SERVICE AGREEMENT NO. 2510

SERVICE AGREEMENT NO. 2510 DEVELOPMENT AGREEMENT   
 AMONG THE

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.   
 AND

NIAGARA MOHAWK POWER CORPORATION   
 D/B/A NATIONAL GRID

AND

NEW YORK TRANSCO, LLC

Dated as of January 10, 2020

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THIS DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into this 10th day   
of January 2019, by and between Niagara Mohawk Power Corporation d/b/a National Grid,   
organized and existing under the laws of the State of New York (“National Grid”), New York   
Transco, LLC, a limited liability company organized and existing under the laws of the State of   
New York (“Transco”), and 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”).   
Transco will be referred to as the “Developer.” Transco or NYISO each may be referred to as a   
“Party” or collectively referred to as the “Parties.” National Grid has executed this Agreement,   
and is a party to this Agreement for the limited purposes of complying with Section 31.4.12.2 of   
Attachment Y of the NYISO Open Access Transmission Tariff (“OATT”) and implementing the   
assignment requirements in Article 10 of this Agreement. National Grid shall only be subject to   
the terms and conditions in this Agreement set forth in Article 10. National Grid will be referred   
to as a “Developer,” a “Party,” or collectively with Transco and/or the NYISO as the “Parties”   
solely in the assignment requirements in Article 10 of this Agreement.

RECITALS

WHEREAS, the NYISO administers the Comprehensive System Planning Process (“CSPP”) in the New York Control Area pursuant to the terms set forth in Attachment Y of the NYISO’s OATT, as accepted by the Federal Energy Regulatory Commission (“FERC”);

WHEREAS, as part of the CSPP, the NYISO administers a Public Policy Transmission

Planning Process pursuant to which Public Policy Transmission Need(s) are identified; proposed solutions to the identified need(s) are solicited by the NYISO; and the more efficient or costeffective transmission solution to satisfy the identified need(s) is selected by the NYISO and reported in the NYISO’s Public Policy Transmission Planning Report;

WHEREAS, Transco and National Grid jointly proposed a Public Policy Transmission Project to satisfy an identified Public Policy Transmission Need (“Transmission Project”);

WHEREAS, the NYISO has selected the Transmission Project as the more efficient or cost-

effective transmission solution to satisfy an identified Public Policy Transmission Need and has directed Transco and National Grid to proceed with the Transmission Project;

WHEREAS, the Developer has agreed to obtain the required authorizations and approvals from Governmental Authorities needed for the Transmission Project, to develop and construct the Transmission Project, and to abide by the related requirements in Attachment Y of the OATT, the ISO Tariffs, and the ISO Procedures;

WHEREAS, Transco, National Grid, and the NYISO have agreed to enter into this Agreement pursuant to Section 31.4.12.2 of Attachment Y of the OATT for the purpose of ensuring that the Transmission Project will be constructed and in service in time to satisfy the Public Policy   
Transmission Need (“Required Project In-Service Date”); and

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WHEREAS, the Developer has agreed to construct, and the NYISO has requested that the

Developer proceed with construction of, the Transmission Project to address the identified Public Policy Transmission Need by the Required Project In-Service Date.

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

ARTICLE 1. DEFINITIONS

Whenever used in this Agreement with initial capitalization, the following terms shall have the

meanings specified in this Article 1. Terms used in this Agreement with initial capitalization that are not defined in this Article 1 shall have the meanings specified in Section 31.1.1 of   
Attachment Y of the OATT or, if not therein, in Article 1 of the OATT.

Advisory Milestones shall mean the milestones set forth in the Development Schedule in Attachment C to this Agreement that are not Critical Path Milestones.

Affected System Operator shall mean any Affected System Operator(s) identified in connection with the Transmission Project pursuant to Attachment P of the ISO OATT.

Applicable Laws and Regulations shall mean: (i) 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,   
and (ii) all applicable requirements of the ISO Tariffs, ISO Procedures, and ISO Related   
Agreements.

Applicable Reliability Organizations shall mean the NERC, the NPCC, and the NYSRC.

Applicable Reliability Requirements shall mean the requirements, criteria, rules, standards,

and guidelines, as they may be amended and modified and in effect from time to time, of: (i) the Applicable Reliability Organizations, (ii) the Connecting Transmission Owner(s), and (iii) any Affected System Operator; provided, however, that no Party shall waive its right to challenge the applicability or validity of any requirement, criteria, rule, standard, or guideline as applied to it in the context of this Agreement.

Breach shall have the meaning set forth in Article 7.1 of this Agreement.

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

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

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

Change of Control shall mean a change in ownership of more than 50% of the membership or ownership interests or other voting securities of the Developer to a third party in one or more related transactions, or any other transaction that has the effect of transferring control of the Developer to a third party.

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Confidential Information shall mean any information that is defined as confidential by Article

11.2.

Connecting Transmission Owner shall be the Connecting Transmission Owner(s) identified in connection with the Transmission Project pursuant to Attachment P of the ISO OATT.

Critical Path Milestones shall mean the milestones identified as such in the Development

Schedule in Attachment C to this Agreement that must be met for the Transmission Project to be constructed and operating by the Required Project In-Service Date.

Default shall mean the failure of a Party in Breach of this Agreement to cure such Breach in accordance with Article 7.2 of this Agreement.

Developer shall have the meaning set forth in the introductory paragraph.

Development Schedule shall mean the schedule of Critical Path Milestones and Advisory Milestones set forth in Appendix C to this Agreement.

Effective Date shall mean the date upon which this Agreement becomes effective as determined in Article 2.1 of this Agreement.

FERC shall mean the Federal Energy Regulatory Commission or its successor.

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

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

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

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Developer, the Connecting Transmission Owner(s), the Affected System Operator(s), or any Affiliate thereof.

In-Service Date shall mean the date upon which the Transmission Project is energized

consistent with the provisions of the Transmission Project Interconnection Agreement and available to provide Transmission Service under the NYISO Tariffs.

ISO/TO Agreement shall mean the Agreement Between the New York Independent System   
Operator and Transmission Owners, as filed with and accepted by the Commission in Cent.   
Hudson Gas & Elec. Corp., et al., 88 FERC ¶ 61,138 (1999) in Docket Nos. ER97-1523, et al.,   
and as amended or supplemented from time to time, or any successor agreement thereto.

New York State Transmission System shall mean the entire New York State electrical

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.

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

NPCC shall mean the Northeast Power Coordinating Council or its successor organization.   
NYPSC shall mean the New York State Public Service Commission or its successor.   
NYSRC shall mean the New York State Reliability Council or its successor organization.

OATT shall mean the NYISO’s Open Access Transmission Tariff, as filed with the

Commission, and as amended or supplemented from time to time, or any successor tariff thereto.

Party or Parties shall have the meaning set forth in the introductory paragraph.

Point of Interconnection shall mean the point or points at which the Developer’s Transmission Project will interconnect to the New York State Transmission System.

Project Description shall mean the description of the Transmission Project set forth in

Appendix A to this Agreement that is consistent with the project proposed and evaluated in the NYISO’s Public Policy Transmission Planning Process and selected by the NYISO Board of Directors as the more efficient or cost-effective transmission solution to the identified Public Policy Transmission Need.

Public Policy Transmission Planning Process Manual shall mean the NYISO’s manual

adopted by the NYISO stakeholder Operating Committee describing the NYISO’s procedures for implementing the Public Policy Transmission Planning Process component of the NYISO’s   
Comprehensive System Planning Process, as the manual is amended or supplemented from time to time, or any successor manual thereto.

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Required Project In-Service Date shall mean the In-Service Date by which the Transmission   
Project must be constructed and operating, which date shall be: (i) the date by which the Public   
Policy Transmission Need must be satisfied as prescribed by the NYPSC in its order identifying   
the need or in a subsequent order, or (ii) if the NYPSC has not prescribed a date, the date   
proposed by the Developer and reviewed and accepted by the NYISO, which date may be either:

(A) the In-Service Date specified by the Developer in the project information it submitted under Attachment Y of the OATT for use by the NYISO in its selection of the Transmission Project as the more efficient or cost-effective transmission solution to satisfy the Public Policy   
Transmission Need, or (B) such other date accepted by the NYISO as reasonable in light of the Public Policy Transmission Need. The Required Project In-Service Date is set forth in the   
Development Schedule contained in Appendix C to this Agreement.

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

Significant Modification shall mean a Developer’s proposed modification to its Transmission   
Project that: (i) could impair the Transmission Project’s ability to meet the identified Public   
Policy Transmission Need, (ii) could delay the In-Service Date of the Transmission Project   
beyond the Required Project In-Service Date, or (iii) would constitute a material change to the   
project information submitted by the Developer under Attachment Y of the OATT for use by the   
NYISO in evaluating the Transmission Project for purposes of selecting the more efficient or   
cost-effective transmission solution to meet the identified Public Policy Transmission Need.

Scope of Work shall mean the description of the work required to implement the Transmission   
Project as set forth in Appendix B to this Agreement. The Scope of Work shall be drawn from   
the Developer’s submission of the “Information for a Proposed Solution to a Public Policy   
Transmission Need” and the “Data Submission for Public Policy Transmission Projects,” which   
are set forth in Attachments B and C of the NYISO Public Policy Transmission Planning Process   
Manual, as may be updated as agreed upon by the Parties. The Scope of Work shall include, but   
not be limited to, a description of: the acquisition of required rights-of-ways, the work associated   
with the licensing, design, financing, environmental and regulatory approvals, engineering,   
procurement of equipment, construction, installation, testing, and commissioning of the   
Transmission Project; the relevant technical requirements, standards, and guidelines pursuant to   
which the work will be performed; the major equipment and facilities to be constructed and/or   
installed in connection with the Transmission Project, and the cost estimates for the work   
associated with the Transmission Project.

Transmission Owner Technical Standards shall mean the technical requirements and

standards (e.g., equipment or facilities electrical and physical capabilities, design characteristics, or construction requirements), as those requirements and standards are amended and modified and in effect from time to time, of: (i) the Connecting Transmission Owner(s) and (ii) any   
Affected System Operator.

Transmission Project shall mean the Developer’s proposed Public Policy Transmission Project   
selected by the NYISO as the more efficient or cost-effective transmission solution to a Public

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Policy Transmission Need that is subject to this Agreement, as described in the Project Description set forth in Appendix A to this Agreement.

ARTICLE 2. EFFECTIVE DATE AND TERM

2.1. Effective Date

This Agreement shall become effective on the date it has been executed by all Parties; provided, however, if the Agreement is filed with FERC as a non-conforming or an unexecuted agreement pursuant to Section 31.4.12.2 of Attachment Y of the OATT, the Agreement shall become effective on the effective date accepted by FERC.

2.2. Filing

If the Agreement must be filed with FERC pursuant to Section 31.4.12.2 of Attachment   
Y of the OATT, the NYISO shall file this Agreement for acceptance with FERC within the   
timeframe set forth for the filing in Section 31.4.12.2 of Attachment Y of the OATT. The   
Developer shall cooperate in good faith with the NYISO with respect to such filing and provide   
any information requested by the NYISO to comply with Applicable Laws and Regulations.   
Any Confidential Information shall be treated in accordance with Article 11.2 of this Agreement.

2.3. Term of Agreement

Subject to the termination provisions in Article 8 of this Agreement, this Agreement shall   
remain in effect from the Effective Date until: (i) the Developer executes an operating agreement   
with the NYISO, and (ii) the Transmission Project: (A) has been completed in accordance with   
the terms and conditions of this Agreement, and (B) is in-service; provided, however, that the   
terms of this Agreement shall continue in effect to the extent provided in Article 14 of this   
Agreement.

ARTICLE 3. TRANSMISSION PROJECT DEVELOPMENT AND CONSTRUCTION

3.1. Application for Required Authorizations and Approvals

The Developer shall timely seek and obtain all authorizations and approvals from

Governmental Authorities required to develop, construct, and operate the Transmission Project   
by the Required Project In-Service Date. The required authorizations and approvals shall be   
listed in the Scope of Work in Appendix B to this Agreement. The Developer shall seek and   
obtain the required authorizations and approvals in accordance with the milestones set forth in   
the Development Schedule in Appendix C to this Agreement. The milestones for obtaining the   
required authorizations and approvals shall be included in the Development Schedule as Critical   
Path Milestones and Advisory Milestones, as designated by the Parties under Article 3.3.1. The   
Developer shall notify the NYISO in accordance with the notice requirements in Article 3.3 if it   
has reason to believe that it may be unable to timely obtain or is denied an approval or   
authorization by a Governmental Authority required for the development, construction, or   
operation of the Transmission Project, or if such approval or authorization is withdrawn or   
modified.

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3.2. Development and Construction of Transmission Project

The Developer shall design, engineer, procure, install, construct, test and commission the   
Transmission Project in accordance with: (i) the terms of this Agreement, including, but not   
limited to, the Project Description in Appendix A to this Agreement, the Scope of Work in   
Appendix B to this Agreement, and the Development Schedule in Appendix C to this   
Agreement; (ii) Applicable Reliability Requirements; (iii) Applicable Laws and Regulations; (iv)   
Good Utility Practice; (v) the Transmission Owner Technical Standards, and (vi) any   
interconnection agreement(s) entered into by and among the NYISO, Developer, and Connecting   
Transmission Owner(s) for the Transmission Project to interconnect to the New York State   
Transmission System.

3.3. Milestones

3.3.1. The NYISO shall provide the Developer with the Required Project In-Service Date that is

set forth in the Public Policy Transmission Planning Report in accordance with Section

31.4.11 of Attachment Y of the OATT. Prior to executing and/or filing this Agreement with FERC, the NYISO and the Developer shall agree to the Critical Path Milestones and Advisory Milestones set forth in the Development Schedule in Appendix C to this   
Agreement for the development, construction, and operation of the Transmission Project by the Required Project In-Service Date in accordance with Section 31.4.12.2 of   
Attachment Y of the OATT; provided that any such milestone for the Transmission   
Project that requires action by a Connecting Transmission Owner or Affected System Operator to complete must be included as an Advisory Milestone.

3.3.2. The Developer shall meet the Critical Path Milestones in accordance with the

Development Schedule set forth in Appendix C to this Agreement. The Developer’s   
inability or failure to meet a Critical Path Milestone specified in the Development   
Schedule, as such Critical Path Milestone may be amended with the agreement of the   
NYISO under this Article 3.3, shall constitute a Breach of this Agreement under Article

7.1.

3.3.3. The Developer shall notify the NYISO thirty (30) Calendar Days prior to the date of each

Critical Path Milestone specified in the Development Schedule whether, to the best of its knowledge, it expects to meet the Critical Path Milestone by the specified date; provided, however, that notwithstanding this requirement:

(i) the Developer shall notify the NYISO as soon as reasonably practicable, and no later   
than fifteen (15) Calendar Days, following the Developer’s discovery of a potential delay   
in meeting a Critical Path Milestone, including a delay caused by a Force Majeure event;   
and

(ii) the NYISO may request in writing at any time, and the Developer shall submit to the NYISO within five (5) Business Days of the request, a written response indicating   
whether the Developer will meet, or has met, a Critical Path Milestone and providing all required supporting documentation for its response.

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3.3.4. The Developer shall not make a change to a Critical Path Milestone without the prior

written consent of the NYISO. To request a change to a Critical Path Milestone, the

Developer must: (i) inform the NYISO in writing of the proposed change to the Critical   
Path Milestone and the reason for the change, including the occurrence of a Force   
Majeure event in accordance with Section 15.5, (ii) submit to the NYISO a revised   
Development Schedule containing any necessary changes to Critical Path Milestones and   
Advisory Milestones that provide for the Transmission Project to be completed and   
achieve its In-Service Date no later than the Required Project In-Service Date, and (iii)   
submit a notarized officer’s certificate certifying the Developer’s capability to complete   
the Transmission Project in accordance with the modified schedule. If the Developer: (i)   
must notify the NYISO of a potential delay in meeting a Critical Path Milestone in   
accordance with one of the notification requirements in Section 3.3.3 or (ii) is requesting   
a change to a Critical Path Milestone to cure a Breach in Section 7.2, the Developer shall   
submit any request to change the impacted Critical Path Milestone(s) within the relevant   
notification timeframe set forth in Section 3.3.3 or the cure period set forth in Section 7.2,   
as applicable. The NYISO will promptly review the Developer’s requested change. The   
Developer shall provide the NYISO with all required information to assist the NYISO in   
making its determination and shall be responsible for the costs of any study work the   
NYISO performs in making its determination. If the Developer demonstrates to the   
NYISO’s satisfaction that the delay in meeting a Critical Path Milestone will not delay   
the Transmission Project’s In-Service Date beyond the Required Project In-Service Date,   
then the NYISO’s consent to extending the Critical Path Milestone date will not be   
unreasonably withheld, conditioned, or delayed. The NYISO’s written consent to a   
revised Development Schedule proposed by the Developer will satisfy the amendment   
requirements in Article 15.8, and the NYISO will not be required to file the revised   
Development Schedule with FERC.

3.3.5. Within fifteen (15) Calendar Days of the Developer’s discovery of a potential delay in

meeting an Advisory Milestone, the Developer shall inform the NYISO of the potential delay and describe the impact of the delay on meeting the Critical Path Milestones. The Developer may extend an Advisory Milestone date upon informing the NYISO of such   
change; provided, however, that if the change to the Advisory Milestone will delay a   
Critical Path Milestone, the NYISO’s written consent to make such change is required as described in Article 3.3.4.

3.4. Modifications to Required Project In-Service Date

3.4.1. The Developer shall not make a change to the Required Project In-Service Date without

the prior written consent of the NYISO. To request a change, the Developer must: (i)   
inform the NYISO in writing of the proposed change to the Required Project In-Service   
Date and the reason for the change, including the occurrence of a Force Majeure event,   
(ii) submit to the NYISO a revised Development Schedule that provides for the   
Transmission Project to be completed and achieve its In-Service Date no later than the   
proposed, modified Required Project In-Service Date, and (iii) demonstrate that the   
Developer has made reasonable progress against the milestones set forth in the   
Development Schedule, and is capable of completing the Transmission Project in   
accordance with the modified schedule. If the Required Project In-Service Date is the

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date prescribed by the NYPSC in its order identifying the Public Policy Transmission

Need or in a subsequent order, the Developer must also demonstrate that the NYPSC has issued an order modifying its prescribed date.

3.4.2. The NYISO will promptly review Developer’s requested change to the Required Project   
 In-Service Date. The Developer shall provide the NYISO with all required information   
 to assist the NYISO in making its determination and shall be responsible for the costs of   
 any study work the NYISO performs in making its determination. If the Developer fails   
 to provide the NYISO with the information required to make its determination, the   
 NYISO shall not be obligated to make this determination. The NYISO’s consent to   
 extend the Required Project In-Service Date will not be unreasonably withheld,   
 conditioned, or delayed if the Developer demonstrates to the NYISO’s satisfaction that:

(i) its proposed modified Required Project In-Service Date is reasonable in light of the   
Public Policy Transmission Need, (ii) it has made reasonable progress against the   
milestones set forth in the Development Schedule, and (iii) its proposed modified date   
will not result in a significant adverse impact to the reliability of the New York State   
Transmission System. The Parties shall amend this Agreement in accordance with   
Article 15.8 to incorporate a revised Required Project In-Service Date and Development   
Schedule.

3.5. Modifications to Transmission Project

The Developer shall not make a Significant Modification to the Transmission Project   
without the prior written consent of the NYISO, including, but not limited to, modifications   
necessary for the Developer to obtain required approvals or authorizations from Governmental   
Authorities; provided, however, that a proposed Significant Modification that is a proposed   
modification to the Required Project In-Service Date shall be addressed in accordance with   
Article 3.4. The NYISO’s determination regarding a Significant Modification to the

Transmission Project under this Agreement shall be separate from, and shall not replace, the

NYISO’s review and determination of material modifications to the Transmission Project under   
Attachment P of the OATT. The Developer may request that the NYISO review whether a   
modification to the Transmission Project would constitute a Significant Modification. The   
Developer shall provide the NYISO with all required information to assist the NYISO in making   
its determination regarding a Significant Modification and shall be responsible for the costs of   
any study work the NYISO must perform in making its determination. The NYISO’s consent to   
the Significant Modification will not be unreasonably withheld, conditioned, or delayed if the   
Developer demonstrates to the NYISO’s satisfaction that its proposed Significant Modification:

(i) does not impair the Transmission Project’s ability to satisfy the identified Public Policy

Transmission Need, (ii) does not delay the In-Service Date of the Transmission Project beyond   
the Required Project In-Service Date, (iii) does not change the grounds upon which the NYISO   
selected the Transmission Project as the more efficient or cost-effective transmission solution to   
the identified Public Policy Transmission Need, and (iv) will not result in a significant adverse   
impact to the reliability of the New York State Transmission System. The NYISO’s   
performance of this review shall not constitute its consent to delay the completion of any Critical   
Path Milestone.

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3.6. Billing and Payment

The NYISO shall charge, and the Developer shall pay, the actual costs of: (i) any study   
work performed by the NYISO or its subcontractor(s) under Articles 3.3, 3.4, and 3.5, or (ii) any   
assessment of the Transmission Project by the NYISO or its subcontractor(s) under Article 3.8.   
The NYISO will invoice Developer on a monthly basis for the expenses incurred by the NYISO   
each month, including estimated subcontractor costs, computed on a time and material basis.   
The Developer shall pay invoiced amounts to the NYISO within thirty (30) Calendar Days of the   
NYISO’s issuance of a monthly invoice. In the event the Developer disputes an amount to be   
paid, the Developer shall pay the disputed amount to the NYISO, pending resolution of the   
dispute. To the extent the dispute is resolved in the Developer’s favor, the NYISO will net the   
disputed amount, including interest calculated from Developer’s date of payment at rates   
applicable to refunds under FERC regulations, against any current amounts due from the   
Developer and pay the balance to the Developer. This Article 3.6 shall survive the termination,   
expiration, or cancellation of this Agreement.

3.7. Project Monitoring

The Developer shall provide regular status reports to the NYISO in accordance with the monitoring requirements set forth in the Development Schedule, the Public Policy Transmission Planning Process Manual and Attachment Y of the OATT.

3.8. Right to Inspect

Upon reasonable notice, the NYISO or its subcontractor shall have the right to inspect the Transmission Project for the purpose of assessing the progress of the development and   
construction of the Transmission Project and satisfaction of milestones. The exercise or non-  
exercise by the NYISO or its subcontractor of this right shall not be construed as an endorsement or confirmation of any element or condition of the development or construction of the   
Transmission Project, or as a warranty as to the fitness, safety, desirability or reliability of the same. Any such inspection shall take place during normal business hours, shall not interfere   
with the construction of the Transmission Project and shall be subject to such reasonable safety and procedural requirements as the Developer shall specify.

3.9. Exclusive Responsibility of Developer

As between the Parties, the Developer shall be solely responsible for all planning, design,   
engineering, procurement, construction, installation, management, operations, safety, and   
compliance with Applicable Laws and Regulations, Applicable Reliability Requirements, and   
Transmission Owner Technical Standards associated with the Transmission Project, including,   
but not limited to, scheduling, meeting Critical Path Milestones and Advisory Milestones, timely   
requesting review and consent to any project modifications, and obtaining all necessary permits,   
siting, and other regulatory approvals. The NYISO shall have no responsibility and shall have   
no liability regarding the management or supervision of the Developer’s development of the   
Transmission Project or the compliance of the Developer with Applicable Laws and Regulations,   
Applicable Reliability Requirements, and Transmission Owner Technical Standards. The   
NYISO shall cooperate with the Developer in good faith in providing information to assist the

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Developer in obtaining all approvals and authorizations from Governmental Authorities required to develop, construct, and operate the Transmission Project by the Required Project In-Service Date, including, if applicable, information describing the NYISO’s basis for selecting the   
Transmission Project as the more efficient or cost-effective transmission solution to satisfy an identified Public Policy Transmission Need.

3.10. Subcontractors

3.10.1. Nothing in this Agreement shall prevent a Party from using the services of any

subcontractor as it deems appropriate to perform its obligations under this Agreement;

provided, however, that each Party shall require, and shall provide in its contracts with its subcontractors, that its subcontractors comply with all applicable terms and conditions of this Agreement in providing such services; provided, further, that each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

3.10.2. The creation of any subcontractor relationship shall not relieve the hiring Party of any of   
 its obligations under this Agreement. The hiring Party shall be fully responsible to the   
 other Party for the acts or omissions of any subcontractor the hiring Party hires as if no   
 subcontract had been made.

3.11. No Services or Products Under NYISO Tariffs

This Agreement does not constitute a request for, nor agreement by the NYISO to

provide, Transmission Service, interconnection service, Energy, Ancillary Services, Installed

Capacity, Transmission Congestion Contracts or any other services or products established under the ISO Tariffs. If Developer wishes to receive or supply such products or services, the   
Developer must make application to do so under the applicable provisions of the ISO Tariffs, ISO Related Agreements, and ISO Procedures.

3.12. Tax Status

Each Party shall cooperate with the other Party to maintain each Party’s tax status to the extent the Party’s tax status is impacted by this Agreement. Nothing in this agreement is   
intended to affect the tax status of any Party.

ARTICLE 4. COORDINATION WITH THIRD PARTIES

4.1. Interconnection Requirements for Transmission Project

The Developer shall satisfy all requirements set forth in the Transmission Interconnection   
Procedures in Attachment P of the OATT applicable to a “Transmission Project” to interconnect   
the Transmission Project to the New York State Transmission System by the Required Project   
In-Service Date, including, but not limited to, submitting a Transmission Interconnection   
Application; participating in all necessary studies; executing, and/or requesting the NYISO to   
file for FERC acceptance, a Transmission Project Interconnection Agreement; and constructing,   
or arranging for the construction of, all required Network Upgrade Facilities; provided, however,   
if the Developer began the interconnection process in Attachment X of the OATT or the

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transmission expansion process in Sections 3.7 or 4.5 of the OATT prior to the effective date of   
the Transmission Interconnection Procedures, the Developer shall satisfy the requirements of the   
Transmission Interconnection Procedures in accordance with the transition rules in Section

22.3.3 of Attachment P of the OATT.

If the NYISO determines that the proposed interconnection of a “Transmission Project”   
under Attachment P could affect the Transmission Project under this Agreement, the Developer   
shall participate in the Transmission Interconnection Procedures as an Affected System Operator   
in accordance with the requirements set forth in Section 22.4.4 of Attachment P. If the NYISO   
determines that the proposed interconnection of a “Large Generating Facility,” “Small   
Generating Facility,” or “Class Year Transmission Project” under Attachments X or Z of the   
OATT could affect the Transmission Project, the Developer shall participate in the   
interconnection process as an Affected System Operator in accordance with the requirements set   
forth in Section 30.3.5 of Attachment X of the OATT. If the NYISO determines that a proposed   
transmission expansion under Sections 3.7 and 4.5 of the OATT could affect the Transmission   
Project, the Developer shall participate in the transmission expansion process as an affected   
Transmission Owner in accordance with the requirements set forth in Sections 3.7 and 4.5 of the   
OATT.

4.2. Interconnection with Affected System

If part of the Transmission Project will affect the facilities of an Affected System as determined in Attachment P of the OATT, the Developer shall satisfy the requirements of the Affected System Operator for the interconnection of the Transmission Project.

4.3. Coordination of Interregional Transmission Project

If the Transmission Project is or seeks to become an Interregional Transmission Project   
selected by the NYISO and by the transmission provider in one or more neighboring   
transmission planning region(s) to address an identified Public Policy Transmission Need, the   
Developer shall coordinate its development and construction of the Transmission Project in New   
York with its responsibilities in the relevant neighboring transmission planning region(s) and   
must satisfy the applicable planning requirements of the relevant transmission planning   
region(s).

ARTICLE 5. OPERATION REQUIREMENTS FOR THE TRANSMISSION PROJECT

If the Developer is a Transmission Owner, the Developer shall comply with the operating   
requirements set forth in the ISO/TO Agreement. If the Developer is not a Transmission Owner,   
the Developer shall: (i) execute, and/or obtain a FERC accepted, interconnection agreement for   
the Transmission Project in accordance with the requirements in Attachment P of the OATT; (ii)   
satisfy the applicable requirements set forth in the interconnection agreement and ISO   
Procedures for the safe and reliable operation of the Transmission Project consistent with the   
Project Description set forth in Appendix A by the In-Service Date, including satisfying all   
applicable testing, metering, communication, system protection, switching, start-up, and   
synchronization requirements; (iii) enter into required operating protocols as determined by the   
NYISO; (iv) register with NERC as a Transmission Owner, be certified as a Transmission

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Operator unless otherwise agreed by the Parties, and comply with all NERC Reliability

Standards and Applicable Reliability Requirements applicable to Transmission Owners and Transmission Operators; and (v) prior to energizing the Transmission Project, execute an operating agreement with the NYISO.

ARTICLE 6. INSURANCE

The Developer shall, at its own expense, maintain in force throughout the period of this   
Agreement, and until released by the NYISO, the following minimum insurance coverages, with   
insurers authorized to do business in the state of New York and rated “A- (minus) VII” or better   
by A.M. Best & Co. (or if not rated by A.M. Best & Co., a rating entity acceptable to the   
NYISO):

6.1 Workers’ Compensation and Employers’ Liability Insurance providing statutory benefits in accordance with the laws and regulations of New York State under NCCI Coverage Form No. WC 00 00 00, as amended or supplemented from time to time, or an equivalent form acceptable to the NYISO; provided, however, if the Transmission Project will be located in part outside of New York State, Developer shall maintain such Employers’ Liability Insurance coverage with a minimum limit of One Million Dollars ($1,000,000).

6.2 Commercial General Liability Insurance - under ISO Coverage Form No. CG 00 01

(04/13), as amended or supplemented from time to time, or an equivalent form acceptable to the NYISO - with minimum limits of Two Million Dollars ($2,000,000) per occurrence/Four   
Million Dollars ($4,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

6.3 Commercial Business Automobile Liability Insurance - under ISO Coverage Form No.   
CA 00 01 10 13, as amended or supplemented from time to time, or an equivalent form   
acceptable to the NYISO - for coverage of owned and non-owned and hired vehicles, trailers or   
semi-trailers designed for travel on public roads, with a minimum, combined single limit of One   
Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property   
damage.

6.4 Umbrella/Excess Liability Insurance over and above the Employers’ Liability,

Commercial General Liability, and Commercial Business Automobile Liability Insurance

coverage, with a minimum combined single limit of Twenty-Five Million Dollars ($25,000,000) per occurrence/Twenty-Five Million Dollars ($25,000,000) aggregate.

6.5 Builder’s Risk Insurance in a reasonably prudent amount consistent with Good Utility

Practice.

6.6 The Commercial General Liability Insurance, Commercial Business Automobile Liability   
Insurance and Umbrella/Excess Liability Insurance policies of Developer shall name the NYISO   
and its respective directors, officers, agents, servants and employees (“NYISO Parties”) as   
additional insureds. For Commercial General Liability Insurance, Developer shall name the   
NYISO Parties as additional insureds under the following ISO form numbers, as amended or   
supplemented from time to time, or an equivalent form acceptable to the NYISO: (i) ISO

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Coverage Form No. CG 20 37 04 13 (“Additional Insured - Owners, Lessees or Contractors -  
Completed Operations”) and (ii) (A) ISO Coverage Form No. CG 20 10 04 13 (“Additional Insured - Owner, Lessees or Contractors - Scheduled Person or Organization”), or (B) ISO Coverage Form No. CG 20 26 04 13 (“Additional Insured - Designated Person or   
Organization”). For Commercial Business Automobile Liability Insurance, Developer shall name the NYISO Parties as additional insureds under ISO Coverage Form No. CA 20 48 10 13 (“Designated Insured for Covered Autos Liability Coverage”), as amended or supplemented from time to time, or an equivalent form acceptable to the NYISO.

6.7 All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the NYISO Parties and provide thirty (30) Calendar days advance written notice to the NYISO Parties prior to non-renewal, cancellation or any material change in coverage or condition.

6.8 The Commercial General Liability Insurance, Commercial Business Automobile Liability   
Insurance and Umbrella/Excess Liability Insurance policies shall contain provisions that specify   
that the policies are primary and shall apply to such extent without consideration for other   
policies separately carried and shall state that each insured is provided coverage as though a   
separate policy had been issued to each, except the insurer’s liability shall not be increased   
beyond the amount for which the insurer would have been liable had only one insured been   
covered. The Developer shall be responsible for its respective deductibles or retentions.

6.9 The Commercial General Liability Insurance, Commercial Business Automobile Liability   
Insurance and Umbrella/Excess Liability Insurance policies, if written on a Claims First Made   
Basis in a form acceptable to the NYISO, shall be maintained in full force and effect for two (2)   
years after termination of this Agreement, which coverage may be in the form of an extended   
reporting period (ERP) or a separate policy, if agreed by the Developer and the NYISO.

6.10 The requirements contained herein as to the types and limits of all insurance to be

maintained by the Developer are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Developer under this Agreement.

6.11 The Developer shall provide certification of all insurance required in this Agreement,   
executed by each insurer or by an authorized representative of each insurer: (A) within ten (10)   
days following: (i) execution of this Agreement, or (ii) the NYISO’s date of filing this   
Agreement if it is filed unexecuted with FERC, and (B) as soon as practicable after the end of   
each fiscal year or at the renewal of the insurance policy and in any event within thirty (30) days   
thereafter.

6.12 Notwithstanding the foregoing, the Developer may self-insure to meet the minimum   
insurance requirements of Articles 6.2 through 6.10 to the extent it maintains a self-insurance   
program; provided that, the Developer’s senior debt is rated at investment grade, or better, by   
Standard & Poor’s and that its self-insurance program meets the minimum insurance   
requirements of Articles 6.2 through 6.10. For any period of time that the Developer’s senior   
debt is unrated by Standard & Poor’s or is rated at less than investment grade by Standard &   
Poor’s, the Developer shall comply with the insurance requirements applicable to it under   
Articles 6.2 through 6.11. In the event that the Developer is permitted to self-insure pursuant to

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this Article 6.12, it shall notify the NYISO that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 6.11.

6.13 The Developer and the NYISO agree to report to each other in writing as soon as

practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

6.14 Notwithstanding the minimum insurance coverage types and amounts described in this   
Article 6, the Developer: (i) shall also maintain any additional insurance coverage types and   
amounts required under Applicable Laws and Regulations, including New York State law, and under Good Utility Practice for the work performed by the Developer and its subcontractors   
under this Agreement, and (ii) shall satisfy the requirements set forth in Articles 6.6 through 6.13 with regard to the additional insurance coverages, including naming the NYISO Parties as   
additional insureds under these policies.

ARTICLE 7. BREACH AND DEFAULT

7.1. Breach

A Breach of this Agreement shall occur when: (i) the Developer notifies the NYISO in   
writing that it will not proceed to develop the Transmission Project for reasons other than those   
set forth in Articles 8.1(i) through (iv); (ii) the Developer fails to meet a Critical Path Milestone,   
as the milestone may be extended with the agreement of the NYISO under Article 3.3.4 of this   
Agreement, set forth in the Development Schedule in Appendix C to this Agreement; (iii) the   
Developer makes a Significant Modification to the Transmission Project without the prior

written consent of the NYISO; (iv) the Developer fails to pay a monthly invoice within the   
timeframe set forth in Article 3.6; (v) the Developer misrepresents a material fact of its   
representations and warranties set forth in Article 12; (vi) a Party assigns this Agreement in a   
manner inconsistent with the terms of Article 10 of this Agreement; (vii) the Developer fails to   
comply with any other material term or condition of this Agreement; (viii) a custodian, receiver,   
trustee or liquidator of the Developer, or of all or substantially all of the assets of the Developer,   
is appointed in any proceeding brought by the Developer; or (ix) any such custodian, receiver,   
trustee, or liquidator is appointed in any proceeding brought against the Developer that is not   
discharged within ninety (90) Days after such appointment, or if the Developer consents to or   
acquiesces in such appointment. A Breach shall not occur as a result of a Force Majeure event in   
accordance with Article 15.5. A Breach shall also not occur as a result of a delay caused by a   
Connecting Transmission Owner or an Affected System Operator.

7.2. Default

Upon a Breach, the non-Breaching Party shall give written notice of the Breach to the   
Breaching Party describing in reasonable detail the nature of the Breach and, where known and   
applicable, the steps necessary to cure such Breach, including whether and what such steps must   
be accomplished to complete the Transmission Project by the Required Project In-Service Date.   
The Breaching Party shall have thirty (30) Calendar Days from receipt of the Breach notice to   
cure the Breach, or such other period of time as may be agreed upon by the Parties, which

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agreement the NYISO will not unreasonably withhold, condition, or delay if it determines a

longer cure period will not threaten the Developer’s ability to complete the Transmission Project by the Required Project In-Service Date; provided, however, that if the Breach is the result of a   
Developer’s inability or failure to meet a Critical Path Milestone, the Developer may only cure   
the Breach if either: (i) it meets the Critical Path Milestone within the cure period and   
demonstrates to the NYISO’s satisfaction that, notwithstanding its failure to timely meet the   
Critical Path Milestone, the Transmission Project will achieve its In-Service Date no later than   
the Required Project In-Service Date, or (ii) the Developer requests in writing within the cure   
period, and the NYISO consents to, a change to the missed Critical Path Milestone in accordance with Article 3.3.4. If the Breach is cured within such timeframe, the Breach specified in the   
notice shall cease to exist. If the Breaching Party does not cure its Breach within this timeframe or cannot cure the Breach in a manner that provides for the Transmission Project to be completed by the Required Project In-Service Date, the non-Breaching Party shall have the right to declare a Default and terminate this Agreement pursuant to Article 8.1.

7.3. Remedies

Upon the occurrence of an event of Default, the non-defaulting Party shall be entitled: (i)   
to commence an action to require the defaulting Party to remedy such Default and specifically   
perform its duties and obligations hereunder in accordance with the terms and conditions hereof;   
and (ii) to exercise such other rights and remedies as it may have in equity or at law; provided,   
however, the defaulting Party’s liability under this Agreement shall be limited to the extent set   
forth in Article 9.1. No remedy conferred by any provision of this Agreement is intended to be   
exclusive of any other remedy and each and every remedy shall be cumulative and shall be in   
addition to every other remedy given hereunder or now or hereafter existing at law or in equity   
or by statute or otherwise. The election of any one or more remedies shall not constitute a

waiver of the right to pursue other available remedies. This Article 7.3 shall survive the termination, expiration, or cancellation of this Agreement.

ARTICLE 8. TERMINATION

8.1. Termination by the NYISO

The NYISO may terminate this Agreement by providing written notice of termination to   
the Developer in the event that: (i) the Developer notifies the NYISO that it is unable to or has   
not received the required approvals or authorizations by Governmental Authorities required to   
develop, construct, and operate the Transmission Project by the Required Project In-Service   
Date; (ii) the Developer notifies the NYISO that its required approvals or authorizations by   
Governmental Authorities have been withdrawn by the Governmental Authorities; (iii) the   
Developer cannot complete the Transmission Project by the Required Project In-Service Date for   
any reason: (A) including the occurrence of a Force Majeure event that will prevent the   
Developer from completing the Transmission Project by the Required Project In-Service Date,   
but (B) excluding a delay caused by a Connecting Transmission Owner or an Affected System   
Operator; or (iv) the NYISO declares a default pursuant to Article 7.2 of this Agreement.

If the NYISO identifies grounds for termination under Articles 8.1(iii) or (iv) or receives   
notice from the Developer under Articles 8.1(i) or (ii), the NYISO may, prior to providing a

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written notice of termination, take action in accordance with Section 31.4.12.3.1.3 of Attachment   
Y of the OATT to address the Public Policy Transmission Need and, notwithstanding the   
confidentiality provisions in Article 11.2, may disclose information regarding the Transmission   
Project to Governmental Authorities as needed to implement such action. If the NYISO decides   
to terminate this Agreement under Article 8.1(i), (ii), (iii), or (iv), it will provide written notice of   
termination to the Developer, which notice will specify the date of termination. If the   
Agreement was filed and accepted by FERC pursuant to Section 31.4.12.2 of Attachment Y of   
the OATT, the NYISO will, following its provision of a notice of termination to the Developer,   
promptly file with FERC for its acceptance a notice of termination of this Agreement.

In the event of termination under Articles 8.1 (i) or (ii), the Developer may be eligible for   
cost recovery under the OATT in the manner set forth in Attachment Y and Schedule 10 of the   
OATT. In the event of termination under Articles 8.1(iii) or (iv), cost recovery may be permitted   
as determined by FERC. In the event of termination for any reason under this Article 8.1, the   
Developer shall use commercially reasonable efforts to mitigate the costs, damages, and charges   
arising as a consequence of termination and any transfer or winding up of the Transmission   
Project.

8.2. Reporting of Inability to Comply with Provisions of Agreement

Notwithstanding the notification requirements in Article 3 and this Article 8 of this

Agreement, each Party shall notify the other Party promptly upon the notifying Party becoming aware of its inability to comply with any provision of this Agreement. The Parties agree to   
cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for inability to comply, and corrective actions taken or   
planned to be taken with respect to such inability to comply.

8.3. Transmission Project Transfer Rights Upon Termination

If the NYISO terminates this Agreement pursuant to Article 8.1, the NYISO shall have   
the right, but shall not be required, to request an entity other than the Developer to complete the   
Transmission Project. The NYISO may exercise this right by providing the Developer with   
written notice within sixty (60) days after the date on which this Agreement is terminated. If the   
NYISO exercises its right under this Article 8.3 and Section 31.4.12.3.1.3 of Attachment Y of   
the OATT, the Developer shall work cooperatively with the NYISO’s designee pursuant to the   
requirements set forth in Section 31.4.12.3.1.4 of Attachment Y of the OATT to implement the   
transition, including entering into good faith negotiations with the NYISO’s designee to transfer   
the Transmission Project to the NYISO’s designee. All liabilities under this Agreement existing   
prior to such transfer shall remain with the Developer, unless otherwise agreed upon by the   
Developer and the NYISO’s designee as part of their good faith negotiations regarding the   
transfer. This Article 8.3 shall survive the termination, expiration, or cancellation of this   
Agreement.

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ARTICLE 9. LIABILITY AND INDEMNIFICATION

9.1. Liability

Notwithstanding any other provision in the NYISO’s tariffs and agreements to the

contrary, neither Party shall be liable, whether based on contract, indemnification, warranty,

equity, tort, strict liability, or otherwise, to the Other Party or any Transmission Owner, NYISO   
Market Participant, third party or any other person for any damages whatsoever, including,   
without limitation, direct, incidental, consequential (including, without limitation, attorneys’ fees   
and litigation costs), punitive, special, multiple, exemplary, or indirect damages arising or   
resulting from any act or omission under this Agreement, except in the event the Party is found   
liable for gross negligence or intentional misconduct in the performance of its obligations under   
this Agreement, in which case the Party’s liability for damages shall be limited only to direct   
actual damages. This Article 9.1 shall survive the termination, expiration, or cancellation of this   
Agreement.

9.2. Indemnity

Notwithstanding any other provision in the NYISO’s tariffs and agreements to the   
contrary, each Party shall at all times indemnify and save harmless, as applicable, the other   
Party, its directors, officers, employees, trustees, and agents or each of them from any and all   
damages (including, without limitation, any consequential, incidental, direct, special, indirect,   
exemplary or punitive damages and economic costs), losses, claims, including claims and actions   
relating to injury to or death of any person or damage to property, liabilities, judgments,   
demands, suits, recoveries, costs and expenses, court costs, attorney and expert fees, and all other   
obligations by or to third parties, arising out of, or in any way resulting from this Agreement,   
provided, however, that the Developer shall not have any indemnification obligation under this   
Article 9.2 with respect to any loss to the extent the loss results from the gross negligence or   
intentional misconduct of the NYISO; provided, further, that the NYISO shall only have an   
indemnification obligation under this Article 9.2 with respect to any loss resulting from its gross   
negligence or intentional misconduct to the same extent as provided in Section 2.11.3(b) of the   
ISO OATT. This Article 9.2 shall survive the termination, expiration, or cancellation of this   
Agreement.

ARTICLE 10. ASSIGNMENT

10.1 General Assignment Requirements

This Agreement may be assigned by a Party only with the prior written consent of the other Parties; provided that:

(i) any Change of Control shall be considered an assignment under this Article 10 and shall require the other Parties’ prior written consent;

(ii) an assignment by a Developer shall be contingent upon that Developer or assignee   
demonstrating to the satisfaction of the NYISO prior to the effective date of the   
assignment that: (A) the assignee has the technical competence, financial ability, and

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materials, equipment, and plans to comply with the requirements of this Agreement and to construct and place in service the Transmission Project by the Required Project InService Date consistent with the assignor’s cost estimates for the Transmission Project; and (B) the assignee satisfies the requirements for a qualified developer pursuant to Section 31.4.4 of Attachment Y of the OATT; and

(iii) a Developer shall have the right to assign this Agreement, without the consent of the   
NYISO, for collateral security purposes to aid in providing financing for the   
Transmission Project and shall promptly notify the NYISO of any such assignment;   
provided, however, that such assignment shall be subject to the following: (i) prior to or   
upon the exercise of the secured creditor’s, trustee’s, or mortgagee’s assignment rights   
pursuant to said arrangement, the secured creditor, the trustee, or the mortgagee will   
notify the NYISO of the date and particulars of any such exercise of assignment right(s),   
and (ii) the secured creditor, trustee, or mortgagee must demonstrate to the satisfaction of   
the NYISO that any entity that it proposes to complete the Transmission Project meets   
the requirements for the assignee of a Developer described in Article 10(ii).

For all assignments by any Party, the assignee must assume in a writing, to be provided to the other Party or Parties, all rights, duties, and obligations of the assignor arising under this   
Agreement, including the insurance requirements in Article 6 of this Agreement. Any   
assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party’s   
obligations be enlarged, in whole or in part, by reasons thereof, absent the written consent of the other Party. Where required, consent to assignment will not be unreasonably withheld,   
conditioned, or delayed. Any attempted assignment that violates this Article 10 is void and   
ineffective, is a Breach of this Agreement under Article 7.1 and may result in the termination of this Agreement under Articles 8.1 and 7.2.

10.2 National Grid Assignment Requirements

National Grid may only assign its rights, duties, and obligations under this Agreement to   
Transco with the prior written consent of Transco and the NYISO, provided that National Grid   
and Transco must meet the requirements set forth in Article 10.1 to implement the assignment.   
If National Grid and Transco complete this assignment in accordance with Article 10.1, the   
NYISO, National Grid, and Transco agree that the Parties will amend this Agreement pursuant to   
Section 15.8 of this Agreement to replace this three-party agreement with a two-party agreement   
between the NYISO and Transco, including making any required filings at the Commission. If   
National Grid does not submit a notice of assignment and request for NYISO consent within   
thirty (30) days after the Effective Date to implement this assignment or if the NYISO   
determines that National Grid and/or Transco have not satisfied within a reasonable time frame   
the requirements for the assignment set forth in Article 10.1, NYISO, National Grid, and Transco   
agree that the Parties will amend this Agreement pursuant to Section 15.8 of this Agreement to   
provide that National Grid will be a Developer with the related rights, duties, and obligations for   
purposes of the entire Agreement and jointly and severally liable with Transco under the   
amended agreement.

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ARTICLE 11. INFORMATION EXCHANGE AND CONFIDENTIALITY

11.1. Information Access

Subject to Applicable Laws and Regulations, each Party shall make available to the other   
Party information necessary to carry out obligations and responsibilities under this Agreement   
and Attachment Y of the OATT. The Parties shall not use such information for purposes other   
than to carry out their obligations or enforce their rights under this Agreement or Attachment Y   
of the OATT.

11.2. Confidentiality

11.2.1. Confidential Information shall mean: (i) all detailed price information and vendor

contracts; (ii) any confidential and/or proprietary information provided by one Party to

the other Party that is clearly marked or otherwise designated “Confidential Information”; and (iii) information designated as Confidential Information by the NYISO Code of   
Conduct contained in Attachment F of the OATT; provided, however, that Confidential Information does not include information: (i) in the public domain or that has been   
previously publicly disclosed; (ii) required by an order of a Governmental Authority to be publicly submitted or divulged (after notice to the other Party); or (iii) necessary to be divulged in an action to enforce this Agreement.

11.2.2. The NYISO shall treat any Confidential Information it receives in accordance with the

requirements of the NYISO Code of Conduct contained in Attachment F of the OATT. If   
the Developer receives Confidential Information, it shall hold such information in   
confidence, employing at least the same standard of care to protect the Confidential   
Information obtained from the NYISO as it employs to protect its own Confidential   
Information. Each Party shall not disclose the other Party’s Confidential Information to   
any third party or to the public without the prior written authorization of the Party   
providing the information, except: (i) to the extent required for the Parties to perform   
their obligations under this Agreement, the ISO Tariffs, ISO Related Agreements, or ISO   
Procedures, or (ii) to fulfill legal or regulatory requirements, provided that if the Party   
must submit the information to a Governmental Authority in response to a request by the   
Governmental Authority on a confidential basis, the Party required to disclose the   
information shall request under applicable rules and regulations that the information be   
treated as confidential and non-public by the Governmental Authority.

ARTICLE 12. REPRESENTATIONS, WARRANTIES AND COVENANTS

12.1. General

The Developer makes the following representations, warranties, and covenants, which are effective as to the Developer during the full time this Agreement is effective:

12.2. Good Standing

The Developer is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable. The Developer is

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qualified to do business in the state or states in which the Transmission Project is located. The Developer has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions   
contemplated hereby and to perform and carry out covenants and obligations on its part under and pursuant to this Agreement.

12.3. Authority

The Developer has the right, power, and authority to enter into this Agreement, to

become a Party hereto, and to perform its obligations hereunder. This Agreement is a legal,

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

12.4. No Conflict

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

12.5. Consent and Approval

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

12.6. Compliance with All Applicable Laws and Regulations

The Developer will comply with all Applicable Laws and Regulations, including all approvals, authorizations, orders, and permits issued by any Governmental Authority; all Applicable Reliability Requirements, and all applicable Transmission Owner Technical Standards in the performance of its obligations under this Agreement.

ARTICLE 13. DISPUTE RESOLUTION

If a dispute arises under this Agreement between, the Parties shall use the dispute

resolution process described in Article 11 of the NYISO’s Services Tariff, as such process may   
be amended from time to time. Notwithstanding the process described in Article 11 of the

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NYISO’s Services Tariff, the NYISO may terminate this Agreement in accordance with Article 8 of this Agreement.

ARTICLE 14. SURVIVAL

The rights and obligations of the Parties in this Agreement shall survive the termination, expiration, or cancellation of this Agreement to the extent necessary to provide for the   
determination and enforcement of said obligations arising from acts or events that occurred while this Agreement was in effect. The remedies and rights and obligation upon termination   
provisions in Articles 7.3 and 8.3 of this Agreement, the liability and indemnity provisions in Article 9, and the billing and payment provisions in Article 3.6 of this Agreement shall survive termination, expiration, or cancellation of this Agreement.

ARTICLE 15. MISCELLANEOUS

15.1. Notices

Any notice or request made to or by any Party regarding this Agreement shall be made to the Parties, as indicated below:

New York Independent System Operator, Inc.

Attn: Zachary G. Smith

Vice President, System and Resource Planning

10 Krey Boulevard

Rensselaer, NY 12144   
Phone: (518) 356-6000

Fax: (518) 356-6118

Transco

Attn: Victor Mullin President

New York Transco

One Hudson Center

Hudson, New York 12534   
Phone: (518) 444-4684

Victor.Mullin@NYTransco.com

With copy to:

Attn: Kathleen Carrigan General Counsel

New York Transco

One Hudson Center

Hudson, New York 12534   
Phone: (518) 444-4310

Kathleen.Carrigan@NYTransco.com

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National Grid

Attn: Bart Franey   
Director

National Grid

300 Erie Blvd. West

Syracuse, New York 13202   
Phone: (315) 428-5136

Bart.Franey@nationalgrid.com

With copy to:

Attn: Kara Krueger   
Senior Counsel   
National Grid

300 Erie Blvd. West

Syracuse, New York 13202   
Phone: (315) 428-6611

Kara.Krueger@nationalgrid.com

15.2. Entire Agreement

Except as described below in this Section 15.2, this Agreement, including all Appendices   
attached hereto, constitutes the entire agreement between the Parties with reference to the subject   
matter hereof, and supersedes all prior and contemporaneous understandings of 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 that constitute any part of the   
consideration for, or any condition to, either Party’s compliance with its obligation under this   
Agreement.

Notwithstanding the foregoing, this Agreement is in addition to, and does not supersede   
or limit the Developer’s and NYISO’s rights and responsibilities, under any interconnection   
agreement(s) entered into by and among the NYISO, Developer, and Connecting Transmission   
Owner(s) for the Transmission Project to interconnect to the New York State Transmission   
System, as such interconnection agreements may be amended, supplemented, or modified from   
time to time.

15.3. Cost Recovery

The Developer may recover the costs of the Transmission Project in accordance with the cost recovery requirements in the ISO Tariffs.

15.4. Binding Effect

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

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15.5. Force Majeure

A Party that is unable to carry out an obligation imposed on it by this Agreement due to   
Force Majeure shall notify the other Party in writing as soon as reasonably practicable after the   
occurrence of the Force Majeure event and no later than the timeframe set forth in Article

3.3.3(i) if the Force Majeure event will result in a potential delay for the Developer to meet a   
Critical Path Milestone. If the notifying Party is the Developer, it shall indicate in its notice   
whether the occurrence of a Force Majeure event has the potential to delay its meeting one or   
more Critical Path Milestones and/or completing the Transmission Project by the Required   
Project In-Service Date. If the Force Majeure will delay the Developer’s ability to meet one or   
more Critical Path Milestones, the Developer shall request with its notice a change to the   
impacted milestones in accordance with the requirements in Section 3.3.4 and must satisfy the   
requirements in Section 3.3.4 to change any Critical Path Milestones. A Party shall not be   
responsible for any non-performance or considered in Breach or Default under this Agreement,   
for any failure to perform any obligation under this Agreement to the extent that such failure is   
due to Force Majeure and will not delay the Developer’s ability to complete the Transmission   
Project by the Required Project In-Service Date. A Party shall be excused from whatever   
performance is affected only for the duration of the Force Majeure and while the Party exercises   
reasonable efforts to alleviate such situation. As soon as the nonperforming Party is able to   
resume performance of its obligations excused because of the occurrence of Force Majeure, such   
Party shall resume performance and give prompt notice thereof to the other Party. In the event   
that Developer will not be able to complete the Transmission Project by the Required Project In-  
Service Date because of the occurrence of Force Majeure, the NYISO may terminate this   
Agreement in accordance with Section 8.1 of this Agreement.

15.6. Disclaimer

Except as provided in this Agreement, the Parties make no other representations,

warranties, covenants, guarantees, agreements or promises regarding the subject matter of this Agreement.

15.7. No NYISO Liability for Review or Approval of Developer Materials

No review or approval by the NYISO or its subcontractor(s) of any agreement, document,   
instrument, drawing, specifications, or design proposed by the Developer nor any inspection   
carried out by the NYISO or its subcontractor(s) pursuant to this Agreement shall relieve the   
Developer from any liability for any negligence in its preparation of such agreement, document,   
instrument, drawing, specification, or design, or its carrying out of such works; or for its failure   
to comply with the Applicable Laws and Regulations, Applicable Reliability Requirements, and   
Transmission Owner Technical Standards with respect thereto, nor shall the NYISO be liable to   
the Developer or any other person by reason of its or its subcontractor’s review or approval of an   
agreement, document, instrument, drawing, specification, or design or such inspection.

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15.8. Amendment

The Parties may by mutual agreement amend this Agreement, including the Appendices   
to this Agreement, by a written instrument duly executed by both of the Parties. If the   
Agreement was filed and accepted by FERC pursuant to Section 31.4.12.2 of Attachment Y of   
the OATT, the NYISO shall promptly file the amended Agreement for acceptance with FERC.

15.9. No Third Party Beneficiaries

With the exception of the indemnification rights of the NYISO’s directors, officers,

employees, trustees, and agents under Article 9.2, 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 their permitted   
assigns.

15.10. Waiver

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

performance of any provision of this Agreement will not be considered a waiver of any

obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either   
Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

15.11. Rules of Interpretation

This Agreement, unless a clear contrary intention appears, shall be construed and

interpreted as follows: (1) the singular number includes the plural number and vice versa; (2)

reference to any person includes such person’s successors and assigns but, in the case of a Party,   
only if such successors and assigns are permitted by this Agreement, and reference to a person in   
a particular capacity excludes such person in any other capacity or individually; (3) reference to   
any agreement (including this Agreement), document, instrument or tariff means such   
agreement, document, instrument, or tariff as amended or modified and in effect from time to   
time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to   
any Applicable Laws and Regulations means such Applicable Laws and Regulations as   
amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time,   
including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated   
otherwise, reference to any Article, Section or Appendix means such Article of this Agreement,   
such Appendix to this Agreement, or such Section of this Agreement, as the case may be; (6)   
“hereunder”, “hereof’, “herein”, “hereto” and words of similar import shall be deemed references   
to this Agreement as a whole and not to any particular Article or other provision hereof or   
thereof; (7) “including” (and with correlative meaning “include”) means including without   
limiting the generality of any description preceding such term; and (8) relative to the   
determination of any period of time, “from” means “from and including”, “to” means “to but   
excluding” and “through” means “through and including”.

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15.12. Severability

Each provision of this Agreement shall be considered severable and if, for any reason,   
any provision is determined by a court or regulatory authority of competent jurisdiction to be   
invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full   
force and effect and shall in no way be affected, impaired, or invalidated, and such invalid, void,   
or unenforceable provision should be replaced with valid and enforceable provision or provisions   
that otherwise give effect to the original intent of the invalid, void, or unenforceable provision.

15.13. 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.

15.14. No Partnership

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

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

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

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

15.15. Headings

The descriptive headings of the various Articles and Sections of this Agreement have

been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

15.16. Governing Law

This Agreement shall be governed, as applicable, by: (i) the Federal Power Act, and (ii) the substantive law of the State of New York, without regard to any conflicts of laws provisions thereof (except to the extent applicable, Sections 5-1401 and 5-1402 of the New York General Obligations Law).

15.17. Jurisdiction and Venue

Any legal action or judicial proceeding regarding a dispute arising out of or relating to

this Agreement or any performance by either Party pursuant thereto that: (i) is within the primary   
or exclusive jurisdiction of FERC shall be brought in the first instance at FERC, or (ii) is not   
within the primary or exclusive jurisdiction of FERC shall be brought in, and fully and finally   
resolved in, either, as applicable, the courts of the State of New York situated in Albany County,   
New York or the United States District Court of the Northern District of New York situated in   
Albany, New York.

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

New York Independent System Operator, Inc.

By:

Zachary G. Smith

Title: Vice President, System & Resource Planning

Date:

Niagara Mohawk Power Corporation d/b/a National Grid

By:

Title:   
Date:

New York Transco, LLC

By:

Victor Mullin   
Title: President

Date:

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Appendix A

Project Description

1. Transmission Project Overview

The transmission project is the New York Energy Solution Project (“Transmission

Project”) that was submitted by the Developer and evaluated as part of the NYISO’s Public

Policy Transmission Planning Process and selected by the NYISO Board of Directors on April 8, 2019 as the more efficient or cost-effective transmission solution to the need to increase the   
UPNY/SENY transfer capability, which constitutes Segment B of the AC Transmission Public Policy Needs identified by the New York State Public Service Commission (“NYPSC”) in its December 17, 2015 order in Case No. 12-T-0502.

The Transmission Project will be mainly located in three counties (Rensselaer, Columbia and Dutchess) in the northern and mid-Hudson Valley, New York and will consist of the   
components described in Sections 2 and 3 below. The Transmission Project will be built entirely within existing transmission line corridors and property owned by the incumbent Transmission Owners, including National Grid.

2. Components of the Transmission Project

a. The Transmission Project consists of the following components:

• A new 345 kV/115 kV double-circuit transmission line from a new Knickerbocker   
 switching station to the existing Pleasant Valley substation, and the rebuild of   
 approximately 2.1 miles of the 115 kV Blue Stores Tap;

• A new 345 kV Knickerbocker switching station at the proposed, greenfield site in   
 Schodack, New York, which will house a 50% series compensator for the new 345   
 kV Knickerbocker to Pleasant Valley transmission line;

• Rebuild of the existing NYSEG Churchtown 115 kV switching station in Claverack,   
 New York, which will require decommissioning of the existing facility;

• Replacement of terminal equipment at the 345 kV Roseton substation to increase the   
 thermal rating of Roseton to East Fishkill 345 kV transmission line #305 and the 345   
 kV New Scotland substation to increase the thermal ratings on the New Scotland to   
 Knickerbocker 345 kV transmission line #2A; and

• Two new 135 MVAR 345 kV capacitor banks connected to the Pleasant Valley 345   
 kV substation.

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The Transmission Project includes additional upgrades to existing transmission facilities as identified by the NYPSC in its December 17, 2015 order identifying the AC Transmission Public Policy Transmission Needs.

• Terminal upgrades to the Rock Tavern 345 kV substation and Coopers Corners   
 substation; and

• Upgrades to the Shoemaker to Sugarloaf 138 kV facilities.

b. Network Upgrade Facilities

The Transmission Project requires upgrades and expansions to existing transmission

facilities owned by Transmission Owners that will be identified as Network Upgrade Facilities and handled in a Transmission Project Interconnection Agreement, as described below:

• Expansion of the Con Edison Pleasant Valley 345 kV substation in Pleasant Valley,

New York to accommodate two new bays for the connection of the 345 kV capacitor

banks.

• Equipment replacements and/or additions at existing terminal facilities to

interconnect the Transmission Project, which include, but are not limited to, the addition or replacement of circuit breakers, switches, metering equipment, and/or protective relay modifications. The following substations that will be modified by such Network Upgrade Facilities include, but are not limited to:

• 345 kV Alps,

• 345 kV New Scotland

• 345 kV Pleasant Valley,

• 115 kV Blue Stores,

• 115 kV North Catskill,

• 115 kV Milan,

• 115 kV Hudson,

• 115 kV Schodack,

• 115 kV LaFarge,

• 115 kV Valkin,

• 115 kV Falls Park,

• 115 kV Buckley Corners,

• 115 kV ADM Milling,

• 115 kV Greenbush, and

• 115 kV Fort Orange.

• Removal of various 115 kV transmission lines will need to occur to accommodate the

construction of the new 345 kV/115 kV lines.

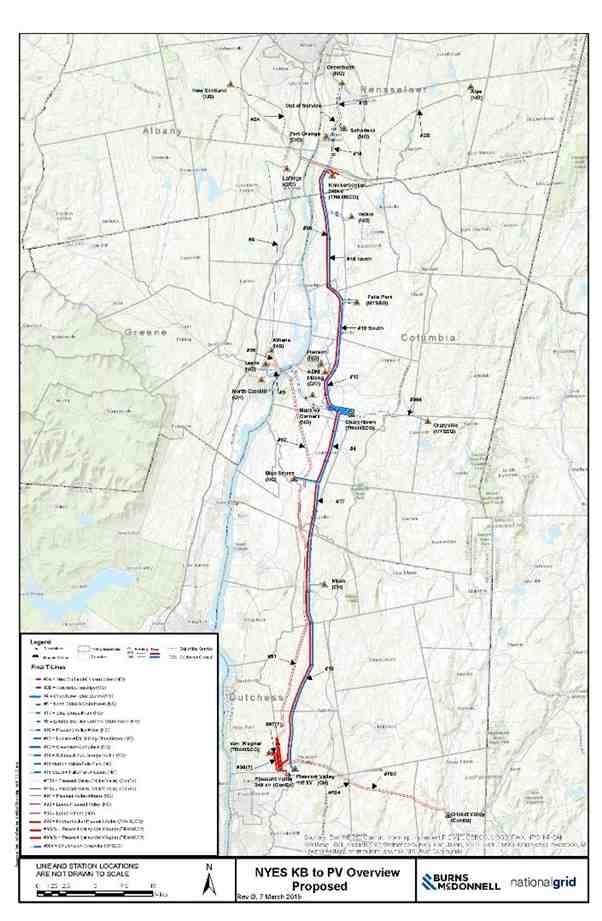
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3. Interconnection Facilities

The Developer submitted an Interconnection Request for the Transmission Project to   
be studied in the NYISO’s Transmission Interconnection Procedures under Attachment P   
to the NYISO’s Open Access Transmission Tariff (“OATT”). The NYISO assigned the   
Transmission Project Queue No. 543. This Agreement was executed prior to the   
completion of the NYISO’s evaluation of the impact of the Transmission Project on the   
New York State Transmission System and execution of a Transmission Project   
Interconnection Agreement. As a result, the interconnection and operation of the   
Transmission Project are expected to require the construction of Network Upgrade   
Facilities that will be finalized through the Facilities Study and are expected to include,   
but not be limited to, modifications to existing transmission facilities that the Developer   
proposed as a component of the Transmission Project in the Public Policy Transmission   
Planning Process identified in this Appendix A, Section 2. The identified facilities and   
associated responsibilities in designing, engineering, procuring, installing, constructing,   
testing, and commissioning will be addressed in the Transmission Project Interconnection   
Agreement or associated engineering, procurement, and construction agreements among   
the Developer, the Connecting Transmission Owner(s) and/or the Affected System   
Operator(s), and the NYISO.

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Appendix B

Scope of Work

1. Components of the Transmission Project:

The Developer shall design, engineer, procure, install, construct, test, and commission the   
Transmission Project as described in Appendix A of this Agreement, and pursuant to this   
Appendix B. Any Network Upgrade Facilities, including those described in Appendix A, shall   
be identified and finalized in the Transmission Interconnection Procedures and addressed in the   
Transmission Project Interconnection Agreement and/or associated engineering, procurement,   
and construction agreements among the Developer, the Connecting Transmission Owner(s)   
and/or Affected System Operator(s). Based on a preliminary design, the components of the   
Transmission Project will consist of the following major electrical and physical equipment:

(a) New Knickerbocker 345 kV switching station with a ring bus configuration and   
 50% series compensation

• Three (3) dead-tank gas circuit breakers, 362 kV, 5000 A;

• Eleven (11) disconnect switches, 362 kV, 5000 A continuous;

• Three (3) line traps, 362 kV, 5000A;

• Nine (9) CCVTs, 362 kV, 1800/3000:1;

• Three (3) line tuners;

• Three (3) sets of three (3) Metering Instrument Transformers (VT/CTs) in

accordance with NYPSC requirements (metering requirements to be finalized in

the Facilities Study pursuant to the Transmission Interconnection Procedures);

• Eighteen (18) surge arresters, 220 kV MCOV;

• Two (2) station service voltage transformers (SSVT);

• One (1) 50% Series Compensation system with bypass switching rated 1.28% X

PU, 15.23 Ohms, 681 MVAR at normal rating of 3862A;

• Structures, foundations, bus, insulators, grounding, trench, conduit and control

cable;

• Site development, grading and fencing; and

• One (1) 65-ft x 16-ft (size to be finalized by the Developer in detailed

engineering) control house, including: approximately twenty (20) panels for   
Protection, Control, Communications, Series Compensation system, Metering,

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Remote Terminal Unit (RTU), SCADA, Digital Fault Recorder (DFI), Human Machine Interface (HMI), Sequence of Events Recorder (SOER), Phasor   
Measurement Unit (PMU); two (2) battery banks; DC panelboards; AC   
panelboards; Automatic Transfer Switch (ATS). The actual number of   
protection panels will be determined by the Developer in the detailed   
engineering in conjunction with the Connecting Transmission Owner(s) and as approved in the NPCC approval process.

(b) Rebuild of the Churchtown 115 kV switching station with breaker and a half   
 configuration

• Eight (8) dead-tank gas circuit breakers, 123 kV, 4000 A;

• Twenty-one (21) disconnect switches, 123 kV, 4000 A;

• Fifteen (15) CCVTs, 115 kV;

• Five (5) sets of three (3) Metering Instrument Transformers (VT/CTs) in

accordance with NYPSC requirements (metering requirements to be finalized in

Facilities Study pursuant to the Transmission Interconnection Procedures);

• Fifteen (15) surge arresters, 96 kV MCOV;

• One (1) station service voltage transformer (SSVT) and one (1) additional

alternative station service supply;

• Structures, foundations, bus, insulators, grounding, conduit and control cable;

• Site development, grading and fencing; and

• One (1) 66-ft x 15-ft (size to be finalized by Developer in detailed engineering)

control house, including: approximately twenty six (26) panels for Protection,   
Control, Communications, Metering, Security, Remote Terminal Unit (RTU),   
SCADA, Digital Fault Recorder (DFI), Human Machine Interface (HMI),   
Sequence of Events Recorder (SOER); two (2) battery banks; DC panelboards;   
AC panelboards; Automatic Transfer Switch (ATS). The actual number of   
protection panels will be determined by the Developer in the detailed   
engineering in conjunction with the Connecting Transmission Owner(s).

(c) Installation of two new 135 MVAR 345 kV capacitor banks connecting to   
 Pleasant Valley 345 kV Substation

• Two (2) 135MVAR, 345 kV Capacitor banks with center tap VT and reactors;

• Two (2) dead-tank gas circuit breakers, 362 kV, 3000 A;

• Two (2) disconnect switches, 362 kV, 3000 A continuous;

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• Six (6) CCVTs, 362 kV, 1800/3000:1;

• Six (6) surge arresters, 220 kV MCOV;

• Two (2) station service voltage transformers (SSVT);

• Structures, foundations, bus, insulators, grounding, trench, conduit and control   
 cable;

• Site development, grading and fencing for capacitor bank installation; and

• One (1) 16-ft x 42-ft (size to be finalized by Developer in the detailed

engineering) control house addition, including approximately eight (8) panels for Line and Capacitor bank Protection, Control and Communications. The actual number of protection panels will be determined by the Developer in the detailed engineering in conjunction with the Connecting Transmission Owner(s) and as approved in the NPCC approval process.

(d) New double-circuit 345/115 kV transmission line from a new Knickerbocker   
 345 kV switching station to Churchtown

• Install a new double circuit 345 kV transmission line of approximately 21.9   
 miles on new steel structures in the existing right-of-way from the new   
 Knickerbocker 345 kV switching station to Churchtown;

• Install Cardinal conductor, double-bundled, 954 kcmil, 54/7 stranded aluminum   
 conductor steel supported (ACSS);

• Install single shield wire 3/8” -7 stranded EHS steel; and

• Install optical fiber ground wire with 36 fibers.

(e) New double-circuit 345/115 kV transmission line from Churchtown to the   
 existing Pleasant Valley substation

• Install a new double-circuit 345 kV transmission line of approximately 32.3   
 miles on new steel structures in the existing right-of-way from Churchtown to   
 Pleasant Valley substation;

• Install Cardinal conductor, double-bundled, 954 kcmil, 54/7 stranded aluminum   
 conductor steel supported (ACSS);

• Install single shield wire 3/8” -7 stranded EHS steel; and

• Install optical fiber ground wire with 36 fibers.

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(f) Rebuild of the 115 kV transmission line from Blue Stores Junction to Blue   
 Stores substation

• Rebuild 2.1 miles of the existing 115 kV transmission line from Blue Stores   
 Junction to Blue Stores substation;

• Install Drake conductor, 795 kcmil, 26/7 stranded aluminum conductor steel   
 reinforced (ACSR);

• Install single shield wire 3/8” -7 stranded EHS steel; and

• Install optical fiber ground wire with 36 fibers.

(g) Decommissioning of existing infrastructure between Greenbush 115 kV   
 substation and Pleasant Valley 115 kV substation

• Remove 21.9 miles of the existing 115 kV #14 and #15 transmission lines;

• Remove 32.3 miles of the existing 115 kV #8, #10, #12 and #13 transmission   
 lines; and

• Disconnect #8, #10 and #12 circuits in the 115 kV Pleasant Valley substation.

(h) Terminal work at the 345 kV Roseton substation

• Replace existing line traps and line disconnect switches on the 345 kV Fishkill   
 #305 transmission line to achieve new line ratings of 2385/2764/3363 (Summer)   
 and 2939/3227/3753 (Winter).

(i) Terminal work at the 345 kV Cooper’s Corner substation

• Replace existing line traps and line disconnect switches on the 345 kV Rock   
 Tavern #34 and #42 transmission lines.

(j) Terminal work at the 345 kV Rock Tavern substation

• Replace existing line traps and line disconnect switches on the 345 kV Cooper’s   
 Corner #34 and #42 transmission lines.

(k) Terminal work at the 345 kV New Scotland substation

• Replace and install the following existing equipment on the 345 kV Alps #2

transmission line: Three (3) surge arresters, two (2) disconnect switches, one (1) line trap, and one (1) CCVT to achieve new line ratings of 1423/1762/1912   
(Summer), 1852/1912/1912 (Winter) on New Scotland to Knickerbocker 345 kV #2A transmission line.

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(l) Terminal work at the 345 kV Alps switching station

• Install three (3) surge arresters on the 345 kV New Scotland #2 transmission   
 line.

(m)Terminal work at the 115 kV Pleasant Valley substation

• The existing #12 transmission line to Hudson (ADM Milling), #13 transmission   
 line to Churchtown (Blue Stores Tap), and #8 transmission line to LaFarge   
 (Blue Stores Tap & Buckley Corners) will be de-terminated from the existing   
 115 kV Pleasant Valley Substation and existing conductor from the lattice tower   
 line take-off structures will be removed. The existing #10 transmission line to   
 Milan will be reconductored and connected to the R13 line terminal position.

(n) Terminal work at the 115 kV Blue Stores substation

• Install one (1) 115 kV circuit breaker, two (2) breaker disconnect switches, six

(6) CCVTs, six (6) 115 kV CT/PT metering units, surge arresters, and new 16-ft x 42-ft control enclosure. The upgraded Blue Stores Substation will serve as the terminus for the new Churchtown #4 transmission line and the Milan #T7   
transmission line.

(o) Terminal work at the 115 kV North Catskill substation

• Install three (3) 115 kV CT/PT metering units and serve as terminus for the   
 Churchtown #5 transmission line and the Feura Bush #2 transmission line.

(p) Terminal work at the 115 kV Milan substation

• Install three (3) 115 kV CT/PT metering units and serve as terminus for the   
 Blue Stores #T7 transmission line and Pleasant Valley #10 transmission line.

(q) Terminal work at the 115 kV Hudson substation

• Install six (6) 115 kV CT/PT metering units, surge arresters, and serve as   
 terminus for the Churchtown #12 transmission line (ADM Milling tap) and   
 newly configured Falls Park #15S transmission line.

(r) Terminal work at the 115 kV Schodack substation

• Install seven (7) 115 kV CCVTs, two (2) 115 kV circuit breakers, two (2)   
 breaker disconnect switches, surge arresters, and serve as terminus for the   
 Churchtown #12 transmission line (ADM Milling tap) and newly configured   
 Falls Park #15S transmission line.

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(s) Terminal work at the 115 kV Lafarge substation

• Serve as terminus for the Longlane #6 transmission line and the Churchtown #8   
 line.

(t) Terminal work at the 115 kV Valkin substation

• Install three (3) 115 kV CT/PT metering units and serve as terminus for the new   
 Schodack #14 transmission line configuration and new Falls Park #15N   
 transmission line configuration.

(u) Terminal work at the 115 kV Falls Park substation

• Install three (3) 115 kV CT/PT metering units and serve as terminus for the new   
 #15 line configuration - Valkin #15N transmission line and Hudson #15S   
 transmission line.

(v) Terminal work at the 115 kV Craryville substation

• Install three (3) 115 kV CT/PT metering units and serve as terminus for   
 Churchtown #984 transmission line.

(w) Terminal work at the 115 kV Buckley Corners substation

• Re-route # 8 transmission line and terminate it at the new Churchtown   
 Switching Station.

(x) Terminal work at the 115 kV ADM Milling substation

• Re-route #12 transmission line and terminate it at the new 115 kV Churchtown   
 Switching Station.

(y) Terminal work at the 115 kV Greenbush substation

• Re-route #15 transmission line and terminate it at the Falls Park Substation.

Terminal to be decommissioned at the 115 kV Greenbush Substation. Updating #13 transmission line settings.

(z) Terminal work at the 115 kV Fort Orange substation

• Greenbush #15 transmission line terminal will be decommissioned. Fort

Orange will tap reconductored #14 transmission line between Schodack and   
Valkin.

(aa) Shoemaker - Sugarloaf upgrades

• Decommission the existing Shoemaker to Sugarloaf 138 kV transmission line   
 #27/271, and construct a double-circuit 138 kV transmission line between

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Shoemaker and Sugarloaf substations on existing rights-of-way to address the   
AC Transmission Public Policy Need for Segment B identified by the New   
York State Public Service Commission in its December 17, 2015 order in Case   
No. 12-T-0502.

2. Permitting - Licensing, Environmental, and Regulatory Approvals

In accordance with Section 3.9 of this Agreement, the Developer shall be responsible for applying for and obtaining all necessary licensing, environmental, and regulatory approvals for the Transmission Project. Such approvals may include the following:

(a) Public Service Law Article VII Certificate of Environmental Compatibility and   
 Public Need (“CECPN”);

(b) Certificate of Public Convenience and Necessity issued pursuant to Section 68 of the   
 New York State Public Service Law;

(c) State Pollutant Discharge Elimination System (“SPDES”) General Permit from the   
 New York State Department of Environmental Conservation (“NYSDEC”) for   
 Stormwater Discharge during Construction Activities (GP-0-15-002);

(d) Utility Work Permit from the New York State Department of Transportation   
 (“NYSDOT”) (for highway crossings);

(e) Work Permit from New York State Thruway Authority (“NYSTA”) (for crossing of   
 New York State Thruway I-90), and utility crossings as needed;

(f) Environmental Management and Construction Plan (“EM&CP”) from the NYPSC   
 following issuance of the Article VII Certificate;

(g) NYSDEC freshwater wetland and stream disturbance permits;

(h) Section 401 Water Quality Certification from the NYSDEC;

(i) Section 10/404 permits from the U.S. Army Corps of Engineers (“USACE”);

(j) Municipal Stormwater (MS4) permit from all applicable municipalities;

(k) Cultural Resources Information System (CRIS) determination from New York State   
 Historic Preservation Office (“NYSHPO”); and

(l) Endangered Species Act Section 7 (ESA), Migratory Bird Treaty Act and Bald and   
 Golden Eagle Protection Act consultation and Special Use Permit, if applicable, from   
 United States Fish and Wildlife Service (“USFWS”).

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3. Site Control / Rights of Way Acquisition

The Developer is responsible for obtaining the necessary site control and/or rights of way (“ROWs”) for the construction of the Transmission Project in accordance with the milestones set forth in Appendix C of this Agreement.

4. Financing

The Developer is responsible for obtaining the necessary financing for the design,

engineering, procurement, installation, construction, testing, commissioning, and operation of the   
Transmission Project in accordance with the milestone set forth in Appendix C of this   
Agreement.

5. Engineering and Design

The Developer is responsible for preparing the engineering design work. All engineering design work must comply with the Applicable Reliability Standards, in addition to all relevant guidelines and design standards, including, but not limited to:

• ANSI C2-2017 National Electrical Safety Code

• ASCE 48 Design of Steel Transmission Pole Structures

• IEEE Std. 524 Guide to the Installation of Overhead Transmission Line Conductors

• IEEE Std. 691 Guide for Transmission Structure Foundation Design and Testing

• NYPP Tie-Line Ratings Task Force 1995 Report

• ASCE Manual of Practice 113 Substation Structure Design Guide

• IEEE Std. 80 Guide for Safety in AC Substation Grounding

• ANSI C37, Standards Series for substations and circuit breakers

• ANSI C57, Standards Series for power and Instrument Transformers

• IEEE and ANSI standards for transmission lines and substations, as applicable.

• National Grid, Con Edison, Orange & Rockland, Central Hudson, NYSEG, NYPA,   
 and Affected Transmission Owners local transmission design criteria, as applicable.

6. Estimated Cost

The cost estimate (2018 U.S. dollars) for the Transmission Project is $479 million,

including 30% contingency, consistent with the independent cost estimate used by the NYISO in   
the evaluation and selection and as documented in the AC Transmission Public Policy   
Transmission Planning Report, dated April 8, 2019. The estimated cost is not all inclusive and

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does not include, among other things, (i) the potential expansion of the Pleasant Valley

substation to accommodate the two capacitor banks, (ii) the Shoemaker to Sugarloaf upgrades,

(iii) the upgrades to terminal equipment at the Rock Tavern and Coopers Corners substations that   
were required in the NYPSC Order dated December 17, 2015 in Case No. 12-T-0502, (iv) real   
estate and land acquisition costs, facility acquisition and removal costs, and costs incurred as a   
result of the Connecting Transmission Owner(s) to the extent that the foregoing costs were not   
assumed in the NYISO’s evaluation and selection, and (v) project development costs incurred by   
the Developer prior to selection of the Transmission Project by the NYISO Board of Directors.

7. Other Requirements

This Agreement is being executed prior to the completion of the Facilities Study for the   
Transmission Project in the Transmission Interconnection Procedures under Attachment P, the   
execution of a Transmission Project Interconnection Agreement for the Transmission Project, the   
receipt of all necessary regulatory approvals, and the final design of the Shoemaker to Sugarloaf   
upgrades. As a result, the construction, interconnection, and operation of the Transmission   
Project may require the construction of facilities and/or the assignment of responsibilities that   
differ from the preliminary design and assignment of responsibilities identified in this Appendix

B. If the facilities identified through the Transmission Interconnection Procedures or the

responsibilities associated with designing, engineering, procuring, installing, constructing,

testing, and commissioning the identified facilities materially differ from this Appendix B, the Parties shall amend this Agreement as necessary.

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Appendix C

The Developer shall demonstrate to the NYISO that it timely meets the below Critical   
Path Milestones and Advisory Milestones contained herein and that such milestones remain in   
good standing. This Agreement is being executed prior to the completion of the Facilities Study under the Transmission Interconnection Procedures, the execution of Transmission Project   
Interconnection Agreements, the receipt of regulatory approvals, and the final design of the   
Shoemaker to Sugarloaf component, which could affect the milestones set forth herein. In the   
event that the completion of the Facilities Study, the execution of a Transmission Project   
Interconnection Agreements, receipt of regulatory approvals, or the final design of the   
Shoemaker to Sugarloaf component materially affect a milestone(s) set forth in this Appendix C, the Parties shall review the milestone(s) and the Developer shall seek to amend the milestone(s), as necessary, pursuant to the terms of this Agreement.

No. Milestone Description

1 Commence Preliminary Engineering and

Design of Principal Project Component1

Responsible   
 Party(ies)

Developer

Type Due Date

Advisory Completed

2 Commence Public Involvement Plan Developer Advisory Completed

3 Commence Land Acquisition Activities for

the Transmission Project   
4 Commence Facilities Study for Q#543

Developer

Developer   
 NYISO

Connecting   
Transmission   
 Owner(s)2

Advisory Completed

Advisory Completed

1 References to “Principal Project Component” in the milestones contained in this Appendix C shall include all   
of the components listed in Appendices A and B of this Agreement with the exception of (i) the Network Upgrade   
Facilities that will be refined and/or identified in the Facilities Study for Q#543 pursuant to Attachment P to the   
NYISO Open Access Transmission Tariff (“OATT”) and (ii) the Shoemaker to Sugarloaf component. Milestones   
related to the Shoemaker to Sugarloaf component will be separately identified by referring to the “Shoemaker to   
Sugarloaf Component.”

2 The Connecting Transmission Owners are Niagara Mohawk Power Corporation d/b/a National Grid

(“National Grid”), Consolidated Edison Company of New York, Inc. (“Con Edison”), Orange and Rockland

Utilities, Inc. (“Orange and Rockland”), and New York State Electric & Gas Corporation (“NYSEG”), which were   
identified in the System Impact Study for Q#543 and are listed in the milestones solely for informational purposes.   
Additional Connecting Transmission Owners may be identified in the Facilities Study for Q#543 under Attachment   
P to the OATT.

1

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5 File Article VII CECPN Application for

Principal Project Component

Developer

Critical Completed

6 Submit Proof of Insurance Pursuant to Within ten (10)

Article 6 days of the

execution of this

Developer Advisory Agreement or the

date on which the

Agreement is filed

with FERC

7 Demonstrate Adequate Project Financing to

NYISO

Developer

Critical 2/1/2020

8 NYISO Quarterly Report3 Developer Advisory 3/16/2020

9 NYISO Quarterly Report Developer Advisory 6/15/2020

10 Preliminary Detailed Engineering and Design

of Principal Project Component Complete

11 Completion of TIP Facilities Study for

Q#5434

12 Article VII CECPN Application for Principal

Project Component Deemed Complete

13 Notification of Developer’s Plan for

Operation of the Transmission Project5

Developer

NYISO

Connecting   
Transmission

Owner(s)

NYPSC

Developer

Advisory 6/30/2020

Advisory 6/30/2020

Critical 7/30/2020

Advisory 8/1/2020

3 For purposes of the milestones in this Appendix C, the quarterly reports will be for the three-month period ending on the last day of the month prior to the due date contained in the milestone.

4 This milestone date is based upon the Facilities Study Agreement for Q#543, dated September 20, 2019,

which identifies June 30, 2020 as the completion date of the Facilities Study using Reasonable Efforts as defined by Attachment P to the OATT.

5 For purposes of the milestones set forth in this Appendix C, the notification shall inform the NYISO as to the   
Developer’s plan for operating the Transmission Project. Such notification will include, but not limited to, whether   
the Developer intends to construct a new control center for the Transmission Project or enter into an agreement with   
a Connecting Transmission Owner to operate the Transmission Project from an NPCC-certified control center.

2

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14 NYISO Quarterly Report Developer Advisory 9/15/2020

15 Apply for All Required Federal and Other

Permits or Approvals

Developer

Advisory 10/15/2020

16 NYISO Quarterly Report Developer Advisory 12/15/2020

17 File Article VII CECPN Application for

Shoemaker to Sugarloaf Component

18 Execution of Asset Purchase Agreement(s)

with National Grid for real property rights, license to access the property, and/or

transmission facilities for the Principal Project Component with the Exception of the

Churchtown Switching Station

19 Execution of Asset Purchase Agreement(s) or

comparable agreement(s) with NYSEG for real property rights, license to access the

property, and/or transmission facilities for the Churchtown Switching Station

Developer

Developer

National Grid6

Developer   
 NYSEG

Critical 12/31/2020

Critical 12/31/2020

Advisory 12/31/2020

20 File Section 70 Petitions for Principal Project Developer

Components with NYPSC for Approval National Grid Advisory 12/31/2020

NYSEG

21 Preliminary Detailed Engineering and Design

of Shoemaker to Sugarloaf Component Complete

22 Execution of Transmission Project

Interconnection Agreement(s) for Q#543

Developer

Developer   
 NYISO

Connecting Transmission   
 Owner(s)

Advisory 1/30/2021

Advisory 3/1/2021

23 NYISO Quarterly Report Developer Advisory 3/15/2021

24 Submit Construction Outage and Restoration

Coordination Plan

Developer

Advisory 5/1/2021

6 For purposes of this milestone, National Grid is not acting in its capacity as a Connecting Transmission Owner or an Affected System Operator.

3

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25 NYISO Quarterly Report Developer Advisory 6/15/2021

26 Approval of Section 70 Petitions Filed by

National Grid and NYSEG

27 Article VII Certificate Issued for Principal

Project Component

28 Status Update Meeting to Discuss Article VII

CECPN and Section 68 Approvals

29 Detailed Engineering and Design Finalized

for Principal Project Component

NYPSC

NYPSC

Developer   
 NYISO

Developer

Critical 6/30/2021

Critical 6/30/2021

Advisory 7/31/2021

Critical 7/31/2021

30 General Construction Contractor(s)

Agreements Fully Executed for Principal Developer Advisory 7/31/2021

Project Component

31 Completion of All Required Environmental

Field Studies for Principal Project Component

32 Submit EM&CP for Principal Project

Component

Developer

Developer

Advisory 8/1/2021

Advisory 8/1/2021

33 Submit Proposed Protection for the BPS

Element to NPCC for Approval (if applicable) Developer Advisory 8/31/2021

of Principal Project Component

34 Initiate NERC Certification and Registration

related to the Principal Project Component

Developer

Advisory 8/31/2021

35 NYISO Quarterly Report Developer Advisory 9/15/2021

36 Article VII CECPN Application for

Shoemaker to Sugarloaf Component Deemed NYPSC Advisory 9/30/2021

Complete

37 Obtain NPCC Approval of the Protection for

the BPS Element (if applicable) for Principal Developer Advisory 10/30/2021

Project Component

38

Approval of Construction Outage and Restoration Coordination Plan for Principal Project Component

NYISO

Connecting Transmission   
 Owner(s)

Advisory 11/1/2021

4

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39 Complete Procurement of Major Electrical

Equipment and Materials for Principal Project Developer Critical 11/1/2021

Component7

40 NYPSC Order Approving EM&CP for

Principal Project Component8

NYPSC

Critical 12/1/2021

41 All Required Federal and Other Permits or

Approvals Received for Construction of Developer Advisory 12/1/2021

Principal Project Component

42 Construction Mobilization9 Developer Advisory 12/15/2021

43 NYISO Quarterly Report Developer Advisory 12/15/2021

44 Commence Substantial Site Work10 in

accordance with EM&CP for Churchtown Developer Advisory 12/31/2021

Switching Station

45 Execution of Asset Purchase Agreement(s) or

comparable agreement(s) with Orange and Rockland for real property rights and/or

license to access the property for Shoemaker to Sugarloaf Component

46 File Sections 68 and 70 Petitions for

Shoemaker to Sugarloaf Component

Developer   
Orange and

Rockland

Developer   
Orange and   
 Rockland

Advisory 12/31/2021

Advisory 1/1/2022

7 For purposes of the milestones set forth in this Appendix C, “major electrical equipment and materials” shall include, but is not limited to, station service voltage transformers, disconnect switches, circuit breakers, shunt   
capacitors, series capacitor, conductor, and towers. Further, “complete procurement” of major electric equipment and materials shall mean that the Developer has a valid and effective purchase order, agreement, or commercially recognized instrument with a vendor for the design, manufacture, and/or delivery of such equipment and materials, and the Developer has paid in full or made all applicable deposits for vendor to begin designing, manufacturing,   
and/or shipping such equipment and materials.

8 While there could be multiple, phased EM&CP approvals from the NYPSC for the various components of the Transmission Project, this Critical Path Milestone serves as the date by which the Developer must have all necessary EM&CP approvals for the Principal Project Component.

9 For purposes of this milestone, “construction mobilization” means activation of the contractor’s physical and workforce resources to the construction site of any portion of the Transmission Project.

10 For purposes of the milestones set forth in this Appendix C, “substantial site work” shall mean civil site

construction, such as tree cutting, site clearing and grading, construction of ingress and egress routes associated with any part of the Transmission Project in accordance with the approved EM&CP.

5

SERVICE AGREEMENT NO. 2510

47 Finalize Local Control Center Facility Plans11 Developer Advisory 1/1/2022

48 Detailed Engineering and Design Finalized

for Shoemaker to Sugarloaf Component

49 Approval Section 68 Petition for Principal

Project Component

50 Execute Amendment to NYISO/Transco

Operating Agreement Appendix A

51 Start of Outage(s) Pursuant to Approved

Construction Outage and Restoration Plan

Developer

NYPSC

Developer

Developer

Critical 01/30/2022

Critical 1/31/2022

Advisory 1/31/2022

Critical 1/31/2022

52 Commence Substantial Site Work in

accordance with EM&CP for Transmission Developer Advisory 1/31/2022

Line Segment 112

53 Commence Foundations for Churchtown

Switching Station

Developer

Advisory 2/1/2022

54 NYISO Quarterly Report Developer Advisory 3/15/2022

55 Commence Foundations for Transmission

Line Segment 1

56 Commence Electrical Work13 for Churchtown

Switching Station

Developer

Developer

Advisory 3/31/2022

Advisory 4/1/2022

11 For purposes of finalizing the Local Control Center Facility Plans, if the Developer intends to operate the Transmission Project by constructing a new control center, the plan should detail the minimum needs in order to properly size and site the local control center to operate the Transmission Project including, but not limited to, security concerns, local permitting requirements, ability to construct/lease facility, reliable distribution feed(s), reliable voice and data communication feed(s), physical security, computer system requirements, and backup generator/uninterruptible power supply (“UPS”) capacity.

12 For purposes of the milestones set forth in this Appendix C, the construction of the transmission line for the   
Principal Project Component will be segmented and referred to as follows: “Transmission Line Segment 1” shall be   
the portion of the transmission line from approximately Knickerbocker to Churchtown; “Transmission Line Segment   
2” shall be the portion of the transmission line from approximately Churchtown to Pleasant Valley; “Transmission   
Line Segment 3” shall be the portion of the transmission line from approximately Bluestores to Churchtown/Milan;   
and “Transmission Line Segment 4” shall be the portion of the transmission line connecting the shunt capacitors to   
Pleasant Valley.

13 For purposes of the milestones set forth in this Appendix C, “electrical work” shall mean work that is above-  
grade electrical construction including, but not limited to, installation of wiring, electrical bus, circuit breakers,

6

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57 Commence Substantial Site Work in

accordance with EM&CP for the 345 kV Developer Advisory 4/30/2022

Capacitor Banks

58 Commence Substantial Site Work in

accordance with EM&CP for the Developer Advisory 4/30/2022

Knickerbocker Switching Station

59 Commence Erection of Structures for

Transmission Line Segment 1

Developer

Advisory 6/1/2022

60 NYISO Quarterly Report Developer Advisory 6/15/2022

61 Approval of Section 68 and 70 Petitions for

Shoemaker to Sugarloaf Component

62 Article VII Certificate Issued for Shoemaker

to Sugarloaf Component

63 Commence Foundations for 345 kV Capacitor

Banks

64 Commence Foundations for Knickerbocker

Switching Station

NYPSC

NYPSC

Developer

Developer

Critical 6/30/2022

Critical 6/30/2022

Advisory 7/31/2022

Advisory 7/31/2022

65 Finalize Local Control Center Location and

Complete Land Acquisition Activities for the Developer Advisory 8/1/2022

Local Control Center (if applicable)

66 Commence Conductoring for Transmission

Line Segment 1

Developer

Advisory 8/1/2022

67 NYISO Quarterly Report Developer Advisory 9/15/2022

68 Commence Substantial Site Work and Site

Remediation for the New Local Control Developer Advisory 10/1/2022

Center (if applicable)

69 Churchtown Substation Complete Developer Advisory 10/31/2022

disconnect switches, ground grid, relay protection, and or other components normally associated with an electrical substation.

7

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70 Commence Electrical Work for the 345 kV

Capacitor Banks

71 Commence Electrical Work for

Knickerbocker Switching Station

Developer

Developer

Advisory 10/31/2022

Advisory 10/31/2022

72 Commence Substantial Site Work in

accordance with EM&CP for Transmission Developer Advisory 11/1/2022

Line Segment 2

73 Completion of Environmental Field Studies

for the Local Control Center (if applicable)

Developer

Advisory 11/30/2022

74 Commence Substantial Site Work in

accordance with EM&CP for Transmission Developer Advisory 12/1/2022

Line Segment 3

75 Commence Foundations for Transmission

Line Segment 2

Developer

Advisory 12/1/2022

76 NYISO Quarterly Report Developer Advisory 12/15/2022

77 NYPSC Order Approving EM&CP for

Shoemaker to Sugarloaf Component

NYPSC

Critical 11/30/2022

78 Complete Procurement of Major Electrical

Equipment and Materials for Shoemaker to Developer Advisory 12/31/2022

Sugarloaf Component

79 Commence Substantial Site Work in

accordance with Applicable EM&CP for Developer Advisory 12/31/2022

Shoemaker to Sugarloaf Component

80 Execution of Operation and Maintenance

Agreement(s) (if applicable)14

81 Commence Erection of Structures for

Transmission Line Segment 2

82 Commence Foundations for Transmission

Line Segment 3

Developer

Developer

Developer

Advisory 1/31/2023

Advisory 2/1/2023

Advisory 2/1/2023

14 For purposes of this milestone, the Developer will, if applicable, enter into Operation and Maintenance Agreements for the Transmission Project with a New York Transmission Owner for the operation of the   
Transmission Project consistent with the Developer’s plan.

8

SERVICE AGREEMENT NO. 2510

83 NYISO Quarterly Report Developer Advisory 3/15/2023

84 Commence Substantial Site Work in

accordance with EM&CP for Transmission Developer Advisory 4/1/2023

Line Segment 4

85 Commence Erection of Structures for

Transmission Line Segment 3

86 Commence Conductoring for Transmission

Line Segment 2

87 Commence Conductoring for Transmission

Line Segment 3

Developer

Developer

Developer

Advisory 4/3/2023

Advisory 4/1/2023

Advisory 5/1/2023

88 NYISO Quarterly Report Developer Advisory 6/15/2023

89 Commence Conductoring and/or Electrical

Work for Shoemaker to Sugarloaf Component

Developer

Advisory 6/30/2023

90 All Major Equipment, Transmission Line, and

Materials for the Principal Project Component Developer Critical 7/1/2023

are Available15

91 Commence Foundations for Transmission

Line Segment 4

92 Submit Final Energization Plan to NYISO

and Connecting Transmission Owner(s)

93 Obtain NERC Certification for Operators (if

applicable)16

Developer

Developer

Developer

Advisory 8/1/2023

Advisory 8/31/2023

Critical 9/1/2023

15 For purposes of this milestone, major electrical equipment and materials shall be “available” if they are (i) located on the appropriate construction site or designated marshalling yard(s) in reasonable proximity to the site where it will be installed, (ii) located in the Developer’s warehouse or other inventory stocking location of the   
Developer, or (iii) on order from the vendor with a scheduled delivery date prior to the time scheduled for its use in the applicable transmission facility.

16 If the Developer decides to construct a new local control center for the Transmission Project, the Developer is required to obtain NERC certification for operators in accordance with the Final Energization Plan but no later than one month prior to the completion the Transmission Project.

9

SERVICE AGREEMENT NO. 2510

94 Verification and Testing of a New Local

Control Center Complete (if applicable)17

Developer

Critical 9/15/2023

95 NYISO Quarterly Report Developer Advisory 9/15/2023

96 Obtain NPCC Certification for a New Local

Control Center (if applicable)

97 Commence Erection of Structures for

Transmission Line Segment 4

Developer

Developer

Critical 10/1/2023

Advisory 10/9/2023

98 NYISO Tour of the Local Control Center NYISO Advisory 10/15/2023

99 Commence Conductoring for Transmission

Line Segment 4

Developer

Advisory 10/16/2023

100 Knickerbocker Substation Complete Developer Advisory 10/31/2023

101 345 kV Capacitor Banks Complete Developer Advisory 10/31/2023

102 Network Upgrade Facilities Complete Developer Advisory 10/31/2023

103 NERC Certified Operators Complete

NYISO’s 2023 System Operator Training Developer Critical 11/15/2023

(“SOTS”) (if applicable)

104 Transmission Line of Principal Project

Component Complete

Developer

Advisory 11/30/2023

105 NYISO Quarterly Report Developer Advisory 12/15/2023

106 Shoemaker to Sugarloaf Component

Complete

Developer

Critical 12/29/2023

107 Perform Final Connections to the New York Developer Advisory 12/30/2023

State Transmission System and Complete

17 If the Developer decides to construct a new local control center for the Transmission Project, the Developer is required to complete verification and testing of the local control center in accordance with the Final Energization Plan but no later than one month prior to the completion the Transmission Project.

10

SERVICE AGREEMENT NO. 2510

Verification and Testing in Accordance with the Final Energization Plan18

108 Transmission Project Complete by Required

In-Service Date

Developer Critical 12/31/2023

18 This milestone shall be completed in accordance with the Final Energization Plan but no later than the Transmission Project’s Required In-Service Date (i.e., Milestone No. 108).

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