYISO or by other regulatory bodies and payment thereof, for any products derived or failure to provide such products from the Production Facility to the NYISO, or for any failure by Producer to comply with the regulations, rules, or procedures of the NYISO or other regulatory bodies.

ARTICLE VII

INSURANCE PROVISIONS

7.1 Upon execution of this Agreement, each Party agrees to maintain at its own expense

insurance policies issued by reputable insurance companies reasonably acceptable to the other Party which provide insurance coverage which meets or exceeds the following requirements:

7.1.1 Workers Compensation and Employers Liability. Insurance as required by the   
 State of New York. If required coverage shall include the U.S. Longshoremen's,   
 and Harbor Workers Compensation Act & the Jones Act.

7.1.2 Public Liability (Including Contractual Liability), covering all activities and

operations to be performed by it under this Agreement, with following minimum

limits:

(A) Bodily Injury - $1,000,000/$1,000,000

Property Damage - $1,000,000/$1,000,000   
OR

(B) Combined Single Limit - $1,000,000 OR

(C) Bodily Injury and Property Damage per Occurrence - $1,000,000

16

General Aggregate & Product Aggregate - $2,000,000 each

7.1.3 Umbrella or Excess Liability, coverage with a minimum limit of $ 4,000,000.

7.2 Each Party may elect to self-insure any and/or all of the above insurance requirements.

In addition, each Party shall include the other Party as an additional insured for all coverage's except Workers Compensation and Employers Liability Insurance in order to provide the other Party protection from liability arising out of activities of the insured party relating to the Interconnection Facility, the Parties side of the Interconnection Point, and/or the Upgrades as the case may be.

7.3 In the event either Party uses subcontractors in connection with this Agreement, that

Party shall require all subcontractors to provide the same insurance coverage's set forth in paragraphs 7.1.1, 7.1.2 and 7.1.3.

7.4 Upon reasonable request by either Party, the other Party shall promptly provide the

requesting Party with either evidence of insurance or certificates of insurance evidencing   
the insurance coverage required under paragraphs 7.1.1, 7.1.2, 7.1.3 and 7.2. The Parties   
shall provide such certificates or evidence of insurance to each other at the following   
address:

To: Niagara Mohawk Power Corporation d/b/a National Grid   
 Attention: Risk & Insurance, Bldg. A-4

300 Erie Boulevard West

Syracuse, NY 13202

To: General Mills Operations, LLC

Attention: John Weddle — Risk Management Number One General Mills Boulevard   
Minneapolis, Minnesota 55426

Both Parties shall provide the other with at least thirty (30) days prior written notice in the event of any cancellation or diminution of coverage.

7.5 If either Party fails to secure or maintain any insurance coverage, or any insurance

coverage is canceled before the completion of all services provided under this   
Agreement, and either Party fails immediately to procure such insurance as specified   
herein (the "Uninsured Party"), then the other Party has the right to procure such   
insurance and, at its option, either bill the cost thereof to the Uninsured Party or deduct   
the cost thereof from any sum due the Uninsured Party under this Agreement.

7.6 To the extent requested, each Party shall furnish to the other Party copies of any accidents

17

report(s) sent to each Party's insurance carriers covering accidents or incidents occurring   
in connection with or as a result of the performance of the work under this Agreement.

7.7 Each Party shall comply with any governmental and/or site specific insurance

requirements even if not stated herein.

7.8 By the date that such coverage is required, each Party represents that it will have full

policy limits available and shall notify the other Party in writing when coverage's required herein have been reduced as a result of claim payments, expenses, or both.

7.9 Nothing contained in these insurance requirements is to be construed as (A) limiting the

extent, if any, to which either Party is responsible for payment of damages, or (B) limiting, diminishing, or waiving the obligation of either Party to indemnify, defend and save harmless the other Party in accordance with this Agreement.

ARTICLE VIII

COMPLIANCE WITH LAWS

8.1 Niagara Mohawk and Producer each agree to comply in all material respects with all

applicable federal, state and local laws, ordinances, rules, regulations, permits, licenses,   
approvals, certificates, and requirements thereunder in connection with all its activities   
performed pursuant to this Agreement, including, but not limited to all design,   
environmental, regulatory, engineering, construction, and property acquisition activities.

8.2 If either Party observes that any requirement specified in this Agreement is at variance

with any governing laws, ordinances, rules, regulations, permits, licenses, approvals,   
certificates and requirements thereunder, such Party shall promptly notify the other in   
writing before incurring any further liability, expense or obligation. Niagara Mohawk   
and Producer shall in good faith attempt to reform this Agreement to comply with the   
aforementioned laws, ordinances, rules, regulations, permits, approvals, or certificates.   
32If Niagara Mohawk and Producer are unable to do so, either Party may terminate this   
Agreement upon not less than sixty (60) days prior written notice to the other Party.

8.3 Environmental Releases. Each Party shall notify the other first verbally, and then in

writing, of the Release of Hazardous Substances as soon as possible but not later than   
twenty-four (24) hours after the incident, and shall promptly furnish to the other Party   
copies of any reports filed with any governmental agencies addressing such events. If   
Hazardous Substances are released or reasonably believed to have been released onto the   
other Party's property, the Party releasing or reasonably believed to have released such   
hazardous substances, at its own expense, shall conduct, or cause to be conducted,   
sampling, soil testing, and any other methods of investigation which would disclose the   
presence and extent of contamination by any Hazardous Substance which has been   
released onto the other Party's property and shall notify the other Party in writing as soon   
as reasonably practicable after learning of the presence of any Hazardous Substance upon   
the other Party's property. Each Party shall notify the other Party immediately of any   
type of remediation activities. Each Party shall provide the other Party thirty (30) days

18

written notice prior to conducting any asbestos or lead abatement activities, and shall   
promptly furnish to the other Party (1) copies of any reports filed with any governmental   
or regulatory agencies pertaining to such abatement activities, (ii) copies of applications   
for permits to conduct abatement activities, and (iii) copies of all permits authorizing   
abatement activities. Each Party agrees to indemnify, defend, and save harmless the   
other Party, its agents and employees, from and against any loss, damage, liability (civil   
or criminal), cost, suit, charge (including reasonable attorneys' fees), expense, or cause of   
action, for the removal or management of any Hazardous Substance and/or relating to any   
damages to any person or property resulting from presence of such Hazardous Substance.   
Except as required to comply with the terms of this Agreement, Niagara Mohawk shall   
not bring or store Hazardous Substances on the sites of the Interconnection Facility, the   
Production Facility or the Manufacturing Plant.

8.4 Each Party shall promptly provide to the other Party, all relevant information, documents,

or data regarding the Production Facility and Electrical System which may reasonably be expected to pertain to the safety, security or reliability of the Production Facility and Electrical System.

ARTICLE IX

COST PAYMENTS

9.1 Niagara Mohawk shall invoice Producer at the start of each calendar quarter in an amount

equal to Niagara Mohawk's actual costs and expenses for which Niagara Mohawk is to be reimbursed under this Agreement.

9.2 The Producer shall pay Niagara Mohawk within thirty (30) calendar days of receipt of an

invoice for all costs reasonably incurred by Niagara Mohawk under this Agreement.

9.2.1 Consistent with applicable Niagara Mohawk Retail Tariff requirements, the   
 Producer shall be responsible for all actual costs that Niagara Mohawk reasonably   
 incurs, including, but not limited to, capital costs, labor (direct and distributable);   
 labor fringe benefits and payroll taxes; invoices for material, contractors,   
 consultants, etc.; employee expenses; storeroom material and handling; any and   
 all costs and expenses resulting from damage to Niagara Mohawk property not   
 otherwise covered by insurance; sales and/or use taxes on invoices and material;   
 transportation; allowance for funds used during construction (“AFUDC”);

administrative and general expense (A&G) at the current rate applied to the total of all costs; and state, county, local sales and use taxes applied to the total of all costs and administrative and general and expenses associated with the acquisition, ownership, operation, repair, A&G, inspection, design review, engineering, surveying, project management and coordination, testing of electrical equipment and installation of energy management system remote terminal units and revenue meters, construction, construction monitoring, financing, maintenance, environmental and regulatory permitting and licensing of, taxes and transfer of title of any new facilities and Modifications.

19

9.2.2 Producer shall be responsible for any and all federal, state, local, and foreign taxes

levied or assessed upon Niagara Mohawk for payments made to Niagara Mohawk   
by Producer for services provided under this Agreement including, but not limited   
to, the following (to the extent applicable): transfer tax, property tax, federal   
income tax, and New York State taxes, including New York income or gross   
receipts, sales and use taxes; provided, however, that Niagara Mohawk shall pay   
any applicable interest or penalty incurred as a result of Niagara Mohawk’s delay   
in paying such taxes or seeking reimbursement from Producer. If any form of tax,   
other than income or excess profits tax, under any present or future federal, state   
or other law different from or in addition to the taxes for which participation in or   
payment by Producer is provided herein or elsewhere in this Agreement, is   
required to be paid, levied or assessed against or incurred by Niagara Mohawk   
with respect to any property, property right, commodity, or service involved in,   
resulting from or accruing from Niagara Mohawk’s performance under this   
Agreement, which such different or additional tax would not be required to be   
paid by Niagara Mohawk in the absence of this Agreement and, with respect to   
such different or additional tax, no obligation of Producer to participate or pay   
would have attached under the provisions of this Agreement elsewhere than in   
this subsection, then in such event Producer shall fully reimburse Niagara   
Mohawk for the full amount of such different or additional tax paid by Niagara   
Mohawk.

9.2.2.1 If Niagara Mohawk receives a refund from the taxing authorities of any   
 amounts paid by Producer, Niagara Mohawk shall refund to Producer such   
 amount refunded Niagara Mohawk (net of expenses related to obtaining   
 the refund) within thirty (30) days of receiving such refund.

9.2.2.2 Notwithstanding the foregoing, Producer, at its own expense, shall have   
 the right to require Niagara Mohawk to seek a Private Letter Ruling from   
 the Internal Revenue Service on whether any of the sums paid to Niagara   
 Mohawk by Producer under the terms of this Agreement for the   
 construction of any facilities required hereunder are subject to U.S. federal   
 taxation. To the extent that the Private Letter Ruling concludes that any   
 such sums are taxable to Niagara Mohawk, Producer shall reimburse   
 Niagara Mohawk for all such taxes consequently imposed upon Niagara   
 Mohawk in accordance with the terms of this Agreement Producer shall   
 reimburse Niagara Mohawk for all costs, including but not limited to legal   
 fees, associated with seeking the Private Letter Ruling.

9.2.2.3 Increased income tax to Niagara Mohawk arising from Producer's   
 payment or reimbursement of tax under the preceding provisions will be   
 addressed in the following manner. Any net actual U.S. federal income tax   
 or New York State tax (collectively, for this subsection 9.2.5 "Tax"), if   
 any, arising out of any payment or reimbursement of any tax by Producer

20

under this Article shall be reimbursed to Niagara Mohawk. The amount   
reimbursed to Niagara Mohawk under this subsection shall consist of (1)   
the Tax arising under this subsection (the "First Amount"); plus (2) the net   
actual Tax imposed on the First Amount (the "Second Amount"); plus (3)   
the net actual Tax imposed on the Second Amount (the "Third Amount");   
and plus (4) the net actual Tax imposed on the Third Amount and on each   
succeeding amount until the final amount is less than one dollar.

9.3 Niagara Mohawk agrees to cooperate with Producer, if requested by Producer, in

attempting to minimize Niagara Mohawk's costs under this Article, provided Producer   
reimburses Niagara Mohawk for all costs incurred by Niagara Mohawk in connection   
with such cooperation, including reasonable attorneys' fees and expenses, and provided   
further that Producer shall indemnify, defend, and save harmless Niagara Mohawk, its   
agents and employees, against any and all penalties, judgments, fines (civil or criminal),   
or other costs that may be imposed by any governmental authority as a result hereof, but   
only to the extent that such penalties, judgments, fines, or other costs are not attributable   
to Niagara Mohawk's respective gross negligence or intentional misconduct.

9.4 Niagara Mohawk shall include, with each invoice, documentation supporting the costs,

expenses, and/or taxes incurred by Niagara Mohawk in the previous quarter, or to be   
incurred in the next quarter, as provided for in 9.2 Niagara Mohawk will provide such   
documentation from its standard accounting methods. Within thirty (30) days from date   
of the invoice, Producer shall pay the invoice and/or notify Niagara Mohawk that   
Producer disputes, in whole or in part, any of the costs, expenses, and/or taxes reflected   
in the invoice and shall specify with particularity the reasons for such dispute. If Producer   
disputes any invoice or portion thereof, Producer shall immediately place into an   
independent escrow account an amount equal to the portion of the invoice it disputes.   
Such amount shall remain in escrow until the dispute between the Parties is resolved in   
accordance with Article 30C of this Agreement. If any portion of any invoice Producer   
has not disputed remains unpaid thirty (30) days from the invoice date, Niagara Mohawk   
shall apply to the unpaid balance, and Producer shall pay, a finance charge at the rate of   
one and one-half percent (1.5%) per month, but in no event more than the maximum   
allowed by law.

ARTICLE X   
NOTICES

10.1 All notices required or permitted under this Agreement shall be in writing and shall be

personally delivered or sent by certified or registered first class mail (return receipt requested, postage prepaid), facsimile transmission, or overnight express mail or courier service addressed as follows:

21

To Producer:

Attention: Adam Snyder Energy Manager

General Mills Operations, LLC

54 South Michigan Ave. Buffalo, NY 14203

Tel: (716) 857-3618   
Fax: (716) 857-7139

To Niagara Mohawk:

Director-Transmission   
Commercial Services

Niagara Power Corporation d/b/a/ National Grid

300 Erie Boulevard West Syracuse, NY 13202

Tel: (315) 428-3159   
Fax: (315) 428-5114

10.1.1 All notices required for billing purposes under this Agreement shall be in writing

and shall be delivered to the following address:

To Producer:

Attention: Lisa DuBois Financial Analyst

General Mills Operations, LLC

54 South Michigan Ave. Buffalo, NY 14203

Tel: (716) 857-3525   
Fax: (716) 857-3503

To Niagara Mohawk:

Director,- Transmission Commercial Services

Niagara Power Corporation d/b/a/ National Grid

300 Erie Boulevard West Syracuse, NY 13202

Tel: (315) 428-3159   
Fax: (315) 428-5114

10.1.2 If given by electronic transmission (including telex, facsimile or telecopy), notice shall be deemed given on the date received and shall be confirmed by a written copy sent by first class mail. If sent in writing by certified mail, notice shall be deemed given on the second business day following deposit in the United States mails, properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery.

10.2 Either Party may change its address for notices by notice to the other in the manner

provided above.

10.3 Notwithstanding paragraph 10.1, any notice hereunder, with respect to an Emergency

Condition or other occurrence requiring prompt attention, shall be communicated in an expedited manner and may be made by telephone provided that such notice is confirmed in writing promptly thereafter.

22

10.4 The representatives noted in paragraph 10.1, or their designees, shall be authorized to act

on behalf of the Parties, and their instructions, requests, and decisions will be binding upon the Parties as to all matters pertaining to this Agreement and the performance of the Parties hereunder. Only these representatives shall have the authority to commit funds or make binding obligations on behalf of the Parties. The Parties shall be permitted to change their respective representatives by providing notice to the other party of the change of representative.

ARTICLE XI

TERM AND TERMINATION

11.1 This Agreement shall become effective as of the EFFECTIVE DATE, subject to its

approval or acceptance for filing by the FERC, and shall continue in effect through September 30, 2017, unless a change in the Unique Configuration occurs. If a change in the Unique Configuration occurs, this Agreement will terminate immediately.

11.2 This Agreement shall not merge with or be terminated or superseded by any future

agreement between the Parties that does not specifically so provide.

11.3 In the event either Niagara Mohawk or Producer abandons its work or facilities under this

Agreement; becomes insolvent; or assigns or sublets this Agreement in a manner   
inconsistent with this Agreement, or is violating any of the material conditions, terms,   
obligations, or covenants of this Agreement, or is not performing this Agreement in good   
faith, the other Party may terminate this Agreement by providing written notice. Before   
instituting proceedings before FERC to terminate the Agreement, either Party must give   
written notice to the other Party of the reasons for termination. If, within a period of thirty

(30) days of receiving such notice, Producer or Niagara Mohawk cures the default or   
breach cited by the other in such written notice, to the reasonable satisfaction of the Party   
that provided such notice, and shall have complied with the provisions of this Agreement,   
such notice shall become null and void and of no effect. Otherwise, such notice shall   
remain in effect and, except to the extent expressly provided for herein, the obligations of   
the Parties under this Agreement shall terminate thirty (30) days after such notice was   
provided.

11.4 In the event of a billing dispute between Niagara Mohawk and Producer arising

hereunder, Niagara Mohawk will not apply to remove the Interconnection Facility or any part of the Electrical System from service or to terminate service thereon as long as Producer: (1) continues to make all payments and (ii) adheres to the dispute resolution procedures set forth in Article XX of this Agreement and pays into an independent escrow account the portion of any invoice in dispute, pending resolution of such dispute. If Producer fails to meet these two requirements, then a default shall be deemed to exist, to which the procedures set forth in this Article XI for the removal of the Interconnection Facility from service shall apply. Billing disputes arising from retail service to Producer shall be governed by the Retail Tariff or applicable contracts.

23

11.5 Termination of this Agreement shall not relieve Producer or Niagara Mohawk of any of

its liabilities and obligations arising hereunder prior to the date termination becomes   
effective, and Producer or Niagara Mohawk may take whatever judicial or administrative   
actions as appear necessary or desirable to enforce its lights hereunder. The rights   
specified herein are not exclusive and shall be in addition to all other remedies available   
to either Party, either at law or in equity, for default or breach of any provision of this   
Agreement; provided, however, that in no event shall Niagara Mohawk or Producer be   
liable for any incidental, special, indirect, exemplary or consequential costs, expenses, or   
damages sustained by the other, as provided for in Article XXI hereto.

11.6 If a Party provides to the other written notice of termination pursuant to paragraph 11.3

and, in accordance therewith, such notice remains in effect thirty (30) days after such   
notice was provided (thereby terminating the obligations of the Parties under this

Agreement), the Party that received such notice shall be liable to the other for all costs, expenses, liabilities and obligations, including reasonable attorneys' fees, incurred by the other Party resulting from or relating to the termination of this Agreement.

11.7 In the event of termination of this Agreement, Niagara Mohawk, at its sole option may

physically disconnect the Production Facility; provided, however, that Niagara Mohawk shall leave the retail infrastructure which serves the Manufacturing Plant in place and operational. To the extent necessary, Producer shall provide Niagara Mohawk access to the Production Facility and cooperate with Niagara Mohawk to disconnect the Production Facility. Continued service to the Manufacturing Plant shall be governed by the Retail Tariff or applicable contracts.

ARTICLE XII

FORCE MAJEURE

12.1 Neither Party shall be considered to be in default or breach hereunder, and shall be

excused from performance hereunder, if and to the extent that it shall be delayed in or   
prevented from performing or carrying out any provisions of this Agreement by reason of   
flood, lightning strikes, earthquake, fire, epidemic, war, invasion, riot, civil disturbance,   
sabotage, explosion, insurrection, military or usurped power, strikes, stoppage of labor,   
labor dispute, failure of contractors or supplies of material, action of any court or   
governmental authority, or any civil or military authority de facto or de jure, change in   
law, act of God or the public enemy, or any other event or cause beyond such Party's   
control, including, without limitation, disconnection or limited operation of Niagara   
Mohawk's electric system, unscheduled repairs or maintenance, fuel or energy shortages,   
or equipment breakdown resulting even with Good Utility Practice which are beyond   
such Party's reasonable control; provided, however, that neither Party may claim force   
majeure for any delay or failure to perform or carry out any provision of this Agreement   
to the extent that such Party has been negligent or engaged in intentional misconduct and   
such negligence or misconduct contributed to that Party's delay or failure to perform or   
carry out its duties and obligations under this Agreement.

24

12.2 The Party claiming force majeure shall give notice to the other Party of the occurrence of

force majeure no later than ten (10) business days after such occurrence and shall use due diligence to resume performance or the provision of service hereunder as soon as practicable. Performance under this Agreement is excused only for the duration of the force majeure event.

ARTICLE XIII

INDEMNIFICATION

13.1 To the fullest extent allowed by law and to the extent not otherwise articulated in this

Agreement, each Party shall indemnify, defend, and save harmless the other Party, its   
agents and employees, from and against any loss, damage, liability, cost, suit, charge,   
expense, or cause of action, whether unconditionally certain or otherwise, as they may   
arise after the Effective Date of this Agreement or arise at anytime thereafter, (including   
but not limited to fees and disbursements of counsel incurred by a Party in any action or   
proceeding between Producer and Niagara Mohawk or between a Party and any third   
party or otherwise) arising out of any damage or injury to its property or property of third   
parties (including real property, personal property and environmental damages), persons,   
(including injuries resulting in death), caused by or arising out of or in any way   
connected with the acts or omissions of the other Party in the performance of its   
obligations under this Agreement, or the work performed by the other Party hereunder, or   
any equipment, property or facilities used by the other Party, its agents, employees,   
contractors, and suppliers; provided however, each Party shall be liable for all claims of   
the Party's own employees arising out of any provision of the Workers' Compensation   
Law. Except as provided in section 13.3 regarding comparative negligence, neither Party   
shall be required to indemnify the other Party for a Party's own negligence or willful   
misconduct.

13.2 Niagara Mohawk and Producer each agree to indemnify, defend, and save each other and

their agents and employees harmless from and against any loss, damage, liability (civil or   
criminal), cost, suit, charge, expense (including reasonable attorneys' fees) or cause of   
action arising from violations by the other Party of said laws, ordinances, rules,   
regulations, permits, licenses, approvals, certificates and requirements thereunder.   
Niagara Mohawk and Producer each agree to bear fully all civil and criminal penalties   
that may arise from its own violations or from its failure to comply with the   
aforementioned laws and requirements, whether such penalties are assessed against   
Producer or Niagara Mohawk. The provisions of this paragraph shall survive termination   
of this Agreement.

13.3 In the event that the claims, damages, losses, judgments, or settlements are the result of

the negligence of both Parties, each Party shall be liable to the extent or degree of their respective negligence, as determined by mutual agreement of both Parties, or in the absence thereof, as determined by the adjudication of comparative negligence.

25

13.4 The indemnifying Party shall take prompt action to defend and indemnify the other Party

against claims, actual or threatened, but in no event later than the service of notice,   
summons, complaint, petition to other service of process against the indemnified Party   
alleging damage, injury, liability, or expense attributed in any way to the Agreement, the   
work or acts, fault, negligence, equipment, materials, properties, facilities, personnel, or   
property of the indemnifying Party, its agents, employees, contractors or suppliers. The   
indemnifying Party shall defend any such claim or threatened claim, including as   
applicable, engagement of legal counsel, to respond to, defend, settle, or compromise any   
claim or threatened claim.

13.5 Furthermore, the indemnifying Party understands and agrees it is responsible for any and

all costs and expenses incurred by the indemnified Party to enforce this indemnification

provision.

13.6 The obligations set forth in this Article shall survive the later of the completion of the

work, termination or expiration of the Agreement.

ARTICLE XIV

RELATIONSHIP OF THE PARTIES

14.1 Nothing contained in this Agreement shall be construed or deemed to cause, create,

constitute, give effect to, or otherwise recognize Producer and Niagara Mohawk to be partners, joint venturers, employer and employee, principal and agent, or any other business association, with respect to any matter.

14.2 Unless otherwise agreed to in writing signed by both Parties, neither Party shall have any

authority to create or assume in the other Party's name or on its behalf any obligation, express or implied, or to act or purport to act as the other Party's agent or legal empowered representative for any purpose whatsoever.

14.3 Neither Party shall be liable to any third party in any way for any engagement, obligation,

commitment, contract, representation or for any negligent act or omission of the other Party, except as expressly provided for herein.

14.4 The rights and obligations of the Parties shall be limited to those expressly set forth

herein.

ARTICLE XV

THIRD PARTY BENEFICIARY/ASSIGNMENT

15.1 No person or party shall have any rights or interests, direct or indirect, in this Agreement

or the services or facilities to be provided hereunder, or both, except the Parties, their successors, and authorized assigns.

15.2 The Parties specifically disclaim any intent to create any rights in any person or party as a

26

third-party beneficiary to this Agreement

15.3 Except as provided below, neither Party may assign this Agreement or any of its rights,

interests, or obligations hereunder without the prior written consent of the other Party, which such consent shall not be unreasonably withheld.

15.3.1 Producer may, with only prior written notice to Niagara Mohawk, assign, transfer,   
 pledge, or otherwise dispose of its rights and interests under this Agreement: (i) to   
 any lender or financial institution in connection with the financing or refinancing   
 of any changes to the Interconnection Facility made at Producer's request, the,   
 Production Facility or property acquisition therefore; and (ii) to any parent or to   
 any wholly-owned subsidiary or affiliate of Producer or its parent.

15.3.2 Niagara Mohawk may, upon prior written notice to Producer, assign, transfer,   
 pledge, or otherwise dispose of Niagara Mohawk's rights and interests under this   
 Agreement to any lender or financial institution in connection with the financing   
 or refinancing of the Transmission System or property acquisition therefor.

15.3.3 Any company or entity which succeeds by purchase, merger or consolidation of   
 the properties and assets, substantially or entirely, of Niagara Mohawk shall be   
 entitled to the rights and shall be subject to the obligations of Niagara Mohawk   
 under this Agreement.

15.4 Each Party agrees to reimburse the other Party for any costs and expenses (including

reasonable attorneys' fees) incurred in connection with the other Party's review, execution and delivery of instruments, agreements or documents necessary in connection with the assigning Party's assignment, transfer, sale or other disposition of this Agreement.

15.5 Any assignment in violation of Article XV shall be considered null and void from its

inception and Niagara Mohawk reserves the right to disconnect the Production Facility from the Interconnection Facility.

15.6 Any authorized assignment shall not relieve the assigning Party of the responsibility of

full compliance with the requirements of this Agreement, unless the other Party consents   
and the assignee agrees in writing to be bound by all of the obligations and duties of the   
assigning Party provided for in this Agreement and has provided written assurances to the   
other Party of continued performance and protection against liability upon assignment.

15.7 Assignment contrary to the provisions of this Agreement shall make the assigning Party

the indemnitor of the other Party and its successors against any liabilities and costs,   
including attorneys' fees as to which the assigning Party's transferee fails to indemnify,   
defend, and hold harmless the other Party, its agents, employees and its successors, from   
and against any loss, damage, liability , cost, suit, charge, expense (including reasonable   
attorneys' fees) or cause of action, incurred by the other Party as a result of said

27

assignment or as a result of any dispute between the assigning Party and its transferees, or between any subsequent transferees, that arises from or relates to any assignment by the assigning Party.

15.8 This Agreement shall bind and inure to the benefit of the Parties to this Agreement, their

successors and permitted assigns.

ARTICLE XVI   
APPROVAL

16.1 Niagara Mohawk shall file this Agreement with the appropriate regulatory authorities. If

any such regulatory body materially modifies the terms and conditions of this Agreement   
and such modification(s) materially affect the benefits flowing to one or both of the   
Parties, the Parties agree to attempt in good faith to negotiate an amendment or   
amendments to this Agreement or take other appropriate action(s) so as to put each Party   
in effectively the same position in which the Parties would have been had such   
modification not been made. In the event that, within sixty (60) days or some other time   
period mutually agreed upon by the Parties after such modification has been made, the   
Parties are unable to reach agreement as to what, if any, amendments are necessary and   
fail to take other appropriate action to put each Party in effectively the same position in   
which the Parties would have been had such modification not been made, then either   
Party shall have the right to unilaterally terminate this Agreement.

ARTICLE XVII

WAIVER

17.1 No provision of this Agreement may be waived except by mutual agreement of the

Parties as expressed in writing and signed by both Parties.

17.2 Any waiver that is not in writing and signed by both Parties shall be null and void from

its inception.

17.3 No express waiver in any specific instance as provided in a required writing shall be

construed as a waiver of future instances unless specifically so provided in the required

writing.

17.4 No express waiver of any specific default shall be deemed a waiver of any other default

whether or not similar to the default waived, or a continuing waiver of any other right or default by a Party.

17.5 The failure of either Party to insist in any one or more instances upon the strict

performance of any of the provisions of this Agreement, or to exercise any right herein, shall not be construed as a waiver or relinquishment for the future of such strict performance of such provision or the exercise of such right.

28

ARTICLE XVIII

AMENDMENT AND MODIFICATION

18.1 This Agreement may be amended or modified only if the amendment or modification is

in writing and executed by both Parties. Any amendment or modification that is not in writing and signed by both Parties shall be null and void from its inception.

18.2 No express amendment or modification in any specific instance as provided herein shall

be construed as an amendment or modification of future instances, unless specifically so provided in the required writing.

18.3 Nothing in this Agreement shall be construed as affecting in any way the right of either

Party to unilaterally make application to FERC (or any successor agency) for a change in   
rates, terms and conditions, charges, classifications of service, rule or regulation under   
Section 205, of the Federal Power Act ("FPA") and pursuant to FERC's rules and   
regulations promulgated thereunder provided the other Party retains all rights to object to   
such filing.

ARTICLE XIX

GOVERNING LAW

19.1 This Agreement and the rights and obligations of the Parties to this Agreement shall be

governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflict of laws principles thereof.

19.2 Producer and Niagara Mohawk agree to submit to the jurisdiction of the courts in the

State of New York for the purposes of interpretation and enforcement of this Agreement.

19.3 Producer and Niagara Mohawk waive personal service by manual delivery and agree that

service of process on Producer or Niagara Mohawk in any action concerning or arising out of this Agreement may be made by registered or certified mail, return receipt requested, delivered to Producer or Niagara Mohawk at the addresses set forth in Article X of this Agreement.

ARTICLE XX

DISPUTE RESOLUTION

20.1 Should a claim or dispute among the Parties arise under this Agreement, the Parties shall

continue, in good faith, to perform their respective obligations hereunder. Notice of any   
claim or dispute that any Party may have against another Party, arising out of the

29

Agreement shall be submitted in writing to the other Parties in a manner that clearly identifies the nature of the claim or dispute and requests that the Parties engage in negotiations to resolve the claim or dispute.

20.2 Upon receipt of the notice of claim or dispute under section 20.1, the Parties shall use

Commercially Reasonable Efforts to resolve any such dispute without resorting to judicial resolution, through good faith negotiations between representatives with authority to resolve or settle the claim or dispute. The Parties agree to keep confidential any documents or materials exchanged and/or confidential information revealed in furtherance of resolving or settling the claim or dispute under Article XX of this Agreement and that such documents, materials, or information shall be considered confidential settlement information and that, pursuant to Rule 408 of the Federal Rules of Evidence and parallel doctrines of state law, shall not be admissible as evidence in any subsequent judicial or regulatory proceeding.

20.3 If the dispute remains unresolved for more than sixty (60) days after receipt of the notice

of claim or dispute under section 20.1, any Party may seek resolution of its rights and   
remedies under this Agreement through any available forum in accordance with Article   
XX.

ARTICLE XXI

LIMITATION OF LIABILITY

21.1 Notwithstanding any other provision of this Agreement, neither Party shall be responsible

to the other for incidental, indirect, exemplary, special or consequential damages (including punitive damages or loss of profits) in connection with this Agreement, except in cases of intentional misconduct, unless otherwise stated in this Agreement.

21.2 Third-Party Claims Against Either Party. Notwithstanding the provisions of this Article

as they may apply with respect to an indemnifying Party's responsibility for claims   
asserted against an indemnified Party by a third-party, under no circumstances shall   
either Party, or its directors, officers, employees, agents and Affiliates, be liable to the   
other Party, its directors, officers, employees, agents or Affiliates, for third-party claims,   
actions or causes of action for incidental, punitive, special, exemplary, indirect, treble,   
multiple or consequential damages of any kind (including attorneys' fees, litigation costs,   
losses or damages caused by reason of the unavailability of the Production Facility, plant   
shutdowns or service interruptions, losses of use, profits or revenue, inventory or use   
charges, costs of purchased or replacement power, interest charges or costs of capital)   
resulting from or related to curtailments or interruptions of deliveries of Electricity over   
the Electrical System, including any such damages which are based upon causes of action   
for breach of contract, tort (including negligence and misrepresentation), breach of

warranty or strict liability.

21.3 Survival. The provisions of this Article shall apply regardless of fault and shall survive

termination, cancellation, suspension, completion or expiration of this Agreement.

30

ARTICLE XXII   
SEVERABILITY

22.1 If any term of this Agreement, or the interpretation or application of any term or

provision to any prior circumstance, is held to be unenforceable, illegal, or invalid by any   
governmental agency or court of competent jurisdiction, the remainder of this   
Agreement, or the interpretation or application of all other terms or provisions to persons   
or circumstances other than those that are unenforceable, illegal, or invalid, shall not be   
affected thereby and each term and provision shall be valid and be enforced to the fullest   
extent permitted by law.

ARTICLE XXIII   
 HEADINGS

23.1 The headings in this Agreement are included herein for convenience of reference only

and shall not constitute a part of this Agreement for any other purpose, or limit or be used as an aid in construing the provisions of this Agreement.

ARTICLE XXIV

INTEGRATION/MERGER/SURVIVABILITY

24.1 This Agreement sets forth the entire understanding and agreement between the Parties as

to the subject matter of this Agreement and merges and supersedes all prior and contemporaneous understandings and agreements, oral or written, between the Parties with respect to the subject matter thereof.

ARTICLE XXV

COMPLIANCE WITH GOOD UTILITY PRACTICE

25.1 The Parties shall comply with Good Utility Practice.

ARTICLE XXVI

COUNTERPARTS

26.1 This Agreement may be executed in two or more counterparts, each of which shall be

deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXVII

INTERPRETATION

27.1 The following rules shall govern the interpretation of this Agreement, including its

definitions. The terms "includes" or "including" shall not be limiting, whether or not   
followed by the words "without limitation." References to an article or section shall mean   
an article or section of this Agreement unless the context requires otherwise, and

31

reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented and restated through the date as of   
which such reference is made.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed as of the day and year first above written.

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

William L. Malee

Title: Director, Transmission Commercial Services Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

GENERAL MILLS OPERATIONS, LLC

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
 Allen Brown

Title: Plant Manager

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

32

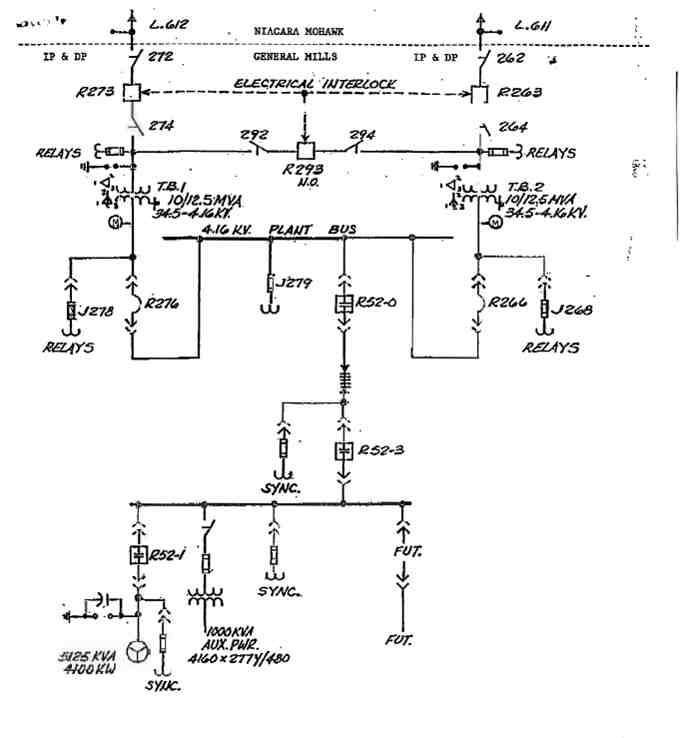


Exhibit A:

33

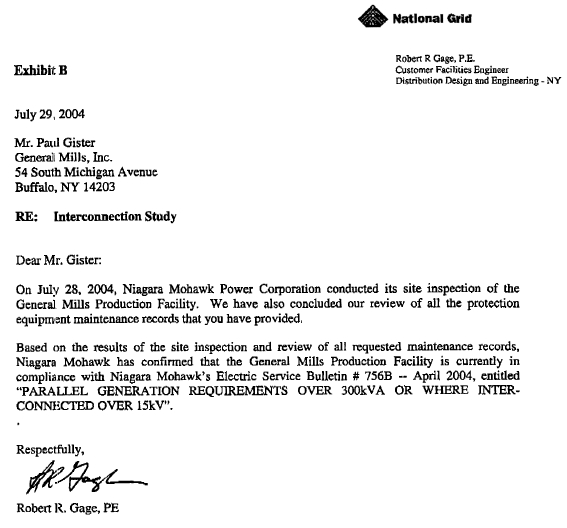


Exhibit B:

34

SERVICE AGREEMENT NO. 2672

SERVICE AGREEMENT NO. 2672

INTERCONNECTION AGREEMENT   
 AMONG THE

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.   
 AND

LONG ISLAND LIGHTING COMPANY D/B/A LIPA   
 AND

PECONIC RIVER ENERGY STORAGE LLC D/B/A   
 NORTH STREET ENERGY STORAGE

Dated as of December 31, 2021

SERVICE AGREEMENT NO. 2672

TABLE OF CONTENTS

Page Number

ARTICLE 1. DEFINITIONS 1

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION 10

2.1 Effective Date 10

2.2 Term of Agreement 10

2.3 Termination 11

2.4 Termination Costs 11

2.5 Disconnection 12

2.6 Survival 12

ARTICLE 3. REGULATORY FILINGS 12

ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE 13

4.1 Provision of Service 13

4.2 No Transmission Delivery Service 13

4.3 No Other Services 13

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT,

AND CONSTRUCTION 13

5.1 Options 13

5.2 General Conditions Applicable to Option to Build 15

5.3 Liquidated Damages 16

5.4 Power System Stabilizers 17

5.5 Equipment Procurement 18

5.6 Construction Commencement 18

5.7 Work Progress 19

5.8 Information Exchange 19

5.9 Other Interconnection Options 19

5.10 Developer’s Attachment Facilities (“DAF”) 20

5.11 Connecting Transmission Owner’s Attachment Facilities Construction 21

5.12 Access Rights 21

5.13 Lands of Other Property Owners 22

5.14 Permits 22

5.15 Early Construction of Base Case Facilities 22

5.16 Suspension 23

5.17 [RESERVED] 23

5.18 Tax Status; Non-Jurisdictional Entities 23

5.19 Modification 24

ARTICLE 6. TESTING AND INSPECTION 25

6.1 Pre-Commercial Operation Date Testing and Modifications 25

6.2 Post-Commercial Operation Date Testing and Modifications 25

6.3 Right to Observe Testing 25

6.4 Right to Inspect 25

ARTICLE 7. METERING 26

7.1 General 26

7.2 Check Meters 26

7.3 Standards 26

i

SERVICE AGREEMENT NO. 2672

7.4 Testing of Metering Equipment 26

7.5 Metering Data 27

ARTICLE 8. COMMUNICATIONS 27

8.1 Developer Obligations 27

8.2 Remote Terminal Unit 27

8.3 No Annexation 28

ARTICLE 9. OPERATIONS 28

9.1 General 28

9.2 NYISO and Connecting Transmission Owner Obligations 28

9.3 Developer Obligations 28

9.4 Start-Up and Synchronization 29

9.5 Real and Reactive Power Control and Primary Frequency Response 29

9.6 Outages and Interruptions 33

9.7 Switching and Tagging Rules 36

9.8 Use of Attachment Facilities by Third Parties 36

9.9 Disturbance Analysis Data Exchange 37

9.10 Phasor Measurement Units 37

ARTICLE 10. MAINTENANCE 38

10.1 Connecting Transmission Owner Obligations 38

10.2 Developer Obligations 38

10.3 Coordination 38

10.4 Secondary Systems 38

10.5 Operating and Maintenance Expenses 38

ARTICLE 11. PERFORMANCE OBLIGATION 39

11.1 Developer’s Attachment Facilities 39

11.2 Connecting Transmission Owner’s Attachment Facilities 39

11.3 System Upgrade Facilities and System Deliverability Upgrades 39

11.4 Special Provisions for Affected Systems 39

11.5 Provision of Security 39

11.6 Developer Compensation for Emergency Services 40

11.7 Line Outage Costs 40

ARTICLE 12. INVOICE 40

12.1 General 40

12.2 Final Invoice 41

12.3 Payment 41

12.4 Disputes 41

ARTICLE 13. EMERGENCIES 41

13.1 Obligations 41

13.2 Notice 41

13.3 Immediate Action 42

13.4 NYISO and Connecting Transmission Owner Authority 42

13.5 Developer Authority 43

13.6 Limited Liability 43

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW 43

14.1 Regulatory Requirements 43

14.2 Governing Law 44

ii

SERVICE AGREEMENT NO. 2672

ARTICLE 15. NOTICES 44

15.1 General 44

15.2 Billings and Payments 44

15.3 Alternative Forms of Notice 44

15.4 Operations and Maintenance Notice 44

ARTICLE 16. FORCE MAJEURE 44

ARTICLE 17. DEFAULT 45

17.1 General 45

17.2 Right to Terminate 45

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE 45

18.1 Indemnity 45

18.2 No Consequential Damages 47

18.3 Insurance 47

ARTICLE 19. ASSIGNMENT 49

ARTICLE 20. SEVERABILITY 50

ARTICLE 21. COMPARABILITY 50

ARTICLE 22. CONFIDENTIALITY 50

22.1 Confidentiality 50

22.2 Term 50

22.3 Confidential Information 50

22.4 Scope 51

22.5 Release of Confidential Information 51

22.6 Rights 51

22.7 No Warranties 51

22.8 Standard of Care 51

22.9 Order of Disclosure 52

22.10 Termination of Agreement 52

22.11 Remedies 52

22.12 Disclosure to FERC, its Staff, or a State 52

22.13 Required Notices Upon Requests or Demands for Confidential

Information 53

ARTICLE 23. DEVELOPER AND CONNECTING TRANSMISSION OWNER

NOTICES OF ENVIRONMENTAL RELEASES 53

ARTICLE 24. INFORMATION REQUIREMENT 54

24.1 Information Acquisition 54

24.2 Information Submission by Connecting Transmission Owner 54

24.3 Updated Information Submission by Developer 54

24.4 Information Supplementation 55

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS 55

25.1 Information Access 55

25.2 Reporting of Non-Force Majeure Events 56

25.3 Audit Rights 56

25.4 Audit Rights Periods 56

25.5 Audit Results 56

ARTICLE 26. SUBCONTRACTORS 57

26.1 General 57

iii

SERVICE AGREEMENT NO. 2672

26.2 Responsibility of Principal 57

26.3 No Limitation by Insurance 57

ARTICLE 27. DISPUTES 57

27.1 Submission 57

27.2 External Arbitration Procedures 57

27.3 Arbitration Decisions 58

27.4 Costs 58

27.5 Termination 58

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS 58

28.1 General 58

ARTICLE 29. MISCELLANEOUS 59

29.1 Binding Effect 59

29.2 Conflicts 59

29.3 Rules of Interpretation 59

29.4 Compliance 60

29.5 Joint and Several Obligations 60

29.6 Entire Agreement 60

29.7 No Third Party Beneficiaries 60

29.8 Waiver 61

29.9 Headings 61

29.10 Multiple Counterparts 61

29.11 Amendment 61

29.12 Modification by the Parties 61

29.13 Reservation of Rights 61

29.14 No Partnership 62

29.15 Other Transmission Rights 62

Appendices

iv

SERVICE AGREEMENT NO. 2672

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

(“Agreement”) is made and entered into this 31st day of December, 2021, by and among Peconic   
River Energy Storage LLC d/b/a North Street Energy Storage, a limited liability company   
organized and existing under the laws of the State of Delaware (“Developer” with a Large   
Generating Facility), 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   
Long Island Lighting Company d/b/a LIPA (“LIPA”), a subsidiary of the Long Island Power   
Authority (“Authority”), which is an instrumentality and political subdivision of the State of   
New York (“Connecting Transmission Owner”). Developer, the NYISO, or Connecting   
Transmission Owner each may be referred to as a “Party” or collectively referred to as the   
“Parties.” The Parties are the only parties to this Agreement. Long Island Electric Utility Servco   
LLC (“Servco”) is not a party to this Agreement and is executing and administering this   
Agreement on behalf of LIPA as LIPA’s agent. LIPA shall have full liability for the obligations   
of the Connecting Transmission Owner under this Agreement, and Servco shall have no liability   
with respect to this Agreement.

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; and

WHEREAS, Connecting Transmission Owner is a non-jurisdictional municipal utility pursuant to Section 201(f) of the Federal Power Act whose facilities are included in the New York State Transmission System as Transmission Facilities Requiring ISO Notification; and

WHEREAS, Developer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and

WHEREAS, Developer, NYISO, and Connecting Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating 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 30.1 of Attachment X of the ISO OATT, Section 25.1.2 of Attachment S of the ISO   
OATT, the body of the LFIP or the body of this Agreement.

1

SERVICE AGREEMENT NO. 2672

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

Ancillary Services shall mean those services that are necessary to support the transmission of Capacity and Energy from resources to Loads while maintaining reliable operation of the New York State Transmission System in accordance with Good Utility Practice.

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

Applicable Reliability Councils shall mean the NERC, 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 Developer’s Large Generating   
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.

Attachment Facilities shall mean the Connecting Transmission Owner’s Attachment Facilities   
and the Developer’s Attachment Facilities. Collectively, Attachment Facilities include all   
facilities and equipment between the Large Generating Facility and the Point of Interconnection,   
including any modification, additions or upgrades that are necessary to physically and   
electrically interconnect the Large Generating Facility to the New York State Transmission   
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.

2

SERVICE AGREEMENT NO. 2672

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

Byway shall mean all transmission facilities comprising the New York State Transmission

System that are neither Highways nor Other Interfaces. All transmission facilities in Zone J and Zone K are Byways.

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

Capacity Region shall mean one of four subsets of the Installed Capacity statewide markets   
comprised of (1) Rest of State (i.e., Load Zones A through F); (2) Lower Hudson Valley (i.e.,   
Load Zones G, H and I); (3) New York City (i.e., Load Zone J); and (4) Long Island (i.e., Load   
Zone K), except for Class Year Interconnection Facility Studies conducted prior to Class Year   
2012, for which “Capacity Region” shall be defined as set forth in Section 25.7.3 of Attachment   
S to the ISO OATT.

Capacity Resource Interconnection Service (“CRIS”) shall mean the service provided by

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

Class Year Deliverability Study shall mean an assessment, conducted by the NYISO staff in   
cooperation with Market Participants, to determine whether System Deliverability Upgrades are   
required for Class Year CRIS Projects under the NYISO Deliverability Interconnection Standard.

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

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

Facility commences Commercial Operation as agreed to by the Parties, notice of which must be provided to the NYISO in the form of 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 Tariff, (ii) owns, leases or otherwise

3

SERVICE AGREEMENT NO. 2672

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.

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 the   
Standard Large Generator Interconnection 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 Stand Alone System Upgrade Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

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

Control Area shall mean an electric power system or combination of electric power systems to   
which a common automatic generation control scheme is applied in order to: (1) match, at all   
times, the power output of the Generators within the electric power system(s) and capacity and   
energy purchased from entities outside the electric power system(s), with the Load within the   
electric power system(s); (2) maintain scheduled interchange with other Control Areas, within   
the limits of Good Utility Practice; (3) maintain the frequency of the electric power system(s)   
within reasonable limits in accordance with Good Utility Practice; and (4) provide sufficient

generating capacity to maintain Operating Reserves in accordance with Good Utility Practice. A Control Area must be certified by the NPCC.

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.

Developer shall mean an Eligible Customer developing a Large Generating Facility, proposing to connect to the New York State Transmission System, in compliance with the NYISO   
Minimum Interconnection Standard.

Developer’s Attachment Facilities shall mean all facilities and equipment, as identified in

Appendix A of this Agreement, that are located between the Large Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such   
facilities and equipment necessary to physically and electrically interconnect the Large   
Generating Facility to the New York State Transmission System. Developer’s Attachment   
Facilities are sole use facilities.

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 Large Facility Interconnection Procedures in Attachment X to the ISO OATT or Small   
Generator Interconnection Procedures in Attachment Z to the ISO OATT under FERC Order   
Nos. 2003 and/or 2006. The term Distribution System shall not include LIPA’s distribution   
facilities.

4

SERVICE AGREEMENT NO. 2672

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Connecting   
Transmission Owner’s Distribution System at or beyond the Point of Interconnection to facilitate   
interconnection of a Large Facility or Small Generating Facility and render the transmission   
service necessary to affect the Developer’s wholesale sale of electricity in interstate commerce.   
Distribution Upgrades do not include Attachment Facilities, System Upgrade Facilities, or   
System Deliverability Upgrades. Distribution Upgrades are sole use facilities and shall not   
include Stand Alone System Upgrade Facilities, System Upgrade Facilities, or System   
Deliverability Upgrades.

Effective Date shall mean the date on which this Agreement becomes effective upon execution by the Parties, subject to acceptance by the Commission, or if filed unexecuted, upon the date specified by the Commission.

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 Developer’s Large Generating Facility 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 Services from the Large Generating Facility, 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.

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 Developer’s device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the   
Developer’s Attachment Facilities or Distribution Upgrades.

Generating Facility Capacity shall mean the net seasonal capacity of the Generating Facility and the aggregate net seasonal capacity of the Generating Facility where it includes multiple energy production devices.

5

SERVICE AGREEMENT NO. 2672

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 Developer, NYISO,   
Affected Transmission Owner, 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.

Highway shall mean 115 kV and higher transmission facilities that comprise the following

NYCA interfaces: Dysinger East, West Central, Volney East, Moses South, Central East/Total   
East, and UPNY-ConEd, and their immediately connected, in series, bulk power system facilities   
in New York State. Each interface shall be evaluated to determine additional “in series”   
facilities, defined as any transmission facility higher than 115 kV that (a) is located in an   
upstream or downstream zone adjacent to the interface and (b) has a power transfer distribution   
factor (DFAX) equal to or greater than five percent when the aggregate of generation in zones or   
systems adjacent to the upstream zone or zones that define the interface is shifted to the   
aggregate of generation in zones or systems adjacent to the downstream zone or zones that define   
the interface. In determining “in series” facilities for Dysinger East and West Central interfaces,   
the 115 kV and 230 kV tie lines between NYCA and PJM located in LBMP Zones A and B shall   
not participate in the transfer. Highway transmission facilities are listed in ISO Procedures.

Initial Synchronization Date shall mean the date upon which the Large Generating Facility is initially synchronized and upon which Trial Operation begins, notice of which must be provided to the NYISO in the form of Appendix E-1.

In-Service Date shall mean the date upon which the Developer reasonably expects it will be

ready to begin use of the Connecting Transmission Owner’s Attachment Facilities to obtain back feed power.

6

SERVICE AGREEMENT NO. 2672

Interconnection Facilities Study shall mean a study conducted by NYISO or a third party

consultant for the Developer 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   
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 Standard Large Facility Interconnection Procedures.

Interconnection Facilities Study Agreement (“Class Year Study Agreement”) shall mean the form of agreement contained in Appendix 2 of the Standard Large Facility Interconnection   
Procedures for conducting the Interconnection Facilities Study.

Interconnection Request shall mean a Developer’s request, in the form of Appendix 1 to the   
Standard Large Facility Interconnection Procedures, in accordance with the Tariff, to   
interconnect a new Large Generating Facility 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 Large Generating Facility that is   
interconnected with the New York State Transmission System or with the Distribution System.

Interconnection Study shall mean any of the following studies: the Optional Interconnection Feasibility Study, the Interconnection System Reliability Impact Study, and the Interconnection Facilities Study described in the Standard Large Facility Interconnection Procedures.

Interconnection System Reliability Impact Study (“SRIS”) shall mean an engineering study,   
conducted in accordance with Section 30.7 of the Standard Large Facility Interconnection   
Procedures, that evaluates the impact of the proposed Large Generating Facility on the safety and   
reliability of the New York State Transmission System and, if applicable, an Affected System, to   
determine what Attachment Facilities, Distribution Upgrades and System Upgrade Facilities are   
needed for the proposed Large Generating Facility of the Developer to connect reliably to the   
New York State Transmission System or to the Distribution System in a manner that meets the   
NYISO Minimum Interconnection Standard in Attachment X to the ISO OATT.

IRS shall mean the Internal Revenue Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

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

Metering Equipment shall mean all metering equipment installed or to be installed at the Large Generating 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.

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

7

SERVICE AGREEMENT NO. 2672

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

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

NYISO Minimum Interconnection Standard - The reliability standard that must be met by   
any generation facility or Class Year Transmission Project that is subject to NYISO’s Large   
Facility Interconnection Procedures in Attachment X to the ISO OATT or the NYISO’s Small   
Generator Interconnection Procedures in Attachment Z, that is proposing to connect to the New   
York State Transmission System or Distribution System, to obtain ERIS. The Minimum   
Interconnection Standard is designed to ensure reliable access by the proposed project to the   
New York State Transmission System or to the Distribution System. The Minimum   
Interconnection Standard does not impose any deliverability test or deliverability requirement on   
the proposed interconnection.

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

Other Interfaces shall mean the following interfaces into Capacity Regions: Lower Hudson

Valley [i.e., Rest of State (Load Zones A-F) to Lower Hudson Valley (Load Zones G, H and I)]; New York City [i.e., Lower Hudson Valley (Load Zones G, H and I) to New York City (Load Zone J)]; and Long Island [i.e., Lower Hudson Valley (Load Zones G, H and I) to Long Island (Load Zone K)], and the following Interfaces between the NYCA and adjacent Control Areas: PJM to NYISO, ISO-NE to NYISO, Hydro-Quebec to NYISO, and Norwalk Harbor   
(Connecticut) to Northport (Long Island) Cable.

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

Point of Change of Ownership shall mean the point, as set forth in Appendix A to this Agreement, where the Developer’s Attachment Facilities connect to the Connecting Transmission Owner’s Attachment Facilities.

8

SERVICE AGREEMENT NO. 2672

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

Provisional Interconnection Service shall mean interconnection service provided by the ISO associated with interconnecting the Developer’s Large Facility to the New York State   
Transmission System (or Distribution System as applicable) and enabling the transmission   
system to receive electric energy from the Large Facility at the Point of Interconnection,   
pursuant to the terms of the Provisional Large Facility Interconnection Agreement and, if   
applicable, the ISO OATT.

Provisional Large Facility Interconnection Agreement shall mean the interconnection

agreement for Provisional Interconnection Service established between the ISO, Connecting   
Transmission Owner(s) and the Developer. This agreement shall take the form of the Large   
Generator 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: 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.

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.

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

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 that are included in   
Attachment X of the ISO OATT.

Standard Large Generator Interconnection Agreement (“LGIA”) shall mean this

Agreement, which is the form of interconnection agreement applicable to an Interconnection

Request pertaining to a Large Generating Facility, that is included in Appendix 4 to Attachment X of the ISO OATT.

9

SERVICE AGREEMENT NO. 2672

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 Large Generating Facility and (2)   
protect the Large Generating 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.

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.

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

Trial Operation shall mean the period during which Developer is engaged in on-site test

operations and commissioning of the Large Generating 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 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 twenty (20) years from the Effective Date and shall be automatically renewed for each   
successive one-year period thereafter.

10

SERVICE AGREEMENT NO. 2672

2.3 Termination.

2.3.1 Written Notice.

This Agreement may be terminated by the Developer after giving the NYISO and

Connecting Transmission Owner ninety (90) Calendar Days advance written notice, or by the NYISO notifying FERC after the Large Generating Facility is Retired.

2.3.2 Default.

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

2.3.3 Compliance.

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 Developer’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 Developer elects not to authorize such cancellation,   
Developer 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 Developer as soon as practicable, at Developer’s

expense. To the extent that Developer has already paid Connecting Transmission Owner for any or all such costs of materials or equipment not taken by Developer, Connecting Transmission Owner shall promptly refund such amounts to Developer, 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 Developer terminates this Agreement, it shall be responsible for all costs incurred in   
association with Developer’s interconnection, including any cancellation costs relating to orders   
or contracts for Attachment Facilities and equipment, and other expenses including any System

11

SERVICE AGREEMENT NO. 2672

Upgrade Facilities and System Deliverability Upgrades for which the Connecting Transmission Owner has incurred expenses and has not been reimbursed by the Developer.

2.4.2 Connecting Transmission Owner may, at its option, retain any portion of such

materials, equipment, or facilities that Developer 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, Developer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection.

Upon termination of this Agreement, Developer and Connecting Transmission Owner will take all appropriate steps to disconnect the Developer’s Large Generating Facility from the New York State Transmission 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 Developer 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. In the case of any   
such filing of the Agreement or an executed amendment hereto before FERC, the NYISO will   
make such filing pursuant to its right under Section 205 of the Federal Power Act, with LIPA   
joining in such filing as a non-jurisdictional entity. Any information related to studies for   
interconnection asserted by Developer to contain Confidential Information shall be treated in   
accordance with Article 22 of this Agreement and Attachment F to the ISO OATT. If the   
Developer has executed this Agreement, or any amendment thereto, the Developer 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. Any filing of   
this Agreement, notice of termination, or other filing made to FERC pursuant to this Agreement   
shall not be construed to be a waiver of the status of the Authority and its operating subsidiary

12

SERVICE AGREEMENT NO. 2672

LIPA, as a non-jurisdictional municipal utility pursuant to Section 201(f) of the Federal Power   
Act.

ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE

4.1 Provision of Service.

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

4.1.1 Product.

NYISO will provide Energy Resource Interconnection Service to Developer at the Point of Interconnection.

4.1.2 Developer is responsible for ensuring that its actual Large Generating Facility

output matches the scheduled delivery from the Large Generating 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 Developer wishes to obtain Transmission Service on the New York State Transmission System, then Developer 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 NYISO Market

Administration and Control Area Services Tariff (“Services Tariff”). If Developer wishes to

supply Energy, Installed Capacity or Ancillary Services, then Developer will make application to do so in accordance with the NYISO Services Tariff.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING,

PROCUREMENT, AND CONSTRUCTION

5.1 Options.

Unless otherwise mutually agreed to by Developer and Connecting Transmission Owner,   
Developer shall select the In-Service Date, Initial 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, Developer   
shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If

13

SERVICE AGREEMENT NO. 2672

the dates designated by the Developer are not acceptable to the Connecting Transmission Owner, the Connecting Transmission Owner shall so notify the Developer within thirty (30) Calendar Days. Upon receipt of the notification that Developer’s designated dates are not acceptable to the Connecting Transmission Owner, the Developer 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 and System Upgrade Facilities and System   
Deliverability Upgrades, using Reasonable Efforts to complete the Connecting Transmission   
Owner’s Attachment Facilities and 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 and System Upgrade Facilities and   
System Deliverability Upgrades by the specified dates, the Connecting Transmission Owner   
shall promptly provide written notice to the Developer and NYISO, and shall undertake   
Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option.

If the dates designated by Developer are acceptable to Connecting Transmission Owner,   
the Connecting Transmission Owner shall so notify Developer 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 In-Service Date, to the extent necessary to provide back   
feed power; or fails to complete System Upgrade Facilities or System Deliverability Upgrades by   
the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power   
output, unless other arrangements are made by the Developer and Connecting Transmission   
Owner for such Trial Operation; or fails to complete the System Upgrade Facilities and System   
Deliverability Upgrades by the Commercial Operation Date, as such dates are reflected in   
Appendix B hereto; Connecting Transmission Owner shall pay Developer liquidated damages in   
accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by   
Developer shall be extended day for day for each day that NYISO refuses to grant clearances to   
install equipment.

5.1.3 Option to Build.

Developer 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; provided that if an Attachment   
Facility or Stand Alone System Upgrade Facility is needed for more than one Developer’s

14

SERVICE AGREEMENT NO. 2672

project, Developer’s option to build such facility shall be contingent on the agreement of all

other affected Developers. NYISO, Connecting Transmission Owner and Developer 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, Developer shall have no right to construct System Upgrade Facilities under this   
option.

5.1.4 Negotiated Option.

If the dates designated by Developer are not acceptable to the Connecting Transmission   
Owner, the Developer 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 the Developer 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 the Developer   
elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build.

If Developer 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 Developer shall engineer, procure equipment, and construct the Connecting

Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities (or

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

5.2.2 Developer’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 commencement of construction, Developer 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;

15

SERVICE AGREEMENT NO. 2672

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, the Developer 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 Developer shall indemnify Connecting Transmission Owner and NYISO for

claims arising from the Developer’s construction of Connecting Transmission Owner’s

Attachment Facilities and Stand Alone System Upgrade Facilities under procedures applicable to Article 18.1 Indemnity;

5.2.8 Developer 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 the Developer and Connecting Transmission Owner otherwise agree,

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

5.2.11 Developer 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.

5.2.12 If Developer exercises the Option to Build pursuant to Article 5.1.3, the

Developer 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 Developer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages.

The actual damages to the Developer, in the event the Connecting Transmission Owner’s   
Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades are not   
completed by the dates designated by the Developer and accepted by the Connecting   
Transmission Owner pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Developer’s

16

SERVICE AGREEMENT NO. 2672

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 the Developer 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 and 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 Attachment Facilities and 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 the Developer as just compensation for the damages caused   
to the Developer, 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 the Developer 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 Developer   
if: (1) Developer is not ready to commence use of the Connecting Transmission Owner’s   
Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades to take   
the delivery of power for the Developer’s Large Generating Facility’s Trial Operation or to   
export power from the Developer’s Large Generating Facility on the specified dates, unless the   
Developer would have been able to commence use of the Connecting Transmission Owner’s   
Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades to take   
the delivery of power for Developer’s Large Generating Facility’s Trial Operation or to export   
power from the Developer’s Large Generating 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 the Developer or any other Developer who has entered into   
a Standard Large Generator 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) the   
Developer 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 Developer have otherwise agreed. In   
no event shall NYISO have any liability whatever to Developer for liquidated damages   
associated with the engineering, procurement or construction of Attachment Facilities or System   
Upgrade Facilities or System Deliverability Upgrades.

5.4 Power System Stabilizers.

The Developer shall procure, install, maintain and operate Power System Stabilizers in   
accordance with the requirements identified in the Interconnection Studies conducted for   
Developer’s Large Generating Facility. NYISO and Connecting Transmission Owner reserve

17

SERVICE AGREEMENT NO. 2672

the right to reasonably establish minimum acceptable settings for any installed Power System   
Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If   
the Large Generating Facility’s Power System Stabilizers are removed from service or not   
capable of automatic operation, the Developer shall immediately notify the Connecting   
Transmission Owner and NYISO. The requirements of this paragraph shall not apply to wind   
generators.

5.5 Equipment Procurement.

If responsibility for construction of the Connecting Transmission Owner’s Attachment Facilities or 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 Connecting Transmission Owner’s Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades and procure necessary equipment as soon as   
practicable after all of the following conditions are satisfied, unless the Developer and   
Connecting Transmission Owner otherwise agree in writing:

5.5.1 NYISO and Connecting Transmission Owner have completed the

Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 The NYISO has completed the required cost allocation analyses, and

Developer has accepted its share of the costs for necessary System Upgrade Facilities and

System Deliverability Upgrades in accordance with the provisions of Attachment S of the ISO   
OATT;

5.5.3 The Connecting Transmission Owner has received written authorization to

proceed with design and procurement from the Developer by the date specified in Appendix B

hereto; and

5.5.4 The Developer has provided security to the Connecting Transmission Owner

in accordance with Article 11.5 by the dates specified in Appendix B hereto.

5.6 Construction Commencement.

The Connecting Transmission Owner shall commence construction of the Connecting Transmission Owner’s Attachment Facilities and 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 and System Upgrade Facilities and System Deliverability Upgrades;

5.6.3 The Connecting Transmission Owner has received written authorization to

proceed with construction from the Developer by the date specified in Appendix B hereto; and

18

SERVICE AGREEMENT NO. 2672

5.6.4 The Developer has provided security to the Connecting Transmission Owner

in accordance with Article 11.5 by the dates specified in Appendix B hereto.

5.7 Work Progress.

The Developer 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 the Developer or Connecting Transmission Owner. If, at any time, the Developer determines that the completion of the   
Connecting Transmission Owner’s Attachment Facilities will not be required until after the   
specified In-Service Date, the Developer 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, the Developer and Connecting Transmission Owner shall exchange information, and provide NYISO the same information, regarding the design and compatibility of their respective Attachment Facilities and   
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 or System Upgrade   
Facilities or System Deliverability Upgrades are not reasonably expected to be completed prior   
to the Commercial Operation Date of the Developer’s Large Generating Facility, NYISO shall,   
upon the request and at the expense of Developer, in conjunction with the Connecting   
Transmission Owner, perform operating studies on a timely basis to determine the extent to   
which the Developer’s Large Generating Facility and the Developer’s Attachment Facilities may   
operate prior to the completion of the Connecting Transmission Owner’s Attachment Facilities   
or 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 Developer to operate the   
Developer’s Large Generating Facility and the Developer’s Attachment Facilities in accordance   
with the results of such studies.

5.9.2 Provisional Interconnection Service.

Prior to the completion of the Large Facility Interconnection Procedures and prior to

completion of requisite Attachment Facilities, Distribution Upgrades, System Upgrade Facilities,   
System Distribution Upgrades, or System Protection Facilities, the Developer 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 the

19

SERVICE AGREEMENT NO. 2672

Developer interconnects without modifications to the Large Generating 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 Large 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 Large Facility but such facilities are not currently in place, NYISO, in   
conjunction with the Connecting Transmission Owner, will perform a study, at the Developer’s   
expense, to confirm the facilities that are required for Provisional Interconnection Service. The   
maximum permissible output of the Large Facility in the Provisional Large Facility   
Interconnection Agreement shall be studied, at the Developer’s expense, and updated annually.   
The NYISO shall issue the study’s findings in writing to the Developer and Connecting   
Transmission Owner(s). Following a determination by NYISO, in conjunction with the   
Connecting Transmission Owner, that the Developer may reliably provide Provisional   
Interconnection Service, NYISO shall tender to the Developer and Connecting Transmission   
Owner, a Provisional Large Facility Interconnection Agreement. NYISO, Developer, and   
Connecting Transmission Owner may execute the Provisional Large Facility Interconnection   
Agreement, or the Developer may request the filing of an unexecuted Provisional Large Facility   
Interconnection Agreement with the Commission. The Developer shall assume all risk and   
liabilities with respect to changes between the Provisional Large Facility Interconnection   
Agreement and the Large Generator 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 Developer’s Attachment Facilities (“DAF”).

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

5.10.1 DAF Specifications.

Developer shall submit initial specifications for the DAF, including System Protection Facilities, to Connecting Transmission Owner and NYISO at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date.   
Connecting Transmission Owner and NYISO shall review such specifications to ensure that the DAF 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 Developer’s submission. All specifications provided hereunder shall be deemed to be Confidential Information.

20

SERVICE AGREEMENT NO. 2672

5.10.2 No Warranty.

The review of Developer’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 Large Generating Facility, or the DAF. Developer shall make such changes to the DAF as may reasonably be required by Connecting Transmission Owner or NYISO, in accordance with Good Utility Practice, to ensure that the DAF are   
compatible with the technical specifications, operational control, and safety requirements of the Connecting Transmission Owner and NYISO.

5.10.3 DAF 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   
the Developer and Connecting Transmission Owner agree on another mutually acceptable   
deadline, the Developer shall deliver to the Connecting Transmission Owner and NYISO “as-  
built” drawings, information and documents for the DAF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the DAF, plan and elevation drawings showing the   
layout of the DAF, a relay functional diagram, relaying AC and DC schematic wiring diagrams   
and relay settings for all facilities associated with the Developer’s step-up transformers, the   
facilities connecting the Large Generating Facility to the step-up transformers and the DAF, and the impedances (determined by factory tests) for the associated step-up transformers and the   
Large Generating Facility. The Developer shall provide to, and coordinate with, Connecting   
Transmission Owner and NYISO with respect to proposed specifications for the excitation   
system, automatic voltage regulator, Large Generating 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 Developer agree on another mutually acceptable deadline, the Connecting   
Transmission Owner shall deliver to the Developer “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’s Attachment Facilities and Stand Alone System   
Upgrade Facilities shall be treated as Transmission Facilities Requiring ISO Notification.

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

Developer (“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),

21

SERVICE AGREEMENT NO. 2672

or any Affiliate, that are necessary to enable the Access Party to obtain 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 Large Generating Facility with the New York State Transmission System; (ii) operate and maintain the Large Generating   
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 and/or System   
Upgrade Facilities and/or System Deliverability Upgrades is to be installed on property owned   
by persons other than Developer or Connecting Transmission Owner, the Connecting   
Transmission Owner shall at Developer’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 and/or System Upgrade Facilities and/or System Deliverability Upgrades upon such   
property.

5.14 Permits.

NYISO, Connecting Transmission Owner and the Developer 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 the Developer 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.

Developer 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 to the ISO OATT, including Section 25.8.7 thereof, using   
Reasonable Efforts to accommodate Developer’s In-Service Date, all or any portion of any   
System Upgrade Facilities or System Deliverability Upgrades required for Developer to be   
interconnected to the New York State Transmission System which are included in the Base Case   
of the Class Year Study for the Developer, and which also are required to be constructed for   
another Developer, but where such construction is not scheduled to be completed in time to   
achieve Developer’s In-Service Date.

22

SERVICE AGREEMENT NO. 2672

5.16 Suspension.

Developer reserves the right, upon written notice to Connecting Transmission Owner and   
NYISO, to suspend at any time all work by Connecting Transmission Owner associated with the   
construction and installation of Connecting Transmission Owner’s Attachment Facilities and/or   
System Upgrade Facilities and/or System Deliverability Upgrades required for only that   
Developer 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,   
Developer shall be responsible for all reasonable and necessary costs and/or obligations in   
accordance with Attachment S to the ISO OATT including those which Connecting   
Transmission Owner (i) has incurred pursuant to this Agreement prior to the suspension and (ii)   
incurs in suspending such work, including any costs incurred 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 applicable, any costs incurred in connection   
with the cancellation or suspension of material, equipment and labor contracts which Connecting   
Transmission Owner cannot reasonably avoid; provided, however, that prior to canceling or   
suspending any such material, equipment or labor contract, Connecting Transmission Owner   
shall obtain Developer’s authorization to do so.

Connecting Transmission Owner shall invoice Developer for such costs pursuant to

Article 12 and shall use due diligence to minimize its costs. In the event Developer suspends

work by Connecting Transmission Owner required under this Agreement pursuant to this Article

5.16, and has not requested Connecting Transmission Owner to recommence the 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 [RESERVED]

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.

23

SERVICE AGREEMENT NO. 2672

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 the Developer or Connecting Transmission Owner may undertake modifications to   
its facilities covered by this Agreement. If either the Developer 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 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 Large Generating 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 Large Generating Facility modifications that do not require Developer 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 Developer   
modification and a good faith estimate of the costs thereof. The Developer shall be responsible   
for the cost of any such additional modifications, including the cost of studying the impact of the   
Developer 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.

Developer 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 S

24

SERVICE AGREEMENT NO. 2672

of the ISO OATT. Developer shall be responsible for the costs of any additions, modifications, or replacements to the Developer’s Attachment Facilities that may be necessary to maintain or upgrade such Developer’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) and System Upgrade Facilities and System Deliverability   
Upgrades and Developer shall test the Large Generating Facility and the Developer’s Attachment   
Facilities to ensure their safe and reliable operation. Similar testing may be required after initial   
operation. Developer and Connecting Transmission Owner shall each make any modifications to   
its facilities that are found to be necessary as a result of such testing. Developer shall bear the   
cost of all such testing and modifications. Developer shall generate test energy at the Large   
Generating Facility only if it has arranged for the injection of such test energy in accordance with   
NYISO procedures.

6.2 Post-Commercial Operation Date Testing and Modifications.

Developer 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 Large Generating Facility with the New York State Transmission System   
in a safe and reliable manner. Developer 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.

Developer 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.

Developer 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 Developer 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

25

SERVICE AGREEMENT NO. 2672

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.

Developer 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   
Connecting Transmission Owner and NYISO approved meter service provider and Developer,   
the Connecting Transmission Owner shall install Metering Equipment at the Point of   
Interconnection prior to any operation of the Large Generating 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 Large Generating 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 Developer or NYISO upon request. Where the Point   
of Interconnection for the Large Generating Facility is other than the generator terminal, the   
Developer shall also provide gross MW and MVAR quantities at the generator terminal.   
Developer shall bear all reasonable documented costs associated with the purchase, installation,   
operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters.

Developer, 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 Developer 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

26

SERVICE AGREEMENT NO. 2672

NYISO or Developer, Connecting Transmission Owner shall, at Developer’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   
Developer 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 Developer’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 Owner shall   
adjust the measurements by correcting all measurements for the period during which Metering   
Equipment was in error by using Developer’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 the Developer’s or Connecting   
Transmission Owner’s property at any time.

7.5 Metering Data.

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

ARTICLE 8. COMMUNICATIONS

8.1 Developer Obligations.

In accordance with applicable NYISO requirements, Developer shall maintain

satisfactory operating communications with Connecting Transmission Owner and NYISO.

Developer shall provide standard voice line, dedicated voice line and facsimile communications   
at its Large Generating 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. Developer shall also provide the dedicated data circuit(s) necessary to provide   
Developer data to Connecting Transmission Owner and NYISO as set forth in Appendix D   
hereto. The data circuit(s) shall extend from the Large Generating Facility to the location(s)   
specified by Connecting Transmission Owner and NYISO. Any required maintenance of such   
communications equipment shall be performed by Developer. 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 Initial Synchronization Date of the Large Generating Facility, a Remote   
Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties,

27

SERVICE AGREEMENT NO. 2672

shall be installed by Developer, or by Connecting Transmission Owner at Developer’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 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.

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 Developer consistent with this Agreement, NYISO procedures and Connecting Transmission Owner’s operating protocols and procedures as they may change from time to time. Connecting Transmission Owner and NYISO will consider changes to their   
respective operating protocols and procedures proposed by Developer.

9.3 Developer Obligations.

Developer shall at its own expense operate, maintain and control the Large Generating   
Facility and the Developer’s Attachment Facilities in a safe and reliable manner and in   
accordance with this Agreement. Developer shall operate the Large Generating Facility and the   
Developer’s Attachment Facilities in accordance with 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

28

SERVICE AGREEMENT NO. 2672

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.

9.4 Start-Up and Synchronization.

Consistent with the mutually acceptable procedures of the Developer and Connecting Transmission Owner, the Developer is responsible for the proper synchronization of the Large Generating 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. Developer shall design the Large

Generating 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 Large Generating 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.

The Developer 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. Developer shall design the Large

Generating 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   
Large Generating Facility interconnects has established a different power factor range that   
applies to all non-synchronous generators in the Control Area or Transmission District (as   
applicable) on a comparable basis, in accordance with Good Utility Practice. This power factor   
range standard shall be dynamic and can be met using, for example, power electronics designed   
to supply this level of reactive capability (taking into account 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 Facilities Study Agreement as of September 21, 2016.

The Developer 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 the Developer has synchronized the Large Generating Facility with the New York   
State Transmission System, NYISO shall require Developer to operate the Large Generating   
Facility to produce or absorb reactive power within the design capability of the Large Generating   
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

29

SERVICE AGREEMENT NO. 2672

unduly discriminatory manner. NYISO shall exercise Reasonable Efforts to provide Developer with such schedules in accordance with NYISO procedures, and may make changes to such   
schedules as necessary to maintain the reliability of the New York State Transmission System. Developer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design capability of the Large Generating 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 Developer 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 Developer for reactive power or voltage support service that Developer   
provides from the Large Generating Facility in accordance with the provisions of Rate Schedule

2 of the NYISO Services Tariff.

9.5.4 Voltage Regulators.

Whenever the Large Generating 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 Large Generating Facility’s automatic voltage regulators are not capable of such   
automatic operation, the Developer shall immediately notify NYISO, or its designated   
representative, and ensure that such Large Generating Facility’s real and reactive power are   
within the design capability of the Large Generating Facility’s generating unit(s) and steady state   
stability limits and NYISO system operating (thermal, voltage and transient stability) limits.   
Developer shall not cause its Large Generating Facility to disconnect automatically or   
instantaneously from the New York State Transmission System or trip any generating unit   
comprising the Large Generating 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.

Developer shall ensure the primary frequency response capability of its Large Generating   
Facility by installing, maintaining, and operating a functioning governor or equivalent controls.   
The term “functioning governor or equivalent controls” as used herein shall mean the required   
hardware and/or software that provides frequency responsive real power control with the ability   
to sense changes in system frequency and autonomously adjust the Large Generating Facility’s   
real power output in accordance with the droop and deadband parameters and in the direction

needed to correct frequency deviations. Developer is required to install a governor or equivalent   
controls with the capability of operating: (1) with a maximum 5 percent droop ± 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 Large Generating 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

30

SERVICE AGREEMENT NO. 2672

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 Large Generating Facility’s real   
power output in response to frequency deviations. The deadband shall be implemented: (1)   
without a step to the droop curve, that is, once the frequency deviation exceeds the deadband   
parameter, the expected change in the Large Generating Facility’s real power output in response   
to frequency deviations shall start from zero and then increase (for under-frequency deviations)   
or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the   
frequency deviation; or (2) in accordance with an approved Applicable Reliability Standard   
providing for an equivalent or more stringent parameter. Developer shall notify NYISO that the   
primary frequency response capability of the Large Generating Facility has been tested and   
confirmed during commissioning. Once Developer has synchronized the Large Generating   
Facility with the New York State Transmission System, Developer shall operate the Large   
Generating Facility consistent with the provisions specified in Articles 9.5.5.1 and 9.5.5.2 of this   
Agreement. The primary frequency response requirements contained herein shall apply to both   
synchronous and non-synchronous Large Generating Facilities.

9.5.5.1 Governor or Equivalent Controls.

Whenever the Large Generating Facility is operated in parallel with the New York State   
Transmission System, Developer shall operate the Large Generating Facility with its governor or   
equivalent controls in service and responsive to frequency. Developer 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. Developer 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   
Developer needs to operate the Large Generating Facility with its governor or equivalent   
controls not in service, Developer 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. Developer shall make Reasonable Efforts to return its governor or   
equivalent controls into service as soon as practicable. Developer shall make Reasonable Efforts   
to keep outages of the Large Generating Facility’s governor or equivalent controls to a minimum   
whenever the Large Generating Facility is operated in parallel with the New York State   
Transmission System.

9.5.5.2 Timely and Sustained Response.

Developer shall ensure that the Large Generating Facility’s real power response to

sustained frequency deviations outside of the deadband setting is automatically provided and   
shall begin immediately after frequency deviates outside of the deadband, and to the extent the   
Large Generating Facility has operating capability in the direction needed to correct the   
frequency deviation. Developer 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,

31

SERVICE AGREEMENT NO. 2672

physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. An   
Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.5.5.3 Exemptions.

Large Generating 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. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the   
operating requirements of its host facility) shall be required to install primary frequency response capability requirements in accordance with the droop and deadband capability requirements   
specified in Article 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.

Developer interconnecting an electric storage resource shall establish an operating range   
in Appendix C of its LGIA 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   
Developer. 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.

Developer’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 Developer’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. Developer’s electric storage resource is not required to   
change from charging to discharging, or vice versa, unless the response necessitated by the droop

32

SERVICE AGREEMENT NO. 2672

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.

9.6.1.1 Outage Authority and Coordination.

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

33

SERVICE AGREEMENT NO. 2672

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

Developer to interrupt or reduce production of electricity if such production of electricity could adversely affect the ability of NYISO and 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 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 Developer 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 Developer in advance regarding the timing of such scheduling and further notify Developer of the expected duration. NYISO or Connecting Transmission Owner shall coordinate with each other and the Developer using Good Utility Practice to   
schedule the interruption or reduction during periods of least impact to the Developer, 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 Large Generating 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 Under-Frequency and Over Frequency Conditions.

The New York State Transmission System is designed to automatically activate a load-  
shed program as required by the NPCC in the event of an under-frequency system disturbance.   
Developer shall implement under-frequency and over-frequency relay set points for the Large   
Generating Facility as required by the NPCC to ensure “ride through” capability of the New   
York State Transmission System. Large Generating 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

34

SERVICE AGREEMENT NO. 2672

Utility Practice. 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 and over-frequency conditions, in accordance with Good Utility Practice and with NPCC Regional Reliability Reference Directory # 12, or its successor.

9.6.4 System Protection and Other Control Requirements.

9.6.4.1 System Protection Facilities. Developer shall, at its expense,

install, operate and maintain System Protection Facilities as a part of the Large Generating

Facility or Developer’s Attachment Facilities. Connecting Transmission Owner shall install at   
Developer’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 Large Generating Facility and Developer’s Attachment   
Facilities.

9.6.4.2 The protection facilities of both the Developer 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 The Developer 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 the Developer 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 the Developer’s Large Generating   
Facility.

9.6.4.5 The Developer and Connecting Transmission Owner will each test,

operate and maintain System Protection Facilities in accordance with Good Utility Practice, NERC and NPCC criteria.

9.6.4.6 Prior to the In-Service Date, and again prior to the Commercial

Operation Date, the Developer 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, the Developer 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.

35

SERVICE AGREEMENT NO. 2672

9.6.5 Requirements for Protection.

In compliance with NPCC requirements and Good Utility Practice, Developer shall   
provide, install, own, and maintain relays, circuit breakers and all other devices necessary to   
remove any fault contribution of the Large Generating 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 Large Generating Facility and the New York State   
Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld,   
conditioned or delayed) of the Developer and Connecting Transmission Owner. Developer shall   
be responsible for protection of the Large Generating Facility and Developer’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. Developer shall be solely   
responsible to disconnect the Large Generating Facility and Developer’s other equipment if   
conditions on the New York State Transmission System could adversely affect the Large   
Generating Facility.

9.6.6 Power Quality.

Neither the facilities of Developer 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.

The Developer 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.

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 Large Generating Facility to the New York State Transmission System and shall be used for no other purpose.

36

SERVICE AGREEMENT NO. 2672

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, Developer 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 Developer, 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 Developer and any third party users based upon   
the pro rata use of the Attachment Facilities by Connecting Transmission Owner, all third party   
users, and Developer, 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 Large Generating 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 Phasor Measurement Units

A Developer shall install and maintain, at its expense, phasor measurement units

(“PMUs”) if it meets the following criteria: (1) completed a Class Year after Class Year 2017; and (2) proposes a new Large Facility that either (a) has a maximum net output equal to or greater than 100 MW or (b) requires, as Attachment Facilities or System Upgrade Facilities, a new substation of 230kV or above.

PMUs shall be installed on the Large Facility on the low side of the generator step-up

transformer, unless it is a non-synchronous generation facility, in which case the PMUs shall be installed on the Developer side of the Point of Interconnection. The PMUs must be capable of   
performing phasor measurements at a minimum of 60 samples per second which are   
synchronized via a high-accuracy satellite clock. To the extent Developer installs similar quality equipment, such as relays or digital fault recorders, that can collect data at least at the same rate as PMUs and which data is synchronized via a high-accuracy satellite clock, such equipment   
would satisfy this requirement.

Developer shall be required to install and maintain, at its expense, PMU equipment which   
includes the communication circuit capable of carrying the PMU data to a local data   
concentrator, and then transporting the information continuously to the Connecting Transmission   
Owner and the NYISO; as well as store the PMU data locally for thirty days. Developer shall   
provide to Connecting Transmission Owner and the NYISO all necessary and requested

37

SERVICE AGREEMENT NO. 2672

information through the Connecting Transmission Owner’s and the NYISO’s synchrophasor   
system, including the following: (a) gross MW and MVAR measured at the Developer side of   
the generator step-up transformer (or, for a non-synchronous generation facility, to be measured   
at the Developer side of the Point of Interconnection); (b) generator terminal voltage and current   
magnitudes and angles; (c) generator terminal frequency and frequency rate of change; and (d)   
generator field voltage and current, where available; and (e) breaker status, if available. The   
Connecting Transmission Owner will provide for the ongoing support and maintenance of the   
network communications linking the data concentrator to the Connecting Transmission Owner   
and the NYISO, consistent with ISO Procedures detailing the obligations related to SCADA   
data.

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 Developer Obligations.

Developer shall maintain its Large Generating Facility and Attachment Facilities in a safe and reliable manner and in accordance with this Agreement.

10.3 Coordination.

The Developer and Connecting Transmission Owner shall confer regularly to coordinate   
the planning, scheduling and performance of preventive and corrective maintenance on the Large   
Generating Facility and the Attachment Facilities. The Developer 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 NYISO procedures.

10.4 Secondary Systems.

The Developer 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 Developer or   
Connecting Transmission Owner’s facilities and equipment which may reasonably be expected   
to impact the other Party. The Developer 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

38

SERVICE AGREEMENT NO. 2672

interconnection or transmission service to a third party and such third party pays for such expenses, Developer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Developer’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 S to the ISO OATT.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Developer’s Attachment Facilities.

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

11.2 Connecting Transmission Owner’s Attachment Facilities.

Connecting Transmission Owner shall design, procure, construct, install, own and/or control the Connecting Transmission Owner’s Attachment Facilities described in Appendix A hereto, at the sole expense of the Developer.

11.3 System Upgrade Facilities and System Deliverability Upgrades.

Connecting Transmission Owner shall design, procure, construct, install, and own the

System Upgrade Facilities and System Deliverability Upgrades described in Appendix A hereto. The responsibility of the Developer for costs related to System Upgrade Facilities and System   
Deliverability Upgrades shall be determined in accordance with the provisions of Attachment S to the ISO OATT.

11.4 Special Provisions for Affected Systems.

For the re-payment of amounts advanced to Affected System Operator for System

Upgrade Facilities or System Deliverability Upgrades, the Developer and Affected System

Operator shall enter into an agreement that provides for such re-payment, but only if

responsibility for the cost of such System Upgrade Facilities or System Deliverability Upgrades is not to be allocated in accordance with Attachment S to the ISO OATT. The agreement shall specify the terms governing payments to be made by the Developer to the Affected System Operator as well as the re-payment by the Affected System Operator.

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, Developer shall provide Connecting Transmission Owner, at Developer’s   
option, a guarantee, a surety bond, 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

39

SERVICE AGREEMENT NO. 2672

payment shall be in an amount sufficient to cover the cost for the Developer’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 Developer, up to an agreed-to maximum amount.

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 The surety bond must be issued by an insurer reasonably acceptable to Connecting Transmission Owner and must specify a reasonable expiration date.

11.5.4 Attachment S to the ISO OATT shall govern the Security that Developer provides for System Upgrade Facilities and System Deliverability Upgrades.

11.6 Developer Compensation for Emergency Services.

If, during an Emergency State, the Developer provides services at the request or direction of the NYISO or Connecting Transmission Owner, the Developer will be compensated for such services in accordance with the NYISO 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 or System Upgrade Facilities or System   
Deliverability Upgrades on a case-by-case basis.

ARTICLE 12. INVOICE

12.1 General.

The Developer 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   
the Parties and as set forth in Section 5 of Attachment A of this Agreement. Each invoice shall   
state the month to which the invoice applies and fully describe the services and equipment   
provided. The Developer 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.

40

SERVICE AGREEMENT NO. 2672

12.2 Final Invoice.

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

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 Developer,   
Connecting Transmission Owner shall continue to perform under this Agreement as long as   
Developer: (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 Developer fails to meet these two requirements for   
continuation of service, then Connecting Transmission Owner may provide notice to Developer   
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, 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 Developer

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

41

SERVICE AGREEMENT NO. 2672

may reasonably be expected to affect Developer’s operation of the Large Generating Facility or the Developer’s Attachment Facilities. Developer shall notify NYISO and Connecting   
Transmission Owner promptly when it becomes aware of an Emergency State that affects the   
Large Generating Facility or the Developer’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 Developer’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.

13.3 Immediate Action.

Unless, in Developer’s reasonable judgment, immediate action is required, Developer

shall obtain the consent of Connecting Transmission Owner, such consent to not be unreasonably   
withheld, prior to performing any manual switching operations at the Large Generating Facility   
or the Developer’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 Large Generating Facility or the Developer’s   
Attachment Facilities. NYISO or Connecting Transmission Owner may, on the basis of   
technical considerations, require the Large Generating 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 Developer to shut-down, start-up, increase or decrease the real or   
reactive power output of the Large Generating Facility; implementing a reduction or   
disconnection pursuant to Article 13.4.2; directing the Developer to assist with blackstart (if   
available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Developer’s Attachment Facilities. Developer shall comply with all of the NYISO and   
Connecting Transmission Owner’s operating instructions concerning Large Generating Facility   
real power and reactive power output within the manufacturer’s design limitations of the Large   
Generating Facility’s equipment that is in service and physically available for operation at the   
time, in compliance with Applicable Laws and Regulations.

42

SERVICE AGREEMENT NO. 2672

13.4.2 Reduction and Disconnection.

NYISO or Connecting Transmission Owner may reduce Energy Resource

Interconnection Service or disconnect the Large Generating Facility or the Developer’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 Developer of the reasons, timing and expected duration of the   
reduction or disconnection. NYISO or Connecting Transmission Owner shall coordinate with   
the Developer using Good Utility Practice to schedule the reduction or disconnection during   
periods of least impact to the Developer and the New York State Transmission System. Any   
reduction or disconnection shall continue only for so long as reasonably necessary under Good   
Utility Practice. The Parties shall cooperate with each other to restore the Large Generating   
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 Developer Authority.

Consistent with Good Utility Practice and this Agreement, the Developer may take

whatever actions or inactions with regard to the Large Generating Facility or the Developer’s

Attachment Facilities during an Emergency State in order to (i) preserve public health and safety,   
(ii) preserve the reliability of the Large Generating Facility or the Developer’s Attachment   
Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Developer 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 Developer 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 Developer to take any action that   
could result in its inability to obtain, or its loss of, status or exemption under the Federal Power

43

SERVICE AGREEMENT NO. 2672

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.

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, facsimile or email to the telephone numbers and email addresses set out in Appendix F hereto.

15.4 Operations and Maintenance Notice.

Developer 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

16.1 Economic hardship is not considered a Force Majeure event.

44

SERVICE AGREEMENT NO. 2672

16.2 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.

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 and their agents (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

45

SERVICE AGREEMENT NO. 2672

“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.

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

46

SERVICE AGREEMENT NO. 2672

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

18.3 Insurance.

Developer 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

47

SERVICE AGREEMENT NO. 2672

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 Developer 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   
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. Developer 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 the Developer 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/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 the Developer 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 thirty (30) 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

48

SERVICE AGREEMENT NO. 2672

event within ninety (90) days thereafter, Developer 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, Developer 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 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 Developer 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 the Developer 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 Large Generating Facility, provided that   
the Developer will promptly notify the NYISO and Connecting Transmission Owner of any such   
assignment. Any financing arrangement entered into by the Developer 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. Any attempted   
assignment that violates this Article is void and ineffective. Any assignment under this

49

SERVICE AGREEMENT NO. 2672

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 the Developer (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 Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the rights and obligations of Developer 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.

50

SERVICE AGREEMENT NO. 2672

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 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 Developer, 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,

51

SERVICE AGREEMENT NO. 2672

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 NYISO 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) 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

52

SERVICE AGREEMENT NO. 2672

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.

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 NYISO 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. DEVELOPER AND CONNECTING TRANSMISSION OWNER   
 NOTICES OF ENVIRONMENTAL RELEASES

Developer 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 Large Generating 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.

53

SERVICE AGREEMENT NO. 2672

ARTICLE 24. INFORMATION REQUIREMENT

24.1 Information Acquisition.

Connecting Transmission Owner and Developer 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 Trial Operation and shall include   
New York State Transmission System information necessary to allow the Developer to select   
equipment and meet any system protection and stability requirements, unless otherwise mutually   
agreed to by the Developer and Connecting Transmission Owner. On a monthly basis   
Connecting Transmission Owner shall provide Developer and NYISO a status report on the   
construction and installation of Connecting Transmission Owner’s Attachment Facilities and   
System Upgrade Facilities and System Deliverability Upgrades, 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 Developer.

The updated information submission by the Developer, including manufacturer

information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Developer shall submit a completed copy of the Large Generating Facility data   
requirements contained in Appendix 1 to the Standard Large Facility Interconnection Procedures. It shall also include any additional information provided to Connecting Transmission Owner for the Interconnection Facilities Study. Information in this submission shall be the most current   
Large Generating Facility design or expected performance data. Information submitted for   
stability models shall be compatible with NYISO standard models. If there is no compatible   
model, the Developer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Developer’s data is different from what was originally provided to Connecting

Transmission Owner and NYISO pursuant to an Interconnection Study Agreement among

Connecting Transmission Owner, NYISO and Developer 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 Developer shall not begin Trial Operation until such studies are completed. The Developer

54

SERVICE AGREEMENT NO. 2672

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, the Developer and Connecting Transmission   
Owner shall supplement their information submissions described above in this Article 24 with   
any and all “as-built” Large Generating Facility information or “as-tested” performance   
information that differs from the initial submissions or, alternatively, written confirmation that   
no such differences exist. The Developer shall conduct tests on the Large Generating Facility as   
required by Good Utility Practice such as an open circuit “step voltage” test on the Large   
Generating Facility to verify proper operation of the Large Generating Facility’s automatic   
voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility   
at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a   
five percent change in Large Generating Facility terminal voltage initiated by a change in the   
voltage regulators reference voltage. Developer shall provide validated test recordings showing   
the responses of Large Generating 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 Large Generating Facility’s terminal or field voltage are acceptable if

information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating 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, the Developer shall provide Connecting   
Transmission Owner and NYISO any information changes due to equipment replacement, repair,   
or adjustment. Connecting Transmission Owner shall provide the Developer 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 Developer Attachment Facilities equipment ratings, protection or operating requirements.   
The Developer 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.

55

SERVICE AGREEMENT NO. 2672

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.

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 and 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.

56

SERVICE AGREEMENT NO. 2672   
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.

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 the Developer or its subcontractors with respect to   
obligations of the Developer 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

57

SERVICE AGREEMENT NO. 2672

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.

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:

28.1.1 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 Large Generating Facility, Attachment Facilities and   
System Upgrade Facilities and System Deliverability Upgrades owned by such Party, as

58

SERVICE AGREEMENT NO. 2672

applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

28.1.2 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 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).

28.1.3 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.

28.1.4 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 it 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.

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,

59

SERVICE AGREEMENT NO. 2672

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 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 Large Facility   
Interconnection Procedures or such Appendix to the Standard Large Facility 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 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, Developer 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 between the Parties with reference to the subject matter hereof, and supersedes   
all prior and contemporaneous understandings or agreements, oral or written, between the Parties   
with respect to the subject matter of this Agreement. There are no other agreements,   
representations, warranties, or covenants which constitute any part of the consideration for, or   
any condition to, 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.

60

SERVICE AGREEMENT NO. 2672

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 either   
Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or Default of this Agreement for any reason by the Developer shall not constitute a waiver of the Developer’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 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 any Party 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.

61

SERVICE AGREEMENT NO. 2672

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 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 the Developer 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.

62

SERVICE AGREEMENT NO. 2672

IN WITNESS WHEREOF, the Parties have executed this LGIA 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:

Long Island Lighting Company d/b/a LIPA acting by and through its agent

Long Island Electric Utility Servco LLC

By:

Name:   
Title:   
Date:

Peconic River Energy Storage LLC d/b/a North Street Energy Storage

By:

Name:

Title: \_\_\_\_\_\_\_\_\_

Date:

63

SERVICE AGREEMENT NO. 2672

APPENDICES

Appendix A

Attachment Facilities and System Upgrade Facilities

Appendix B

Milestones

Appendix C

Interconnection Details

Appendix D

Security Arrangements Details

Appendix E-1

Initial Synchronization Date

Appendix E-2

Commercial Operation Date

Appendix F

Addresses for Delivery of Notices and Billings

SERVICE AGREEMENT NO. 2672

APPENDIX A

ATTACHMENT FACILITIES AND SYSTEM UPGRADE FACILITIES

1. Attachment Facilities:

(a) Developer’s Attachment Facilities:

The Developer’s Attachment Facilities (“DAFs”) include all of the facilities between the Developer’s side of the Point of Change of Ownership (“PCO”) and the Large Generating   
Facility. Developer shall design, engineer, procure, construct, and install the DAFs in   
accordance with all applicable requirements of the Connecting Transmission Owner (“CTO”), including but not limited to the following requirements, to the extent not inconsistent with the terms of this Agreement or the NYISO OATT:

• Requirements for Generating Facility Interconnection to the LIPA Transmission

System, dated March 2018;

• Performance Requirements for Transmission Connected Resources Using Non-

Synchronous Generation, the version in effect on the date (August 7, 2019) the NYISO Operating Committee approved the System Reliability Impact Study for Peconic River Energy Storage Project (NYISO Queue No. 746);

• Procedures for Verification of LIPA’s Performance Requirements for

Transmission-Connected Non-Synchronous Resources - the project is classified   
as a Class 2 facility for the purpose of the referenced document (2017); and

• Revenue Metering Requirements for Customer Facilities Connecting to the PSEG

Long Island Transmission and Sub-Transmission System, dated January 16, 2021.

As depicted in Figure A-1 to this Appendix A, the DAFs include the following major electrical and physical equipment:

Peconic River Collector Substation

• One (1) 34.5kV - 120/240V, 1200 kW station service transformer;

• Five (5) 34.5 kV breakers (4 feeders and one main) with respective disconnect   
 switches;

• One (1) main power transformer, 138/34.5/13.8 kV, 100/130/168 MVA   
 ONAN/ONAF/ONAF;

• One (1) circuit breaker, 138 kV, 1200 A;

• One (1) three phase disconnect switch, 138 kV, with ground switch;

• Three (3) single phase, revenue grade, 138 kV potential transformers (“PTs”), for   
 Developer check meter;

A-1

SERVICE AGREEMENT NO. 2672

• Three (3) single phase, revenue grade, 138 kV current transformers (“CTs”), for   
 Developer check meter;

• One (1) phasor measurement unit (“PMU”);

• One (1) PMU data concentrator (“PDC”);

• SEL - 411L for primary line protection (line differential);

• SEL - 311L for backup line protection (line differential); and

• Redundant fiber to the North Street Substation for line relay communications.

The Developer will be responsible for procuring, installing, and maintaining two

physically separated underground Single Mode (“SM”) fiber cable runs. Developer shall also   
install, the two physically separated SM fiber patch panels in the Connecting Transmission   
Owner’s control enclosure and two physically separated SM fiber patch panels in the   
Developer’s control enclosure. The fiber and associated patch panels in the Connecting   
Transmission Owner’s substation and control enclosure shall be installed with the oversight of   
the Connecting Transmission Owner. Redundancy is used as it may be integral to both   
protection and control.

At the Peconic River Collector Substation, the underground 34.5 kV collector circuit and   
station service transformers will be connected to collector bus #1 & #2 via feeder breakers and   
respective disconnects along with instrument transformers for relay metering. The 34.5kV   
collector bus will be connected to main 34.5 kV circuit breaker before connecting to the three   
winding 138/34.5/13.8kV, 168 MVA main power transformer to step the voltage from 34.5 kV   
to 138 kV.

The Developer shall provide a supervisory control and data acquisition (“SCADA”) signal to Connecting Transmission Owner. Developer will supply the appropriate amount of digital inputs, digital outputs, status, analog outputs and analog inputs as needed to the remote terminal unit (“RTU”). The RTU is to be owned and maintained by the Developer.

(b) Connecting Transmission Owner’s Attachment Facilities:

The PCO and the Point of Interconnection (“POI”) are designated in Figure A-1 to this

Appendix A. The Connecting Transmission Owner’s Attachment Facilities (“CTOAFs”) consist of the facilities between the PCO and POI and are located within the same property as the   
System Upgrade Facilities. The Connecting Transmission Owner shall design, engineer,   
procure, construct, and install the CTOAFs. As depicted in Figure A-1, the CTOAFs include the following major electrical and physical equipment:

• Two (2) three phase, 138 kV, 3,000 A, 650kV BIL, triple-pole single-throw   
 (“TPST”), vertical break operated disconnect switches;

• Three (3) single phase, CT revenue grade instrument transformers for revenue   
 metering;

• Three (3) single phase, PT revenue grade instrument transformers for revenue   
 metering;

A-2

SERVICE AGREEMENT NO. 2672

• Connecting Transmission Owner-approved revenue grade meter;

• One (1) 145 kV, 3,000 A, 63 KA SF6 circuit breaker with twelve (12) C800 relay   
 grade CTs;

• 138 kV bus and structures;

• Structures: disconnect switches, instrument transformers, lightning arrestors;

• Protection and control panels;

• Power, protection, control, and communication cables;

• Foundations: bus support structures, equipment structures, and metering units;

• Grounding: CTOAF grounding shall be in accordance with IEEE Std. 80 and

Connecting Transmission Owner’s standards and would be a part of North Street

Substation grounding and be coordinated with the Peconic River Collector Substation grounding work in the yard. A ground study shall be conducted to ensure that   
grounding requirements of Connecting Transmission Owner are met; and

• Conduit and cable trench system.

2. System Upgrade Facilities:

(a) Stand Alone System Upgrade Facilities:

The Large Generating Facility will interconnect via the new three-breaker North Street Substation. Connecting Transmission Owner will design, engineer, procure, construct, and install the Stand Alone System Upgrade Facilities. The Stand Alone System Upgrade Facilities include the following major electrical and physical equipment:

• Two (2) dead end line termination structures;

• Four (4) three phase, 138 kV, 3000 A, 650kV BIL, TPST, vertical break manual   
 operated disconnect switches;

• Two (2) 145 kV, 3000 A, 63 KA SF6 circuit breakers with (12) C800 relay grade CTs   
 on each breaker;

• Three (3) single phase, PT, relay grade instrument transformers with triple secondary   
 outputs;

• Six (6) 98 kV maximum continuously operating voltage (“MCOV”), 120kV duty   
 cycle surge arresters;

• One (1) prefabricated control enclosure with accessories:

o Bus differential panels;

o Line/breaker protection panels;

o Communication cabinet;

o Human machine interface (“HMI”) panel;

o AC panels;

o DC panels;

o Dual battery systems (system A and system B sets);

A-3

SERVICE AGREEMENT NO. 2672

o RTU;

o Annunciator;

o HVAC;

• Grounding: SUF grounding shall be in accordance with IEEE Std. 80 and Connecting   
 Transmission Owner’s standards;

• 138 kV bus and structures;

• Two (2) station service drops with transformers;

• Insulators and connectors for rigid bus & jumper installation;

• Structures: disconnect switches, lightning arrestor, deadend for incoming lines;

• Conduit and cable system;

• Power, protection, control, and communication cables;

• Fencing; and

• Lightning protection masts.

(b) Other System Upgrade Facilities:

Connecting Transmission Owner will design, engineer, procure, construct, and install the Other System Upgrade Facilities.

i. Transmission Line Intercept

The new North Street Substation will split the Brookhaven - Sills 138 kV line 138-874.   
The overhead transmission line will be intercepted and segmented by the new North Street   
Substation. The new line segments will now terminate in the North Street Substation, creating a   
new line segments 138-874A to the Brookhaven Substation and 138-874B to the Sills Road   
Substation.

The System Upgrade Facilities include the following major electrical and physical equipment:

• One (1) new foundation pole in the existing Connecting Transmission Owner right of   
 way (“ROW”) leading to the Sills Road Substation with transmission line attachment   
 equipment and foundations;

• One (1) new pole in the area of the interconnection switching station from the Sills Road   
 Substation with transmission line attachment equipment and foundations;

• One (1) new foundation pole in the existing Connecting Transmission Owner’s ROW   
 leading to the Brookhaven Substation with transmission line attachment equipment and   
 foundations;

• One (1) new pole in the area of the interconnection switching station from the

Brookhaven Substation with transmission line attachment equipment and foundations;

• Break Line 138-874 into new Line 138-874A and Line 138-874B transmission lines;

• Modifications to exist vertical turning structure to make double circuit;

• Run circuit into and out of the North Street Substation; and

• Run fiber into and out of the North Street Substation.

A-4

SERVICE AGREEMENT NO. 2672

ii. Remote End Work

The existing line 138-874 protection between the Brookhaven and Sills Road substations must be revised to add the North Street Substation and install the communication corresponding to the addition of the new North Street Substation. The existing line protection between the Brookhaven Substation and Sills Road Substation consists of primary and back up line differential relays that communicate via fiber optic connection.

The interconnection of the North Street Substation will require the primary and back up   
relays at the Brookhaven and Sills Road substations to be re-evaluated and their relay and settings   
modified. The primary and back up line differential relays at each substation are as follows:

• Brookhaven Substation:

o G87L (SEL-311L): primary line differential protection

o L87L (GE-L90 to be replaced with SEL-411L): back up line differential   
 protection

• Sills Road Substation:

o 587L (SEL-311L): primary line differential protection

o 1287L (GE-L90 to be replaced with SEL-411L): back up line differential

protection

Connecting Transmission Owner will:

• Modify line protection relays and settings for the Brookhaven and Sills Road substations   
 primary and back up line relays; and

• Install fiber communications from both Brookhaven and Sills Road Substations to the   
 new interconnecting substation.

3. System Deliverability Upgrades:

None.

4. Cost Estimates

Description Cost

CTOAFs $921,800

Stand-Alone SUFs $7,499,720

Transmission Line Intercept SUFs $1,037,860

Remote SUFs $353,800

Total $9,813,180

A-5

SERVICE AGREEMENT NO. 2672

5. Security

(a) Form of Security

In accordance with the requirements in Attachment S to the NYISO OATT, Developer accepted the Project Cost Allocation of $8,891,380 for the System Upgrade Facilities identified for the Large Generating Facility in the Interconnection Facilities Study for Class Year 2019 and provided Security to Connecting Transmission Owner in the form of a letter of credit (“LOC”) No. 433084002 dated April 20, 2021 in the amount of $8,891,380.00 (US) (the “LOC Amount”). The System Upgrade Facilities include the Stand-Alone SUFs, transmission line intercept SUFs, and remote SUFs described above. Except as provided in Section 5(b) below, Developer shall not be obligated to provide additional Security to Connecting Transmission Owner, in accordance with Article 11.5, for the CTOAFs. Security for payment of the CTOAFs will be effected through the Advance Payment process described below in subsection 5(b).

(b) Advance Payment

The Parties agree to the following prepayment mechanism for the billing and payment of the design, engineering, construction, installation, procurement and testing of the CTOAFs and System Upgrade Facilities for which Connecting Transmission Owner is responsible. The estimated cost of such work is set forth in Section 4 of Appendix A of this Agreement (“Project Costs”). For purposes of this Agreement, the Project Costs are estimated to be $9,813,180. The LOC Amount will represent security for the SUFs and CTOAFs.

Developer agrees to make a partial payment equal to the first 30% of the Project Costs or $2,943,954 (“First Prepayment Amount”) to Connecting Transmission Owner within ten (10) days after execution of this Agreement, by all Parties. Upon Developer’s payment of the First Prepayment Amount, Developer shall have the right to reduce the LOC Amount, dollar-for-dollar, by the amount equal to the First Prepayment Amount less $921,800.

Connecting Transmission Owner shall notify Developer when it determines that the Project Costs will exceed the First Prepayment Amount and shall request an additional payment equal to the second 30% of the Project Costs or $2,943,954 (“Second Prepayment Amount”). Upon receipt of such notice by Developer, Developer shall pay to Connecting Transmission Owner the Second Prepayment Amount within thirty (30) days of the invoice receipt. Upon Developer’s payment of the Second Prepayment Amount, Developer shall have the right to reduce the remaining LOC Amount, dollar-for-dollar, by the amount of the Second Prepayment Amount.

Connecting Transmission Owner shall notify Developer when it determines that the Project   
Costs will exceed the total of the First Prepayment Amount and the Second Prepayment Amount   
and shall request an additional payment equal to the third 30% of the Project Costs or $2,943,954   
(“Third Prepayment Amount”). Upon receipt of such notice by Developer, Developer shall pay to   
Connecting Transmission Owner the Third Prepayment Amount within 30 days of the invoice   
receipt. Upon Developer’s payment of the Third Prepayment Amount, Developer shall have the   
right to reduce the LOC Amount, dollar-for-dollar, by the amount of the Third Prepayment   
Amount.

A-6

SERVICE AGREEMENT NO. 2672

Developer’s right to elect to reduce the LOC amounts, as stated above in this Section

5(b), is subject to Developer providing to the Connecting Transmission Owner an amended LOC in a form and substance reasonably satisfactory to Connecting Transmission Owner for the   
remaining estimated Project Costs.

Connecting Transmission Owner shall notify Developer when it determines that the Project   
Costs will exceed the total of the First Prepayment Amount, the Second Prepayment Amount, and   
Third Prepayment Amount and shall request an additional payment equal to ten percent (10%) of   
the Project Costs (“Fourth Prepayment Amount”). Upon receipt of such notice by Developer,   
Developer shall pay to Connecting Transmission Owner the Fourth Prepayment Amount within

30 days of the invoice receipt. As stated below in this Section 5 of Appendix A, the remaining LOC amount of $981,318 shall remain in place until the final reconciliation.

The First Prepayment Amount, Second Prepayment Amount, Third Prepayment Amount and Fourth Prepayment Amount are collectively, the “Prepayment Amounts.” Connecting Transmission Owner’s obligation to proceed with the work under this Agreement shall be contingent upon receipt of the Prepayment Amounts requested by Connecting Transmission Owner in accordance with the terms of this Agreement.

Within approximately sixty (60) business days after the Commercial Operation Date, the   
Connecting Transmission Owner shall issue to Developer an invoice detailing Developer’s cost   
responsibility, if any, for the balance of the actual total Project Costs due under this Agreement,   
after Connecting Transmission Owner has applied the Prepayment Amounts paid by Developer   
towards settlement of the final invoice. If the paid Prepayment Amounts exceed the actual total   
Project Costs, Developer will receive a refund of the amount of such overpayment. Any such   
payment or refund, as applicable, shall be made pursuant to Articles 12.2 and 12.3 of this   
Agreement. Upon Developer’s full and complete payment of the actual total Project Costs, as   
determined by the Connecting Transmission Owner pursuant to Section 12.2, Developer shall have   
the right to cancel the LOC.

The Prepayment Amounts are estimates only and shall not limit Developer’s obligation to pay Connecting Transmission Owner for all applicable costs actually incurred by Connecting Transmission Owner to design, engineer, procure, construct, install and test CTOAFs and System Upgrade Facilities as contemplated by this Agreement, to the extent not inconsistent with Attachment S to the NYISO OATT, including Section 25.8.6.4 of Attachment S.

6. Operating and Maintenance Expense

MAINTENANCE CHARGE FOR CTOAF

(a) Developer shall pay to the Connecting Transmission Owner an annual

maintenance charge for the interconnection facilities equal to the charge set forth   
in the Long Island Power Authority’s Tariff for Electric Service (“Authority’s   
Tariff”), as it may be modified, from time to time, by the Board of Trustees of the   
Long Island Power Authority, for the maintenance of interconnection equipment.

Service Classification No. 12 - Buy-Back and Supplemental Service, Maintenance   
Charges for Interconnection Equipment (Authority Tariff Leaf No. 266). For the

A-7

SERVICE AGREEMENT NO. 2672

purpose of calculating such annual charge, the total investment in the

interconnection equipment shall be based on all costs paid or incurred by the

Developer and/or the Connecting Transmission Owner for the CTOAFs, including   
any future modifications thereto. The annual maintenance charge shall be   
calculated by multiplying such total investment by the then effective rate set forth   
in the Authority’s Tariff and will be billed in 12 equal monthly payments.

(b) In addition to said maintenance charge, the Developer shall pay the Connecting

Transmission Owner for the actual cost of any repairs to or replacements of the CTOAFs during the term of this Agreement.

Developer shall pay the applicable adjustments to rates and charges in accordance with the

applicable Authority’s Tariff provisions (e.g., New York State Assessment and applicable taxes).

7. Agency.

PSEG Long Island LLC (“PSEG LI”) and the Connecting Transmission Owner are

parties to the Amended and Restated Operations Services Agreement dated as of December 31,   
2013 (“A&R OSA”). Pursuant to the A&R OSA, PSEG LI established an operating subsidiary   
known as Long Island Electric Utility Servco LLC (“Servco”). Servco is not a party to this   
Agreement and is executing and administering this Agreement on behalf of the Connecting   
Transmission Owner as its agent. Connecting Transmission Owner shall have full liability under this Agreement, and Servco shall have no liability with respect to this Agreement. Servco shall   
be the Connecting Transmission Owner’s representative on matters related to this Agreement,   
including the attached Appendices.

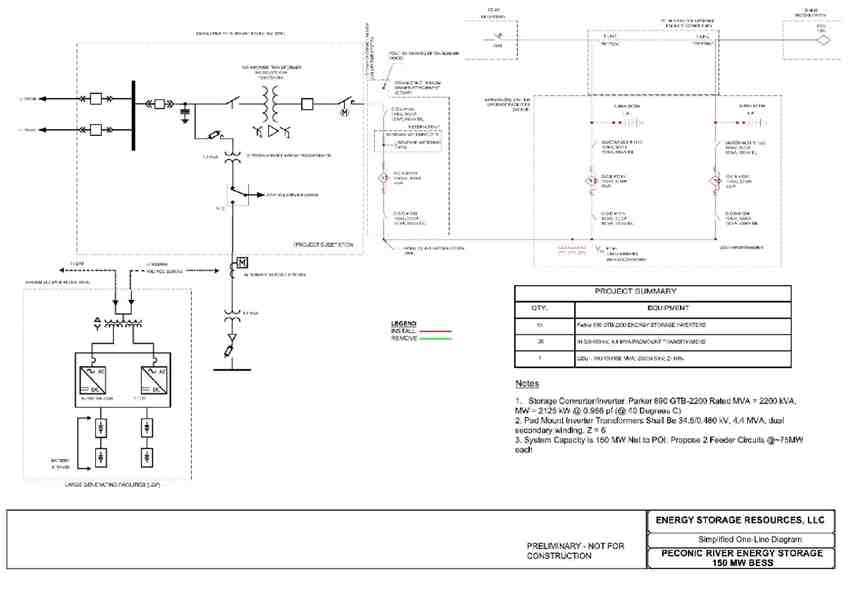
A-8

SERVICE AGREEMENT NO. 2672

Figure A-1

(Figure on following page)

A-9



SERVICE AGREEMENT NO. 2672

A-10

SERVICE AGREEMENT NO. 2672

APPENDIX B

MILESTONES

1. Selection Option Pursuant to Article 5.1

Developer has elected the Standard Option under Article 5.1.1 of this Agreement with

respect to the Stand-Alone System Upgrade Facilities identified in Appendix A. The Connecting Transmission Owner will construct the CTOAFs, Stand-Alone System Upgrade Facilities, and remaining Other System Upgrade Facilities identified in Appendix A.

2.

Milestones

Estimated completion dates are as follows:

Task Milestone

1. Execution of this Agreement

2. First Prepayment Amount

Received

3. Engineering Start CTOAF and SUF

(Stand-Alone SUFs, transmission line intercept SUFs, remote SUFs)

4. Procurement begin for long lead

equipment that CTO is responsible for

5. Long lead equipment delivery for

equipment that CTO is responsible for

6. Engineering End CTOAF and SUF

(Stand-Alone SUFs, transmission line intercept SUFs, remote SUFs)

7. Begin construction for CTOAF & SUF

8. End construction for CTOAF & SUF

9. In-Service Date (Back-feed availability)

10. Initial Synchronization Date

Date

12/30/2021

10 days   
 following   
execution of

interconnection

agreement   
1/31/2022

2/14/2022

08/30/2022

12/20/2022

02/20/2023

January 2024

02/01/2024   
02/08/2024

Responsible Party

Developer /   
Connecting

Transmission Owner/   
 NYISO

Developer

Connecting

Transmission Owner

Connecting

Transmission Owner

Connecting

Transmission Owner

Connecting

Transmission Owner

Connecting

Transmission Owner   
 Connecting

Transmission Owner   
 Connecting

Transmission Owner   
 Developer/

Connecting   
Transmission Owner

B-1

SERVICE AGREEMENT NO. 2672

11. Commercial Operation 03/31/2024 Developer/

Connecting

Transmission Owner

B-2

SERVICE AGREEMENT NO. 2672

APPENDIX C

INTERCONNECTION DETAILS

1. Description of Large Generating Facility, including Point of Interconnection

The Large Generating Facility is a 150 MW, 600MWh battery storage project located in Manorville in Suffolk County, NY. The Large Generating Facility will consist of fifty (50)   
battery set arrays and seventy-two (72) 2.2 MVA Parker 890 GTB inverters. The Large   
Generating Facility has an expected maximum potential generating capacity of 150.0 MW during summer and winter. The Large Generating Facility has a reactive power capability   
corresponding to a power factor of 0.95 lagging to 0.95 leading.

The Large Generating Facility is arranged in thirty-six (36) sets of 2 inverters each. The   
power from each set of 2 inverters is collected through a 0.48/34.5 kV, 4.4 MVA generator step-  
up (“GSU”) transformer, each of which step up power from each inverter from 0.48kV to

34.5kV. The power from these transformers is then routed to 34.5kV collector bus at the

Peconic River Collector Substation via feeder breakers. There are two 34.5kV collector buses,   
which in turn are connected to a 138/34.5/13.8kV transformer via underground cables. The

34.5kV system will be stepped up to 138kV through the 138/34.5/13.8kV (Wye-GND, WyeGND, Delta), 100/130/168 MVA regulated transformer.

The Large Generating Facility will interconnect to Connecting Transmission Owner’s   
138kV Brookhaven - Sills line 138-874 via the new 3-breaker North Street Substation. As   
depicted in Figure 1 to Appendix A, the Large Generating Facility’s Point of Interconnection   
(“POI”) will be located at approximately 0.3 miles from the Brookhaven Substation and   
approximately 5.5 miles from the Sills Substation. The Point of Interconnection shall be at the   
point where the Interconnection Customer’s 138 kV lead line connects to the Connecting   
Transmission Owner’s new three-breaker bus located adjacent to the Peconic River Collector   
Substation. As depicted in Figure 1 to Appendix A, the Point of Change of Ownership (“PCO”)   
shall be located at the 138kV vertical break group operated disconnect (“GOD”) for the   
interconnection beaker of the new bus at the new North Street Substation.

2. Developer Operating Requirements

(a) Developer must comply with all applicable NYISO tariffs and procedures, as

amended from time to time.

(b) Developer 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 NYISO OATT, or applicable NYISO procedures.

(c) Large Generating Facility’s Primary Frequency Response Operating Range:

C-1

SERVICE AGREEMENT NO. 2672

Pursuant to Article 9.5.5.4 of this Agreement, Developer 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.

(d) Connecting Transmission Owner and Developer will develop operating

instructions before commissioning activities (among other things, operating instructions will identify operation under contingency conditions etc.), to the extent not inconsistent with the terms of this Agreement, the NYISO OATT, or applicable NYISO procedures.

(e) In accordance with Article 9.10 of this Agreement, Developer is responsible for

submitting to the Connecting Transmission Owner and/or the NYISO the PMU   
data specified in Article 9.10 that is requested by Connecting Transmission   
Owner and/or the NYISO. If either the Connecting Transmission Owner or   
NYISO elects to request this PMU data pursuant to Article 9.10, the Connecting Transmission Owner or NYISO, as applicable, will notify the Developer of this request and will coordinate with Developer concerning the mechanism for   
transmitting such PMU data directly from its local data concentrator, including   
providing such data directly from the local data concentrator to the NYISO. The Parties acknowledge that, as of the Effective Date of this Agreement, Connecting Transmission Owner does not currently possess a communications network to   
transmit Developer’s PMU data to the NYISO.

(f) For purposes of Article 13.4.2 of this Agreement, the Connecting Transmission

Owner shall retain the right to issue the reduction or disconnection of the Large Generating Facility via supervisory control.

C-2

SERVICE AGREEMENT NO. 2672

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 Developers 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.

D-1

SERVICE AGREEMENT NO. 2672

APPENDIX E-1

INITIAL SYNCHRONIZATION DATE

[Date]

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

10 Krey Boulevard

Rensselaer, NY 12144

Long Island Power Authority

c/o Long Island Electric Utility Servco LLC Power Portfolio

175 East Old Country Rd.   
Hicksville, NY 11801

Re: Large Generating Facility

Dear :

On [Date] [Developer] initially synchronized the Large Generating Facility [specify units, if   
applicable]. This letter confirms [Developer]’s Initial Synchronization Date was [specify].

Thank you.

[Signature]

[Developer Representative]

E-1

SERVICE AGREEMENT NO. 2672

APPENDIX E-2

COMMERCIAL OPERATION DATE

[Date]

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

10 Krey Boulevard

Rensselaer, NY 12144

Long Island Power Authority

c/o Long Island Electric Utility Servco LLC Power Portfolio

175 East Old Country Rd.   
Hicksville, NY 11801

Re: \_\_\_\_\_\_\_\_\_\_\_\_\_ Large Generating Facility

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

On [Date] [Developer] has completed Trial Operation of Unit No. \_\_\_. This letter confirms that [Developer] commenced Commercial Operation of Unit No. \_\_\_ at the Large Generating Facility, effective as of [Date plus one day].

Thank you.

[Signature]

[Developer Representative]

E-2

SERVICE AGREEMENT NO. 2672

APPENDIX F

ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS

Notices:

NYISO:

Before commercial operation of the Large Generating 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 Large Generating 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:

Long Island Lighting Company d/b/a LIPA

333 Earle Ovington Blvd., 4th Floor, Suite 403 Uniondale, NY 11553

Attn: General Counsel

c/o Long Island Electric Utility Servco LLC Power Asset Management

175 East Old Country Rd. Hicksville, NY 11801 516-949-8613

email: Iram.Iqbal@pseg.com

Developer:

Peconic River Energy Storage, LLC d/b/a North Street Energy Storage Attn: Brandon Keefe

1237 9th Avenue

San Francisco, California 94122

F-1

SERVICE AGREEMENT NO. 2672

email: bkeefe@pluspower.com

With copy to: Enrique Silva

Email: esilva@pluspower.com

With a copy to: Ravi Beeravalli

Email: rbeeravalli@pluspower.com

Billings and Payments:

Connecting Transmission Owner:

Attention: c/o Long Island Electric Utility Servco LLC   
 Power Asset Management

Address: 175 E Old Country Road

City: Hicksville State: NY Zip: 11801

Email: iram.iqbal@pseg.com

Developer:

Peconic River Energy Storage, LLC d/b/a North Street Energy Storage Attn: Accounting

1237 9th Avenue

San Francisco, California 94122

Email: [accounting@pluspower.com](mailto:accounting@pluspower.com)

With a copy to: Enrique Silva   
Email: esilva@pluspower.com

With a copy to: Ravi Beeravalli

Email: rbeeravalli@pluspower.com

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

NYISO:

Before commercial operation of the Large Generating 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

E-mail: interconnectionsupport@nyiso.com

F-2

SERVICE AGREEMENT NO. 2672

After commercial operation of the Large Generating 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

E-mail: interconnectionsupport@nyiso.com

Connecting Transmission Owner:

Attention: c/o Long Island Electric Utility Servco LLC

Power Asset Management

Address: 175 E Old Country Road

City: Hicksville State: NY Zip: 11801

Email: iram.iqbal@pseg.com

Developer:

Peconic River Energy Storage, LLC d/b/a North Street Energy Storage Attn: Brandon Keefe

1237 9th Avenue

San Francisco, California 94122   
email: bkeefe@pluspower.com

With a copy to: Ravi Beeravalli

Email: rbeeravalli@pluspower.com

F-3