

June 14, 2017

By Electronic Delivery

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Notice of Cancellation of Service Agreement No. 2090 to the New York
Independent System Operator, Inc. Open Access Transmission Tariff,
Docket No. ER17-____-000

Dear Secretary Bose:

Pursuant to Section 205(d) of the Federal Power Act¹ and Sections 35.9 and 35.15 of the Commission's Regulations,² the New York Independent System Operator, Inc. ("NYISO") hereby tenders for filing and acceptance a Notice of Cancellation of a Small Generator Interconnection Agreement among the NYISO, New York State Electric & Gas Corporation ("NYSEG" or "Connecting Transmission Owner") as the Connecting Transmission Owner, and Monticello Hills Wind LLC ("Monticello" or "Interconnection Customer") as the Interconnection Customer (hereinafter the "SGIA").³ The SGIA is a conforming agreement designated as Service Agreement No. 2090 in the NYISO's Open Access Transmission Tariff ("OATT") and relates to the Interconnection Request referred to as Queue Number 362.⁴

While this SGIA is a conforming agreement and was therefore not filed with the Commission, the NYISO tenders this Notice of Cancellation for filing and acceptance out of an abundance of caution based on the NYISO's and the Connecting Transmission Owner's understanding that the Interconnection Customer does not agree with the withdrawal of its Interconnection Request that prompted this Notice of Cancellation. Pursuant to Sections 3.3.2 and 7.6.3 of the SGIA, the NYISO and NYSEG respectfully request that the Commission accept

¹ 16 U.S.C. § 824d (2017).

² 18 C.F.R. §§ 35.9, 35.15 (2017).

³ Capitalized terms not otherwise defined in this letter have the meaning set forth in Attachments X and Z to the NYISO's Open Access Transmission Tariff ("OATT").

⁴ A copy of the SGIA is attached as Attachment II.

this Notice of Cancellation of Service Agreement No. 2090 effective as of August 14, 2017 - the first business day following sixty days from the date of this filing.

I. Background

This Notice of Cancellation comes after significant delays by the Interconnection Customer in the development of the proposed generating facility without reasonable progress on meeting the milestones set forth in the SGIA. Monticello entered the NYISO's interconnection queue in 2011 with a proposed wind generating facility that would have a planned capacity of 19.8 MW to be owned and operated by Monticello and located in Otsego County, New York ("Monticello Hills Project"). The Monticello Hills Project went through the NYISO's Small Generator Interconnection Procedures ("SGIP") with the designated Queue Number 362. The Interconnection Facilities Study was completed pursuant to the SGIP on November 29, 2012. Thereafter, the SGIA was tendered on March 18, 2013, and the parties executed it on September 19, 2014. The SGIA was a conforming agreement and designated as Service Agreement No. 2090 in the NYISO's OATT.

Based on Monticello's representations, the Monticello Hills Project has not commenced construction and none of the milestones set forth in Attachment 4 to the SGIA have been satisfied as of the date of this filing. According to the original milestones under the SGIA, the Monticello Hills Project was to be in commercial operation by December 2016.

On July 30, 2015, Monticello requested an extension of the Commercial Operation Date to December 2017. The NYISO explained that the SGIP only permitted an extension to March 18, 2017 and that an extension beyond such date would require Monticello to demonstrate that the project has made reasonable progress against the milestones set forth under the SGIA. The NYISO approved the extension of the Commercial Operation Date until March 18, 2017, which was the maximum allowable extension without Monticello demonstrating reasonable progress against its SGIA milestones.

In November 2016, Monticello requested another extension seeking a Commercial Operation Date of December 2018. The NYISO reiterated the requirements under the SGIP for a project to extend the Commercial Operation Date past March 18, 2017, and denied the request due to a lack of sufficient evidence that the project made reasonable progress against its SGIA milestones.

In February 2017, Monticello renewed its request for an extension of the project's Commercial Operation Date to December 2018. The NYISO again denied the extension on March 3, 2017 due to Monticello's inability to satisfy the requirements under the SGIP for extending the Commercial Operation Date. After failing to meet its Commercial Operation Date

of March 18, 2017, the NYISO tendered a withdrawal notice to Monticello, removing the Monticello Hills Project from the interconnection queue.⁵

II. Notice of Cancellation

Commission precedent supports acceptance of a notice of cancellation of a service agreement if the applicant shows that the proposed cancellation is not unjust, unreasonable, unduly discriminatory, or preferential, or if it is consistent with public interest.⁶ Pursuant to this standard, the Commission should accept this Notice of Cancellation of Service Agreement No. 2090 because Monticello's Interconnection Request was properly withdrawn pursuant to Commission-approved tariff requirements set forth in Section 32.1.3.2 of Attachment Z to the OATT with respect to its requested extension of the Commercial Operation Date beyond March 18, 2017.

An Interconnection Customer of a proposed small generation facility that wishes to extend the Commercial Operation Date must comply with the provisions contained in the NYISO's Small Generator Interconnection Procedures under Attachment Z to the OATT.⁷ Section 32.1.3.2 of Attachment Z refers to the requirements in Section 30.4.4.5 of Attachment X that specify permissible extensions of Commercial Operation Date. A Small Generating Facility such as the Monticello Hills Project may extend its Commercial Operation Date up to four years following the tender of its Interconnection Agreement, but extensions beyond such date are only permitted if the project developer: (a) has an executed Interconnection Agreement (or filed an unexecuted agreement with the Commission) and (b) demonstrates through an officer certification that the project has made "reasonable progress against milestones set forth in the Interconnection Agreement."⁸ Any request for an extension that does not satisfy the conditions set forth in Section 30.4.4.5.2 of Attachment X requires withdrawal from the NYISO's interconnection queue.⁹

Under Section 7.6.3 of the SGIA, "if the Interconnection Request is withdrawn or deemed withdrawn pursuant to the SGIP during the term of th[e] Agreement, th[e] Agreement shall terminate."¹⁰ Termination of an SGIA will become effective after the parties have complied with "all Applicable Laws and Regulations applicable to such termination, including

⁵ See Section 30.4.4.5 of Attachment X to the OATT; Section 32.1.3.2 of Attachment Z to the OATT; see generally *New York Indep. Sys. Operator, Inc.*, 142 FERC ¶ 61,113 (2013).

⁶ *Midcontinent Indep. Sys. Operator, Inc.*, 147 FERC ¶ 61,198 (2014), at P 28 (citing Commission precedent).

⁷ Section 32.1.3.2 of Attachment Z to the OATT.

⁸ Section 30.4.4.5.2 of Attachment X to the OATT.

⁹ Section 32.1.4 of Attachment Z to the OATT.

¹⁰ Section 3.3.2 of the SGIA (stating that any party may terminate the SGIA after default pursuant to Article 7.6).

the filing with the Commission of a notice of cancellation of the SGIA (if required), which notice has been accepted for filing by the Commission.”¹¹

In response to Monticello’s multiple requests for extensions past March 17, 2017, the NYISO on multiple occasions beginning in August 2015 detailed the requirements under the SGIP to grant an extension of the Commercial Operation Date. At the time that Monticello made its latest request to extend the Commercial Operation Date, Monticello was on notice for over a year and half of the requirements that the project needed to meet in order to obtain an extension. While Monticello reported completing the Point of Interconnection (“POI”) conceptual package, it acknowledged that it never delivered the conceptual package to NYSEG and did not post any of the required security per the milestones. As a result, it was clear to the NYISO and NYSEG that Monticello had not provided evidence of progress against the milestones set forth in the SGIA. As a result, the NYISO denied Monticello’s request for an extension on March 3, 2017.

The NYISO issued a withdrawal notice to Monticello Hills (provided in Attachment III) on April 19, 2017 due to Monticello’s failure to make the requisite demonstration pursuant to Section 30.4.4.5.2.2 that it has made reasonable progress against milestones set forth in the SGIA and failure to meet its Commercial Operation Date. The NYISO and NYSEG submit that Monticello Hills Project’s failure to meet any of the milestones under the SGIA and to demonstrate any reasonable progress during the previous extension of the Commercial Operation Date is indicative of a lack of readiness and certainty that the project will be able to meet any further extensions of the Commercial Operation Date.

III. Documents Submitted

The NYISO respectfully submits the following documents with this filing letter:

1. Notice of Cancellation of Service Agreement No. 2090 (Attachment I);
2. Service Agreement No. 2090 (Attachment II); and
3. Notice of Withdrawal dated April 19, 2017 (Attachment III).

IV. Communications and Correspondence

All communications and service in this proceeding should be directed to:

For the NYISO

Robert E. Fernandez, General Counsel
Raymond Stalter, Director, Regulatory Affairs
*Sara B. Keegan, Senior Attorney
*Brian R. Hodgdon, Attorney

¹¹ Section 3.3 of the SGIA.

10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-6000
skeegan@nyiso.com
bhodgdon@nyiso.com

For New York State Electric & Gas Corporation

*Jeffrey A. Rosenbloom
Deputy General Counsel
Assistant Corporate Secretary
Avangrid
89 East Avenue
Rochester, NY 14649
Tel: (585) 724-8132
jeffrey.rosenbloom@avangrid.com

For Monticello Hills Wind LLC

*Patrick Doyle
Northeast Wind Projects
2021 Western Avenue, Suite 105A
Albany, NY 12203
Tel: (518) 423-9363
pdoyle@northeastenergyprojects.com

*Robert M. Rosenthal
Greenberg Traurig, LLP
Counsel for Monticello Hills Wind LLC
54 State Street, 6th Floor
Albany, NY 12207
Tel: (518) 689-1426
rosenthalrm@gtlaw.com

*Persons designated for receipt of service.

V. Effective Date

Pursuant to Section 3.3 of the SGIA, the NYISO and NYSEG respectfully request that the Commission accept this Notice of Cancellation of Service Agreement No. 2090, effective August 14, 2017 - the first business day following sixty days from the date of this filing.

VI. Service

In addition to the representatives of NYSEG and Monticello designated above for receipt of service, the NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the New Jersey Board of Public Utilities. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

VII. Conclusion

For the reasons stated above, the NYISO and NYSEG respectfully request that the Commission accept this Notice of Cancellation of Service Agreement No. 2090, effective August 14, 2017.

Respectfully submitted,

/s/ Sara B. Keegan
Sara B. Keegan, Senior Attorney
Brian Hodgdon, Attorney
New York Independent System Operator, Inc.
10 Krey Blvd.
Rensselaer, New York 12144
(518) 356-6000
skeegan@nyiso.com
bhodgdon@nyiso.com

cc: Michael Bardee
Nicole Buell
Anna Cochrane
Kurt Longo
David Morenoff
Daniel Nowak
Larry Parkinson
J. Arnold Quinn
Douglas Roe
Kathleen Schnorf
Jamie Simler
Gary Will

Attachment I

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

New York Independent System Operator, Inc.)	
)	Docket No. ER17-____-000
)	

NOTICE OF CANCELLATION

Notice is hereby given that effective August 14, 2017, the Interconnection Agreement among the New York Independent System Operator, Inc. (“NYISO”), New York State Electric and & Gas Corporation (“NYSEG”), and Monticello Hills Wind LLC, designated as Service Agreement No. 2090 under the NYISO’s Open Access Transmission Tariff, effective September 19, 2014, is to be cancelled.

Notice of the proposed cancellation has been served upon the Parties to the above-reference Interconnection Agreement, as well as upon the official representative of each of the NYISO’s customers, to each participant on the NYISO’s stakeholder committees, to the New York State Public Service Commission, and to the New Jersey Board of Public Utilities.

New York Independent System Operator, Inc.

By: /s/ Zachary Smith
Zachary Smith
Vice President, System & Resource Planning

Attachment II

SERVICE AGREEMENT NO. 2090

**SERVICE AGREEMENT NO. 2090
STANDARD SMALL GENERATOR
INTERCONNECTION AGREEMENT**

**AMONG THE
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.,
NEW YORK STATE ELECTRIC & GAS CORPORATION,**

AND

MONTICELLO HILLS WIND LLC

Dated as of September 19, 2014

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SERVICE AGREEMENT NO. 2090

This Interconnection Agreement ("Agreement") is made and entered into this 19th day of September, 2014, by and among the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York ("NYISO") and New York State Electric & Gas Corporation, a corporation organized and existing under the laws of the State of New York ("Connecting Transmission Owner"), and Monticello Hills Wind LLC, a limited liability company organized and existing under the laws of the State of Delaware ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or referred to collectively as the "Parties."

NYISO Information

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

Connecting Transmission Owner Information

New York State Electric & Gas Corporation
Attention: Manager - Programs/Projects, Electric Transmission Services
Address: 18 Link Drive
City: Binghamton State: NY Zip: 13902-5224
Phone: (607) 762-7606 Fax: (607) 762-8666

Interconnection Customer Information

Monticello Hills Wind LLC
Attention: President
Address: One Federal Street, 30th Floor
City: Boston State: MA Zip: 02110
Phone: (203) 722-3818 Fax: (617) 977-2410

Interconnection Customer Application No: N/A

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

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Article 1 Scope and Limitations of Agreement

1.1 Applicability

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

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer’s Small Generating Facility will interconnect with, and operate in parallel with, the New York State Transmission System or the Distribution System.

1.3 Scope of Interconnection Service

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

1.3.2 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, if any, or applicable provisions of NYISO’s or Connecting Transmission Owner’s tariffs. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity in accordance with the applicable provisions of the NYISO OATT and Connecting Transmission Owner’s tariff. The execution of this Agreement does not constitute a request for, nor agreement to, provide energy, any Ancillary Services or Installed Capacity under the NYISO Services Tariff or any Connecting Transmission Owner’s tariff. If Interconnection Customer wishes to supply or purchase energy, Installed Capacity or Ancillary Services, then Interconnection Customer will make application to do so in accordance with the NYISO Services Tariff or Connecting Transmission Owner’s tariff.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement by and among the NYISO, Connecting Transmission Owner and the Interconnection Customer, except as otherwise expressly provided herein.

1.5 Responsibilities of the Parties

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

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- 1.5.2 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, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Connecting Transmission Owner shall construct, operate, and maintain its Interconnection Facilities and Upgrades covered by this Agreement in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 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 state 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 Connecting Transmission Owner or Affected Systems.
- 1.5.5 The Connecting Transmission Owner and Interconnection Customer 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 this Agreement. Each of those Parties 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 Connecting Transmission Owner and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Connecting Transmission Owner's electric 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 this Agreement.
- 1.5.6 The NYISO shall coordinate with all Affected Systems to support the interconnection. The Connecting Transmission Owner shall cooperate with the NYISO in these efforts.

1.6 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 NYISO tariffs or ISO Procedures or the Connecting Transmission Owner's tariff; (2) any requirements consistent with Good Utility Practice or that are necessary to ensure the safe and reliable operation of the Transmission System or Distribution System; and (3) the Operating Requirements set forth in Attachment 5 of this Agreement.

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1.7 Metering

The Interconnection Customer shall be responsible for the Connecting 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.

1.8 Reactive Power

- 1.8.1 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 established by the Connecting Transmission Owner on a comparable basis, until NYISO has established different requirements that apply to all similarly situated generators in the New York Control Area on a comparable basis.
- 1.8.2 The NYISO is required to pay the Interconnection Customer for reactive power, or voltage support service, that the Interconnection Customer provides from the Small Generating Facility in accordance with Rate Schedule 2 of the NYISO Services Tariff.

1.9 Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement. Capitalized terms used herein that are not so defined shall have the meanings specified in Section 32.5 or Attachment S or Attachment X of the NYISO OATT.

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

2.1 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 NYISO and the Connecting 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 Connecting 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 NYISO and Connecting Transmission Owner a written test report when such testing and inspection is completed. The Small Generating Facility may not commence parallel operations if the NYISO, in consultation with the Connecting Transmission Owner, finds that the Small Generating Facility has not been installed as agreed upon or may not be operated in a safe and reliable manner.
- 2.1.2 The NYISO and Connecting Transmission Owner shall each 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 NYISO or Connecting 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 NYISO, in consultation with the Connecting Transmission Owner, shall use Reasonable Efforts to list applicable parallel Operating Requirements in Attachment 5 of this Agreement. Additionally, the NYISO, in consultation with the Connecting Transmission Owner, shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The NYISO and Connecting 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.
- 2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the New York State Transmission System or the Distribution System without prior written authorization of the NYISO. The NYISO, in consultation with the Connecting Transmission Owner, will provide such authorization once the NYISO receives notification that the Interconnection Customer has complied with all applicable parallel Operating Requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

- 2.3.1 Upon reasonable notice, the NYISO and/or Connecting 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 NYISO and Connecting Transmission Owner at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the NYISO and Connecting Transmission Owner each shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on them by this Agreement or if necessary to meet their legal obligation to provide service to their customers.
- 2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3 Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The NYISO and Connecting Transmission Owner shall promptly file, or cause to be filed, this Agreement with FERC upon execution, if required. If the Agreement is disputed and the Interconnection Customer requests that it be filed with FERC in an unexecuted form, the NYISO shall file, or cause to be filed, this Agreement and the NYISO shall identify the disputed language.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of twenty years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

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

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

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

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the New York State Transmission System or the Distribution System, as applicable. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve any Party of its liabilities and obligations, owed or continuing at the time of the termination. The Interconnection Customer shall pay all amounts in excess of any deposit or other security without interest within 30 calendar days after receipt of the invoice for such amounts. If the deposit or other security exceeds the invoice, the Connecting Transmission Owner shall refund such excess within 30 calendar days of the invoice without interest. If the Interconnection Customer disputes an amount to be paid the Interconnection Customer shall pay the disputed amount to the Connecting Transmission Owner or into an interest bearing escrow account,

pending resolution of the dispute in accordance with Article 10 of this Agreement. To the extent the dispute is resolved in the Interconnection Customer's favor, that portion of the disputed amount will be returned to the Interconnection Customer with interest at rates applicable to refunds under the Commission's regulations.

To the extent the dispute is resolved in the Connecting Transmission Owner's favor, that portion of any escrowed funds and interest will be released to the Connecting Transmission Owner.

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

3.4 Temporary Disconnection

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

3.4.1 Emergency Conditions

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

3.4.2 Routine Maintenance, Construction, and Repair

The NYISO or Connecting Transmission Owner may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the New York State Transmission System or Distribution System when necessary for routine maintenance, construction, and repairs on the New York State Transmission System or Distribution System. NYISO or the Connecting Transmission Owner

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shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The NYISO and Connecting Transmission Owner shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

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

3.4.4 Adverse Operating Effects

The NYISO or Connecting 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 New York State Transmission System, the Distribution System or Affected Systems, or if disconnection is otherwise required under Applicable Reliability Standards or the NYISO OATT. 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 NYISO or Connecting Transmission Owner may disconnect the Small Generating Facility. The NYISO or Connecting Transmission Owner shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

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

3.4.6 Reconnection

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

Article 4 Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

- 4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The NYISO, in consultation with the Connecting 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, the NYISO, and the Connecting Transmission Owner.
- 4.1.2 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 Connecting Transmission Owner's Interconnection Facilities, as set forth in Attachment 2 to this Agreement.

4.2 Distribution Upgrades

The Connecting Transmission Owner shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Connecting 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. The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with owning, operating, maintaining, repairing, and replacing the Distribution Upgrades, as set forth in Attachment 6 to this Agreement.

Article 5 Cost Responsibility for System Upgrade Facilities and System Deliverability Upgrades

5.1 Applicability

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

5.2 System Upgrades

The Connecting Transmission Owner shall procure, construct, install, and own the System Upgrade Facilities and System Deliverability Upgrades described in Attachment 6 of this Agreement. To the extent that design work is necessary in addition to that already accomplished in the Class Year facilities study for the Interconnection Customer, the Connecting Transmission Owner shall perform or cause to be performed such work. If all the Parties agree, the Interconnection Customer may construct System Upgrade Facilities and System Deliverability Upgrades that are located on land owned by the Interconnection Customer.

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

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

5.3 Special Provisions for Affected Systems

For the repayment of amounts advanced to Affected System Operator for System Upgrade Facilities or System Deliverability Upgrades, the Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment, but only if responsibility for the cost of such System Upgrade Facilities is not to be allocated in accordance with Attachment S of the NYISO OATT. 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.

Article 6 Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

- 6.1.1 The Connecting 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 those Parties. The Interconnection Customer shall pay all invoice amounts within 30 calendar days after receipt of the invoice.
- 6.1.2 Within three months of completing the construction and installation of the Connecting Transmission Owner's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Connecting 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 Connecting Transmission Owner for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Connecting Transmission Owner shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Connecting Transmission Owner within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Connecting Transmission Owner shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.
- 6.1.3 If the Interconnection Customer disputes an amount to be paid, the Interconnection Customer shall pay the disputed amount to the Connecting Transmission Owner or into an interest bearing escrow account, pending resolution of the dispute in accordance with Article 10 of this Agreement. To the extent the dispute is resolved in the Interconnection Customer's favor, that portion of the disputed amount will be credited or returned to the Interconnection Customer with interest at rates applicable to refunds under the Commission's regulations. To the extent the dispute is resolved in the Connecting Transmission Owner's favor, that portion of any escrowed funds and interest will be released to the Connecting Transmission Owner.

6.2 Milestones

Subject to the provisions of the SGIP, the Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure event, it shall immediately notify the other Parties 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

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shall not unreasonably withhold agreement to such an amendment unless: (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 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 Connecting Transmission Owner's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Connecting Transmission Owner, 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 Connecting Transmission Owner 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 Connecting Transmission Owner's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Connecting Transmission Owner under this Agreement during its term. The Connecting Transmission Owner may draw on any such security to the extent that the Interconnection Customer fails to make any payments due under this Agreement. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Connecting Transmission Owner, 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.
- 6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Connecting Transmission Owner and must specify a reasonable expiration date.
- 6.3.3 Notwithstanding the above, Security posted for System Upgrade Facilities for a Small Generating Facility required to enter the Class Year process, or cash or Security provided for System Deliverability Upgrades, shall meet the requirements for Security contained in Attachment S to the NYISO OATT.

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

7.1 Assignment

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

- 7.1.1 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 that the Interconnection Customer promptly notifies the NYISO and the Connecting Transmission Owner of any such assignment. 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 of all of its assets, including the Interconnection Facilities it owns, so long as the assignee in such a transaction directly assumes all rights, duties and obligation arising under this Agreement.
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the NYISO or Connecting Transmission Owner, for collateral security purposes to aid in providing financing for the Small Generating Facility.
- 7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the 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 Parties for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall any Party be liable to the other Parties for any indirect, special, consequential, or punitive damages.

7.3 Indemnity

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

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- 7.3.2 Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and hold harmless the other Parties (each an “Indemnified Party”) from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, the alleged violation of any Environmental Law, or the release or threatened release of any Hazardous Substance, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties (any and all of these a “Loss”), arising out of or resulting from (i) the Indemnified Party’s performance under this Agreement on behalf of the Indemnifying Party, except in cases where the Indemnifying Party can demonstrate that the Loss of the Indemnified Party was caused by the gross negligence or intentional wrongdoing by the Indemnified Party or (ii) the violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of a Hazardous Substance.
- 7.3.3 If a Party is entitled to indemnification under this article as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this article, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

7.4 Consequential Damages

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

7.5 Force Majeure

- 7.5.1 As used in this article, a Force Majeure Event shall mean “any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing.” For the purposes of this article, this definition of Force Majeure shall supersede the definitions of Force Majeure set out in Section 32.10.1 of the NYISO OATT.
- 7.5.2 If an event of Force Majeure 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 Parties, 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 Parties informed on a continuing basis of developments relating to the Force Majeure event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Breach and Default

- 7.6.1 No Breach of this Agreement shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure event or the result of an act or omission of the other Parties. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the Breaching Party. Except as provided in article 7.6.2, the Breaching Party shall have 60 calendar days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within 60 calendar days, the Breaching Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.
- 7.6.2 If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, a Default shall exist and the non-defaulting Parties acting together shall thereafter have the right to terminate this Agreement, in accordance with article 3.3 hereof, by written notice to the Defaulting Party at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate this Agreement, to recover from the Defaulting Party all amounts due hereunder, plus all other

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damages and remedies to which they are entitled at law or in equity. The provisions of this article shall survive termination of this Agreement.

- 7.6.3 In cases where the Interconnection Customer has elected to proceed under Section 32.3.5.3 of the SGIP, if the Interconnection Request is withdrawn or deemed withdrawn pursuant to the SGIP during the term of this Agreement, this Agreement shall terminate.

Article 8 Insurance

- 8.1 The Interconnection Customer shall, at its 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. Such insurance coverage is specified in Attachment 7 to this Agreement. 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 New York State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Connecting Transmission Owner, except that the Interconnection Customer shall show proof of insurance to the Connecting Transmission Owner no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient creditworthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The NYISO and Connecting Transmission Owner agree to maintain general liability insurance or self-insurance consistent with the existing commercial practice. Such insurance or self-insurance shall not exclude the liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify one another whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

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Article 9 Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated “Confidential.” For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such. Confidential Information shall include, without limitation, information designated as such by the NYISO Code of Conduct contained in Attachment F to the NYISO OATT.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Parties as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 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. Each Party is prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Parties to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.
- 9.4 Consistent with the provisions of this article 9, the Parties to this Agreement will cooperate in good faith to provide each other, Affected Systems, Affected System

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Operators, and state and federal regulators the information necessary to carry out the terms of the SGIP and this Agreement.

Article 10 Disputes

- 10.1 The NYISO, Connecting Transmission Owner and Interconnection Customer agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, the Parties will first attempt to promptly resolve it on an informal basis. The NYISO will be available to the Interconnection Customer and Connecting Transmission Owner to help resolve any dispute that arises with respect to performance under this Agreement. If the Parties cannot promptly resolve the dispute on an informal basis, then any Party shall provide the other Parties with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, any Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. The result of this dispute resolution process will be binding only if the Parties agree in advance. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-third of any costs paid to neutral third-parties.
- 10.6 If any Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then any Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

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Article 11 Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other 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.
- 11.3 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.
- 11.4 Any payments due to the Connecting Transmission Owner under this Agreement shall be adjusted to include any tax liability incurred by the Connecting Transmission Owner with respect to the interconnection request which is the subject of this Agreement. Such adjustments shall be made in accordance with the provisions of Article 5.17 of the LGIA in Attachment X of the NYISO OATT. Except where otherwise noted, all costs, deposits, financial obligations and the like specified in this Agreement shall be assumed not to reflect the impact of applicable taxes.

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Article 12 Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

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

12.2 Amendment

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

12.3 No Third-Party Beneficiaries

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

12.4 Waiver

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

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

12.5 Entire Agreement

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

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12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

12.8 Severability

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

12.9 Security Arrangements

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

12.10 Environmental Releases

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

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided,

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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.

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 Parties to the extent provided for in Sections 32.7.2 and 32.7.3 above for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the NYISO or Connecting Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

12.12 Reservation of Rights

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

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Article 13 Notices

13.1 General

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

If to the Interconnection Customer:

Monticello Hills Wind LLC c/o Atlantic Power Corporation
Attention: President
Address: One Federal Street, 30th Floor
City: Boston State: MA Zip: 02110
Phone: (617) 977-2400 Fax: (617) 977-2410
With copy to legal: legal@atlanticpower.com

If to the Connecting Transmission Owner:

New York State Electric & Gas Corporation
Attention: Manager - Programs/Projects Transmission Services
Address: P.O. Box 5224
City: Binghamton State: NY Zip: 13902-5224
Phone: (607) 762-7606 Fax: (607) 762-8666

If to the NYISO:

Before Commercial Operation of the Small Generating Facility:

Attention: Vice President, System & Resource Planning
New York Independent System Operator, Inc.
Address: 10 Krey Boulevard
City: Rensselaer State: NY Zip: 12144
Phone: (518) 356-6000 Fax: (518) 356-6118

After Commercial Operation:

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

13.2 Billing and Payment

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

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Interconnection Customer:

Monticello Hills Wind LLC c/o Atlantic Power Corporation
Attention: Accounts Payable
Address: 123 NW 36th Street, Suite 210
City: Seattle State: WA Zip: 98107
Phone: (425) 455-9014 Fax: (206) 508-4738
With copy to: RLE-Invoice@atlanticpower.com

Connecting Transmission Owner:

New York State Electric & Gas Corporation
Attention: Manager, Billings & Risk Management
Address: P.O. Box 5224
City: Binghamton State: NY Zip: 13902-5224
Phone: (607) 762-4283 Fax: (607) 762-8666

13.3 Alternative Forms of Notice

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

If to the Interconnection Customer:

Monticello Hills Wind LLC c/o Atlantic Power Corporation
Attention: President
Address: One Federal Street, 30th Floor
City: Boston State: MA Zip: 02110
Phone: (617) 977-2400 Fax: (617) 977-2410
With copy to legal: legal@atlanticpower.com

If to the Connecting Transmission Owner:

New York State Electric & Gas Corporation
Attention: Manager - Programs/ Projects Transmission Services
Address: P.O. Box 5224
City: Binghamton State: NY Zip: 13902-5224
Phone: (607) 762-8073 Fax: (607) 762-8666

If to the NYISO:

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

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.

Interconnection Customer's Operating Representative:

Monticello Hills Wind LLC c/o Atlantic Power Corporation
Attention: President
Address: One Federal Street, 30th Floor
City: Boston State: MA Zip: 02110
Phone: (617) 977-2400 Fax: (617) 977-2410
With copy to legal: legal@atlanticpower.com

Connecting Transmission Owner's Operating Representative:

Connecting Transmission Owner: New York State Electric & Gas Corporation
Attention: Brian Gordon/Supervisor Dispatch & ECC
Address: 101 Murray Hill Road
City: Vestal State: NY Zip: 13850
Phone: 607-762-4505 Fax: 607-762-4282

NYISO's Operating Representative:

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

13.5 Changes to the Notice Information

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

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Article 14 Signatures

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

For the New York Independent System Operator, Inc.

Name: Henry Chao

Title: Vice President, System & Resource Planning

Date:

For the Connecting Transmission Owner: New York State Electric & Gas Corporation

Name: Mark Lynch

Title: Chief Executive Officer

Date:

For the Interconnection Customer: Monticello Hills Wind LLC

Name: Dennis P. Meany

Title: President

Date:

Attachment 1

Glossary of Terms

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

Affected Transmission Owner -- The New York public utility or authority (or its designated agent) other than 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 or System Upgrade Facilities are installed pursuant to Attachment Z and Attachment S to the NYISO OATT.

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

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

Base Case -- The base case power flow, short circuit, and stability data bases used for the Interconnection Studies by NYISO, Connecting Transmission Owner or Interconnection Customer; described in Section 32.2.3 of the Large Facility Interconnection Procedures.

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

Business Day - Monday through Friday, excluding federal holidays.

Capacity Resource Interconnection Service -- The service provided by NYISO to interconnect the Interconnection Customer's Small Generating Facility to the New York State Transmission System or Distribution System in accordance with the NYISO Deliverability

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Interconnection Standard, to enable the New York State Transmission System to deliver electric capacity from the Small Generating Facility, pursuant to the terms of the NYISO OATT.

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

Deliverability Interconnection Standard - The standard that must be met by any Small Generating Facility larger than 2MW proposing to interconnect to the New York State Transmission System or Distribution System and to become a qualified Installed Capacity Supplier, and must be met by any merchant transmission project proposing to interconnect to the New York State Transmission System and receive Unforced Capacity Delivery Rights. To meet the NYISO Deliverability Interconnection Standard, the Interconnection Customer must, in accordance with the rules in Attachment S to the NYISO OATT, fund or commit to fund the System Deliverability Upgrades identified for its project in the Class Year Deliverability Study.

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

Distribution System - The Transmission Owner's facilities and equipment used to distribute electricity that are subject to FERC jurisdiction, and are subject to the NYISO's LFIG or SGIP under FERC Order Nos. 2003 and/or 2006. For the purpose of this Agreement, the term Distribution System shall not include LIPA's distribution facilities.

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

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

Force Majeure - Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. For the purposes of this Agreement, this definition of Force Majeure shall supersede the definitions of Force Majeure set out in Section 32.2.11 of the NYISO Open Access Transmission Tariff.

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

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

Interconnection Customer - Any entity, including the Transmission Owner or any of the affiliates or subsidiaries, that proposes to interconnect its Small Generating Facility with the New York State Transmission System or the Distribution System.

Interconnection Facilities - The Connecting 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 New York State Transmission System or the Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or System Upgrade Facilities.

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

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

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

Minimum Interconnection Standard - The reliability standard that must be met by any Small Generating Facility proposing to connect to the New York State Transmission System or Distribution System. The Standard is designed to ensure reliable access by the proposed project

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to the New York State Transmission System. The Standard does not impose any deliverability test or deliverability requirement on the proposed interconnection.

New York State Transmission System - 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.

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

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

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

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

Small Generating Facility - The Interconnection Customer's device no larger than 20 MW for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

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

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

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

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

Attachment 2

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

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, or the Connecting Transmission Owner. The NYISO, in consultation with the Connecting Transmission Owner, will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

A. PROJECT DESCRIPTION

The Interconnection Customer is constructing a 19.8 MW wind farm facility (the “Small Generating Facility” or “SGF”) located in Otsego County, New York, near the town of Richfield, New York. The Small Generating Facility will interconnect via a three breaker ring bus arrangement (“POI Substation”) that will connect to the Connecting Transmission Owner’s 46 kV transmission line number 812, approximately seven (7) miles west of the Richfield Springs Substation and 17 miles east of the Brothertown Road Substation.

The Small Generating Facility will consist of:

- ☐ Six (6) 3.3 MW Vestas V112 wind turbines, each of which consists of:
 - One (1) 3.3 MW asynchronous induction generator;
 - One (1) AC/DC/AC converter;
 - One (1) 3,750 kVA step-up transformer mounted in the nacelle (650 V wye-ground to 34.5 kV delta; 9.0% positive/zero sequence impedance (typical); X/R of 12.9 positive/zero sequence (typical)); and
 - One (1) gas filled (SF6) 34.5 kV breaker located at the bottom of each tower.
- ☐ One (1) collector feeder operating at 34.5 kV, consisting of approximately 18,100 circuit feet of underground cable; and
- ☐ Junction boxes using separable connectors placed at junction points in the collector system.

Each wind turbine generator (“WTG”) will be capable of operating at 0.90 power factor lagging (supplying approximately 1.60 MVar reactive power), to 0.90 power factor leading (consuming approximately 1.60 MVar reactive power), as measured at the 34.5 kV terminals of the WTG generator step-up unit transformer while operating at rated active power generation of 3.3 MW.

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The Point of Interconnection (“POI”) will be located between the newly constructed POI Substation and the NYSEG revenue metering point for the POI Substation. Specifically, the POI, which is illustrated on Figure 1 in Attachment 3, will be located approximately seventeen (17) miles east of the Brothertown Road Substation and approximately seven (7) miles west of the Richfield Springs Substation, north of U.S. Route 20 and east of Skinner Road.

The Point of Change of Ownership (“PCO”) will be located between the NYSEG 46 kV switch in the NYSEG POI Substation and the 46 kV switch in the collector substation. These two switches are connected by a 46 kV open bus. The PCO is also illustrated on Figure 1 in Attachment 3 and shall be the attachments at the three (3) 46 kV single bus supports located between the metering current transformers and the substation fence separating the NYSEG yard from the collector substation.

B. INTERCONNECTION CUSTOMER’S INTERCONNECTION FACILITIES

As depicted in Figure 1 in Attachment 3, the Interconnection Customer’s Interconnection Facilities (“ICIF”) will consist of the following:

- ☐ One (1) 34.5 kV circuit breaker;
- ☐ Two (2) 34.5 kV, 1200 A continuous disconnect switches; ☐
- Three (3) 34.5 kV voltage transformers;
- ☐ One (1) 12/16/20 MVA, 46 \pm 16 x 0.625% - 34.5 - (13.2) kV, Z=8.0%, grounded wye - grounded wye - delta (buried) connected collector substation step-up transformer;
- ☐ One (1) 46 kV, 1200A, 40 kA interrupting circuit breaker;
- ☐ Six (6) 46 kV, 1200A current transformers, mounted in the main breaker bushings;
- ☐ One (1) 46 kV, 1200 A continuous, 40 kA momentary, 250 kV BIL disconnect switch;
- ☐ 35 kV and 46 kV bus work;
- ☐ 35 kV and 46 kV structures;
- ☐ A control house with metering protection, control and communication panels; ☐

Protection and control wiring in conduit and/or cable trench;

- ☐ Grounding materials;
- ☐ Fencing and grounding system; and ☐

Grading and surface rock.

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C. CONNECTING TRANSMISSION OWNER'S INTERCONNECTION FACILITIES

As depicted in Figure 1 in Attachment 3, the Connecting Transmission Owner's Interconnection Facilities ("CTOIF") will consist of the following:

- ☐ One (1) 46kV, 1200 A continuous, 40 kA momentary, 250 kV BIL disconnect switch; ☐
- Three (3) 46 kV, 1200 A continuous, 20 kA, 250 kV BIL revenue current transformers; ☐
- Three (3) 46 kV, 250 kV BIL revenue voltage transformers;
- ☐ One (1) revenue meter;
- ☐ 46 kV bus work;
- ☐ 46 kV structures;
- ☐ Conduit;
- ☐ Control cabling; and
- ☐ Grounding materials.

D. SCOPE OF WORK AND RESPONSIBILITIES

1. Interconnection Customer's Scope of Work and Responsibilities

The Interconnection Customer will design, procure, and construct the Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall design, procure, and construct the Connecting Transmission Owner's Interconnection Facilities. The Interconnection Customer will design, procure, and construct the Connecting Transmission Owner's Interconnection Facilities in accordance with applicable NYSEG technical requirements to be provided by NYSEG.

2. Connecting Transmission Owner's Scope of Work and Responsibilities

Connecting Transmission Owner will review and ultimately accept the Interconnection Customer's design of the Connecting Transmission Owner's Interconnection Facilities.

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E. ESTIMATED COSTS OF INTERCONNECTION FACILITIES

<u>Description</u>	<u>Estimated Costs</u>
Design and construction of Connecting Transmission Owner's Interconnection Facilities	\$205,000
Total	\$205,000

F. O&M EXPENSES FOR INTERCONNECTION FACILITIES

In accordance with Article 4.1.2 of this Agreement, the Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads ("O&M Expenses") associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Connecting Transmission Owner's Interconnection Facilities, as set forth below.

Actual Annual O&M Payment

O&M Expenses shall be billed by Connecting Transmission Owner annually as accumulated during the year for which they were incurred. Actual O&M Expenses shall include (but are not limited to):

Operation & Maintenance

Equipment Repair & Replacement

Administrative & General

Applicable Property and Other Taxes

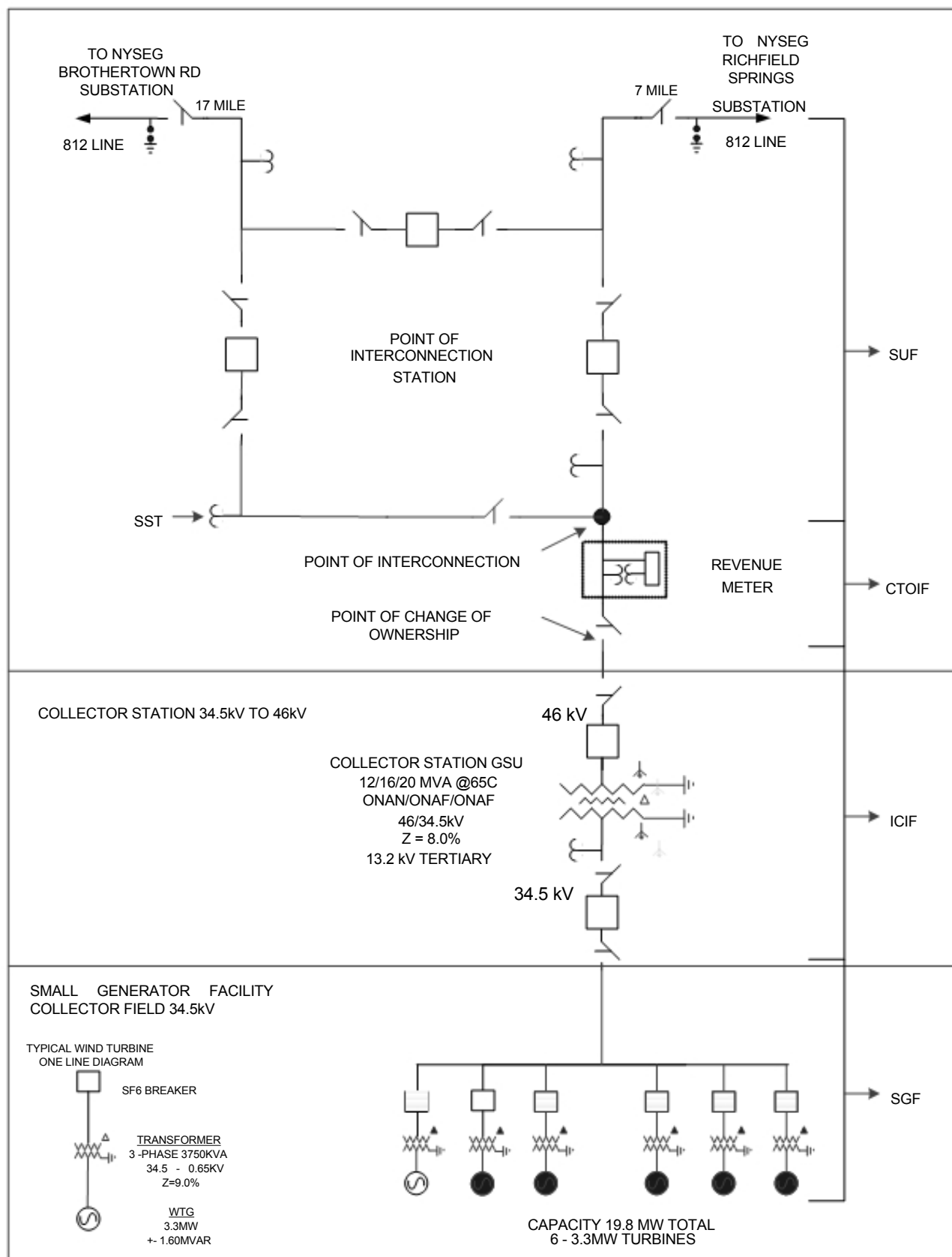
A property tax assessment before and after construction of the Interconnection Facilities resulting from the Interconnection Customer's Distribution System or Small Generating Facility will be determined and submitted to the Interconnection Customer for review. The incremental property tax payment associated with the Interconnection Facilities will be the responsibility of the Interconnection Customer.

All payments due to be made by the Interconnection Customer shall be made within thirty (30) days after receiving an invoice from the Connecting Transmission Owner.

Attachment 3

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

(See following page)



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Attachment 4

Milestones

In-Service Date: December 2016

Critical milestones and responsibility as agreed to by the Parties:

	MILESTONE	DATE	RESPONSIBLE PARTY
1.	Post first \$225,000 Security for NYSEG engineering and procurement for Stand Alone System Upgrade Facilities, Connecting Transmission Owner's Interconnection Facilities, and Other System Upgrade Facilities	July 2015	Monticello Hills
2.	Submit POI & remote end conceptual package to NYSEG, including detailed project schedule.	July 2015	Monticello Hills
3.	Complete review of conceptual package for POI & remote end (20 Business Days from submission of package)	August 2015	NYSEG
4.	Submit equipment specifications for POI & remote end to NYSEG	August 2015	Monticello Hills
5.	Complete review of POI & remote end major equipment specifications (20 Business Days from submission of package)	September 2015	NYSEG
6.	Post second Security payment \$225,000 for engineering and procurement for Stand Alone System Upgrade Facilities, Connecting Transmission Owner's Interconnection Facilities, and Other System Upgrade Facilities.	September 2015	Monticello Hills
7.	Submit POI system protection &	September 2015	Monticello Hills

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	MILESTONE	DATE	RESPONSIBLE PARTY
	control ("SP&C") package 1		
8.	Complete review of POI SP&C package 1 (20 Business Days following submission of package)	October 2015	NYSEG
9.	Submit remote end SP&C package 1	October 2015	Monticello Hills
10.	Submit POI in ground package to NYSEG	October 2015	Monticello Hills
11.	Complete review of remote end SP&C package 1 (20 Business Days following submission of package)	November 2015	NYSEG
12.	Complete review of POI in ground package (20 Business Days from submission of package)	November 2015	NYSEG
13.	Submit POI above ground package	November 2015	Monticello Hills
14.	Submit remote end in ground package	November 2015	Monticello Hills
15.	Complete review of POI above ground package	December 2015	NYSEG
16.	Complete review of remote end in ground package (20 Business Days following submission of package)	December 2015	NYSEG
17.	Submit remote end above ground package to NYSEG	January 2016	Monticello Hills
18.	Complete review of remote end above ground package (20 Business Days following submission of package)	February 2016	NYSEG
19.	Post \$550,000 Security to NYSEG for engineering, procurement, & construction of Stand Alone System	February 2016	Monticello Hills

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	MILESTONE	DATE	RESPONSIBLE PARTY
	Upgrade Facilities and Other System Upgrade Facilities		
20.	Submit SP&C package 2 for POI & remote end to NYSEG	February 2016	Monticello Hills
21.	Complete review of SP&C package 2 for POI & remote end (20 Business Days following submission of package)	March 2016	NYSEG
22.	Submit SP&C package 3 for POI & remote end to NYSEG	March 2016	Monticello Hills
23.	Complete review of SP&C package 3 for POI & remote end (20 Business Days following submission of package)	April 2016	NYSEG
24.	Completion of upgrades at Brothertown and Richfield Springs	September 2016	NYSEG
25.	Completion of POI Substation	September 2016	Monticello Hills
26.	Commissioning of POI Substation and remote ends	October 2016	Monticello Hills; NYSEG
27.	In-Service Date	December 2016	Monticello Hills
28.	Initial Synchronization Date	December 2016	Monticello Hills
29.	Commercial Operation Date	December 2016	Monticello Hills
30.	Close out package to NYSEG	December 2016	Monticello Hills

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	MILESTONE	DATE	RESPONSIBLE PARTY
31.	Close out package finalized	January 2017	Monticello; NYSEG
32.	Turn over to NYSEG	January 2017	Monticello Hills

Agreed to by:

For the New York Independent System Operator, Inc.

Henry Chao
Vice President, System & Resource Planning, NYISO

Date _____

For the Connecting Transmission Owner

Mark Lynch
Chief Executive Officer

Date _____

For the Interconnection Customer

Dennis P. Meany
President

Date _____

Attachment 5

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

The NYISO, in consultation with the Connecting Transmission Owner, shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the New York State Transmission System or the Distribution System.

The Interconnection Customer must comply with all applicable NYISO tariffs and procedures, as amended from time to time. The Interconnection Customer must also comply with the Connecting Transmission Owner's operating instructions and requirements as referenced in Sections 1.5 and 1.6 of this SGIA, which requirements shall include equipment outages and control arrangements, tagging agreements and procedures, maintenance arrangements and responsibilities, company contacts and phone numbers and supervisory equipment.

The Interconnection Customer must comply with relevant provisions of the Connecting Transmission Owner's Electric System Bulletin 86-01, as amended from time to time, to the extent not inconsistent with the terms of this Agreement or the NYISO OATT.

Attachment 6

Connecting Transmission Owner's Description of its Upgrades and Best Estimate of Upgrade Costs

The NYISO, in consultation with the Connecting Transmission Owner, shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Connecting Transmission Owner shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

The cost estimate for System Upgrade Facilities and System Deliverability Upgrades shall be taken from the NYISO OATT Attachment S cost allocation process or applicable Interconnection Study, as required by Section 32.3.5.3.2 of Attachment Z. The cost estimate for Distribution Upgrades shall include the costs of Distribution Upgrades that are reasonably allocable to the Interconnection Customer at the time the estimate is made, and the costs of any Distribution Upgrades not yet constructed that were assumed in the Interconnection Studies for the Interconnection Customer but are, at the time of the estimate, an obligation of an entity other than the Interconnection Customer.

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

A. DISTRIBUTION UPGRADES

None.

B. SYSTEM UPGRADE FACILITIES ("SUF") - STAND ALONE SUFs

The Interconnection Customer will construct the POI Substation - a 46 kV 3-breaker ring bus at the Point of Interconnection to Connecting Transmission Owner's 46 kV transmission line number 812. The Interconnection Customer shall design, procure, and construct the POI Substation in accordance with the Connecting Transmission Owner's specifications, as set forth in NYSEG technical requirements to be provided by NYSEG, to the extent not inconsistent with the terms of this Agreement and the NYISO OATT.

The POI Substation will consist of the following:

- ☐ Three (3) 46 kV, 1200 A continuous, 40 kA interrupting, 250 kV BIL SF6 circuit breakers with three (3) 1200/5MR, C800 BCTs/Bushing;
- ☐ Nine (9) 46kV, 1200 A continuous, 250kV BIL, 40kA three-phase momentary disconnect switches with manual operators;

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- ☐ Nine (9) 46 kV, 250 kV BIL voltage transformers;
- ☐ Six (6) Station Class 48 kV surge arresters rated 39 kV MCOV;
- ☐ One (1) single phase, 46 kV-120/240 V station service transformer (“SST”);
- ☐ Control house, complete with HVAC, lighting, AC/DC systems (A&B), and relay panels;
- ☐ Conduit and trench;
- ☐ Control cabling;
- ☐ Grounding materials;
- ☐ 46 kV Bus work;
- ☐ 46 kV structures; and
- ☐ Fencing.

C. SYSTEM UPGRADE FACILITIES (“SUF”) - OTHER SUFs

1. Physical Interconnection to 46 kV Facilities

The Connecting Transmission Owner will engineer, design, procure, and construct the 46 kV transmission line number 812 tap(s) at the Point of Interconnection to connect the new POI Substation.

2. Protection SUFs at the Brothertown Road Substation

The Connecting Transmission Owner will replace the existing transmission line number 812 relaying with two groups of numeric relays and will replace circuit breaker 81222 with a new breaker with two sets of current transformers per bushing. The Protection SUFs at the Brothertown Road Substation will consist of the following:

- ☐ 46kV, 1200A, 40kA interrupting circuit breaker 81222; and
- ☐ 1200A disconnect switches 81225 & 81224.

The Interconnection Customer will engineer, design, and procure the above-referenced System Upgrade Facilities at the Brothertown Road Substation in accordance with applicable NYSEG technical requirements to be provided by NYSEG. The Connecting Transmission Owner will construct and commission the above-referenced System Upgrade Facilities at the Brothertown Road Substation.

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3. Protection SUFs at the Richfield Springs Substation

The Connecting Transmission Owner will replace the existing transmission line number 812 relaying with two groups of numeric relays and will replace circuit breaker 81242 with a new breaker with two sets of current transformers per bushing. The Protection SUFs at the Richfield Springs Substation will consist of the following:

- ☐ 46kV, 1200A, 40kA interrupting Circuit Breaker 81242;
- ☐ 1200A Disconnect Switches 81244 & 81245; and
- ☐ One (1) Voltage Transformer, 46 kV nominal system voltage, 250 kV BIL, two secondary windings, Ratios 240:1 & 400:1 @ 48 kV Reference Voltage, 400 VA, 0.3%MWXYZ,ZZ.

The Interconnection Customer will engineer, design, and procure the above-referenced SUFs at the Richfield Springs Substation in accordance with applicable NYSEG technical requirements to be provided by NYSEG. The Connecting Transmission Owner will construct and commission the above-referenced System Upgrade Facilities at the Richfield Springs Substation.

D. COST ESTIMATES RELATED TO DISTRIBUTION UPGRADES AND SYSTEM UPGRADE FACILITIES

Description		Costs
Stand Alone System Upgrade Facilities		\$3,617,000
Other System Upgrade Facilities		
	46 kV Transmission Work at Point of Interconnection	\$200,000
	Protection SUFs at Brothertown Road Substation	\$474,000
	Protection SUFs at Richfield Springs Substation	\$486,000
Total		\$4,777,000

Attachment 7

Insurance Coverage

Each Party shall, at its own expense, maintain in force throughout the period of this Agreement, the following minimum insurance coverage, with insurers authorized to do business in the State of New York:

Commercial General Liability Insurance including, but not limited to, bodily injury, property damage, products/completed operations, contractual and personal injury liability with a combined single limit of \$1 million per occurrence, \$2 million annual aggregate. In lieu of an actual general or public liability insurance policy either party may choose to self-insure the first \$1,000,000 of any loss provided it can be shown that it has been a longstanding practice to maintain a high limit/deductible and the self-insurer can show proof of excess limits of at least \$2,000,000.

Attachment III

April 19, 2017

Via Electronic Mail to pdoyle@northeastenergyprojects.com

Patrick Doyle
Northeast Wind Projects
2021 Western Avenue, Suite 105A
Albany, NY 12203

Subject: Withdrawal of the Queue No. 362 Monticello Hill Wind Project

Dear Mr. Doyle:

This letter serves to inform you that effective as of the date of this letter, the Interconnection Request of the above-referenced project ("Project") has been withdrawn from the interconnection queue of the New York Independent System Operator, Inc. ("NYISO").

The withdrawal of this Project is required by Section 32.1.3.2 of the NYISO's Small Generator Interconnection Procedures ("SGIP") contained in Attachment Z of the NYISO's Open Access Transmission Tariff ("OATT"). Section 32.1.3.2 of Attachment Z provides that extensions of Commercial Operation Date for Small Generating Facilities are subject to the provisions of Section 30.4.4.5 of Attachment X of the OATT. This Project has failed satisfy the requirements of Section 30.4.4.5 with respect to its requested extension of Commercial Operation Date. Specifically, the Project has not made the requisite demonstration pursuant to Section 30.4.4.5.2.2 that it has made reasonable progress against milestones set forth in the Interconnection Agreement. Therefore, Section 32.1.3.2 of Attachment Z of the OATT requires that the Project be withdrawn.

In the absence of specific withdrawal and cure provisions in the *pro forma* SGIP, the NYISO relies on Section 30.3.6 of the Large Facility Interconnection Procedures, which provides a Project fifteen Business Days from receipt of a withdrawal letter "to either respond with information or actions that cure the deficiency or to notify the NYISO of its intent to pursue Dispute Resolution." To the extent you intend to provide such documentation or intend to pursue Dispute Resolution, you must notify the NYISO via email to InterconnectionSupport@nyiso.com on or before May 10, 2017.

Regards,

Jessica Gamache

Jessica Gamache
Interconnection Process Coordinator

Cc: Julie Mahoney - NYSEG