SERVICE AGREEMENT NO. 2855

SERVICE AGREEMENT NO. 2855 DEVELOPMENT AGREEMENT
 BETWEEN

THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.
 AND

LONG ISLAND LIGHTING COMPANY D/B/A LIPA

Dated as of July 23, 2024

SERVICE AGREEMENT NO. 2855

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APPENDICES

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THIS DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into this 23rd day
of July 2024, by and between the Long Island Lighting Company d/b/a LIPA, a subsidiary of the
Long Island Power Authority, which is an instrumentality and political subdivision of the State
of New York (collectively, “Designated Entity”), 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”). Designated Entity or NYISO each may be referred to as a “Party” or
collectively referred to as the “Parties.” The Parties are the only parties to this Agreement. Long
Island Electric Utility Servco LLC ("Servco") is not a party to this Agreement and is executing
and administering this Agreement on behalf of the Designated Entity as the Designated Entity's
agent. The Designated Entity shall have full liability for its obligations as the Designated Entity
under this Agreement and the ISO Tariffs and Servco shall have no liability with respect to 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
Open Access Transmission Tariff (“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, the NYISO has selected the a Public Policy Transmission Project as the more
efficient or cost-effective transmission solution to satisfy an identified Public Policy
Transmission Need (“Transmission Project”); has designated the Designated Entity as
responsible for developing the Designated Public Policy Project, which constitutes the
Transmission Project, or a part of the Transmission Project, as specified in Appendix A, and/or
Designated Network Upgrade Facilities designated to the Designated Entity pursuant to Section

22.9.6 of Attachment P to the ISO OATT, as specified in Appendix A (“Designated Project”); and directed the Designated Entity to proceed with the Designated Project;

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

WHEREAS, the Designated Entity has agreed to obtain the required authorizations and

approvals from Governmental Authorities needed for the Designated Project, to develop and

construct the Designated Project, and to abide by the related requirements in Attachment Y of the OATT, the ISO Tariffs, and the ISO Procedures;

WHEREAS, the Designated Entity 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 Designated Project will be constructed and in service by the required date(s) (“Required

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Designated Project In-Service Date”) to enable the Transmission Project to be constructed and in-service by the required date to satisfy the Public Policy Transmission Need (“Required Transmission Project In-Service Date”); and

WHEREAS, the Designated Entity has agreed to construct, and the NYISO has requested that
the Designated Entity proceed with construction of, the Designated Project to provide for the
Designated Project to be in-service by the Required Designated Project In-Service Date(s).

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 Designated 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), (iii) New York Power Authority, and (iv) 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.

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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 Designated Entity to a third party in one or more related transactions, or any other transaction that has the effect of transferring control of the Designated Entity to a third party.

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 Designated 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 Designated Project to be constructed and operating by the Required Designated 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.

Designated Entity shall have the meaning set forth in the introductory paragraph.

Designated Network Upgrade Facilities shall mean the Network Upgrade Facilities identified
through the Transmission Interconnection Procedures for a Public Policy Transmission Project
selected under Attachment Y to the ISO OATT; that meet the definition of upgrade under
Section 31.6.4 of Attachment Y to the ISO OATT; and that are designated to the Connecting
Transmission Owner or Affected Transmission Owner in accordance with Section 22.9.6 of
Attachment P to the ISO OATT, as described in the Project Description set forth in Appendix A
to this Agreement.

Designated Project shall mean the Designated Public Policy Project that the Designated Entity has been designated to develop and place into service pursuant to Section 31.4.11 of Attachment Y and the Designated Network Upgrade Facilities that the Designated Entity has been designated to develop and place into service pursuant Section 22.9.6 of Attachment P to the ISO OATT, as described in the Project Description set forth in Appendix A to this Agreement.

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.

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

In-Service Date shall mean the date upon which the Designated Project is energized consistent with the provisions of the Transmission Project Interconnection Agreement for the Designated Project 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 mean the NYISO, the Designated Entity, or both.

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

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Project Description shall mean the description of the Designated Project set forth in Appendix
A to this Agreement for which the Designated Entity was designated to develop and place into
service and (i) that is consistent with the Designated Project component of the Transmission
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 and/or (ii) that is
consistent with the Designated Network Upgrade Facilities identified for the Transmission
Project in a NYISO-conducted Facilities Study under Attachment P to the ISO OATT.

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.

Required Designated Project In-Service Date shall mean the in-service date or dates by which
the Designated Project must be constructed and operating, which date(s) will be identified by the
NYISO as either: (A) the in-service date specified by the Developer in the project information it
submitted under Attachment Y for one or more of the components of the Designated Project 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 for one or more of the components of the Designated Project as
reasonable in light of the Public Policy Transmission Need. The Required Designated Project
In-Service Date may be the same date as or an earlier date or dates than the Required
Transmission Project In-Service Date. The Required Designated Project In-Service Date is set
forth in the Development Schedule contained in Appendix C to this Agreement.

Required Transmission Project In-Service Date shall mean the in-service date by which the
Transmission Project, including all Designated Public Policy Projects that constitute the
Transmission Project and Designated Network Upgrade Facilities identified for the Transmission
Project (if applicable), 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 in the project information submittal for the
Transmission Project 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 Transmission 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.

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Significant Modification shall mean a Designated Entity’s proposed modification to its

Designated Project that: (i) could impair the Transmission Project’s or Designated Project’s
ability to meet the identified Public Policy Transmission Need, (ii) could delay the In-Service Date of the Transmission Project or Designated Project beyond the Required Transmission
Project In-Service Date or Required Designated Project In-Service Date, respectively, 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 Designated
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
Designated 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 Designated Project, and the cost estimates for the work
associated with the Designated 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), (ii) New York Power Authority, and (iii) any Affected System Operator.

Transmission Project shall mean a Public Policy Transmission Project selected by the NYISO
as the more efficient or cost-effective transmission solution to a Public Policy Transmission
Need. The Designated Project subject to this Agreement shall be the Transmission Project, or
the part of the Transmission Project, designated to the Designated Entity pursuant to Section

31.4.11 of Attachment Y.

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.

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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
Designated Entity 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. Any filing of this Agreement shall not be construed to be a waiver of the status
of the Long Island Power Authority and its subsidiary—the Designated Entity—as a non-
jurisdictional utility pursuant to Section 201(f) of the Federal Power Act.

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 Designated Entity executes an operating agreement with the NYISO, or is party to the ISO/TO Agreement, and (ii) the Designated
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. DESIGNATED PROJECT DEVELOPMENT AND CONSTRUCTION

3.1. Application for Required Authorizations and Approvals

The Designated Entity shall timely seek and obtain all authorizations and approvals from
Governmental Authorities required to develop, construct, and operate the Designated Project by
the Required Designated Project In-Service Date. The required authorizations and approvals
shall be listed in the Scope of Work in Appendix B to this Agreement. The Designated Entity
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 Designated Entity 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 Designated Project, or if such approval or authorization is
withdrawn or modified.

3.2. Development and Construction of Designated Project

The Designated Entity shall design, engineer, procure, install, construct, test and

commission the Designated 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, (vi) any interconnection
agreement(s) entered into by and among the NYISO, Designated Entity, and Connecting

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Transmission Owner(s) for the Designated Project to interconnect to the New York State Transmission System, and (v) any engineering, procurement, and construction (“EPC”)
agreement(s) associated with the interconnection of the Designated Project to the New York State Transmission System.

3.3. Milestones

3.3.1. The NYISO shall provide the Designated Entity with the Required Transmission

Project In-Service Date and Required Designated 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 and the estimated time to construct Designated
Network Upgrade Facilities contained in the NYISO-conducted Facilities Study
report. Prior to executing and/or filing this Agreement with FERC, the NYISO and
the Designated Entity 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 Designated Project to allow
the Designated Project to go into service by the Required Designated 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 Designated Project that requires action by a
Designated Entity of another Designated Public Policy Project or Designated Network
Upgrade Facilities related to the Transmission Project, a Connecting Transmission
Owner, or an Affected System Operator to complete must be included as an Advisory
Milestone.

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

Development Schedule set forth in Appendix C to this Agreement. The Designated Entity’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 Designated Entity 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 Designated Entity shall notify the NYISO as soon as reasonably practicable,

and no later than fifteen (15) Calendar Days, following the Designated Entity’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 Designated Entity shall submit

to the NYISO within five (5) Business Days of the request, a written response
indicating whether the Designated Entity 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 Designated Entity 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 Designated Entity 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
Designated Project to be completed and achieve its In-Service Date no later than the
Required Designated Project In-Service Date, (iii) submit an officer’s certificate in a
form acceptable to the NYISO certifying the Designated Entity’s capability to
complete the Designated Project in accordance with the modified schedule taking into
account the schedule for completing any other Designated Public Policy Projects or
Designated Network Upgrade Facilities related to the Transmission Project, and (iv)
submit an officer’s certificate in a form acceptable to the NYISO from any other
Designated Entity responsible for developing Designated Public Policy Projects or
Designated Network Upgrade Facilities related to the Transmission Project certifying
its capability to complete its Designated Public Policy Project or Designated Network
Upgrade Facilities in accordance with the modified schedule for the Designated
Project, if applicable. If the Designated Entity: (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 Designated Entity 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 Designated Entity’s

requested change. The Designated Entity 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 Designated Entity demonstrates to the NYISO’s satisfaction that the delay in
meeting a Critical Path Milestone: (i) will not delay the In-Service Date of the
Designated Project beyond the Required Designated Project In-Service Date and (ii)
will not materially affect the completion of any other Designated Public Policy Project
or Designated Network Upgrade Facilities related to the Transmission Project being
developed by another Designated Entity by any required in-service date for the other
Designated Public Policy Project or Designated Network Upgrade Facilities and/or the
Required Transmission Project In-Service Date, if applicable, 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 Designated Entity 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 Designated Entity’s discovery of a potential

delay in meeting an Advisory Milestone, the Designated Entity shall inform the
NYISO of the potential delay and describe the impact of the delay on meeting the
Critical Path Milestones. The Designated Entity may extend an Advisory Milestone
date upon informing the NYISO of such change; provided, however, that if the change

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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.

3.3.6. In the event that another Designated Entity of a Designated Public Policy Project or

Designated Network Upgrade Facilities related to the same Transmission Project seeks
to modify its schedule, the Designated Entity subject to this Agreement will not
unreasonably withhold, condition, or delay any required input, information, or
certification.

3.4. Modifications to Required Project In-Service Dates

3.4.1. The Designated Entity shall not make a change to the Required Transmission Project

In-Service Date or Required Designated Project In-Service Date without the prior
written consent of the NYISO. To request a change, the Designated Entity must: (i)
inform the NYISO in writing of the proposed change to the Required Transmission
Project In-Service Date or Required Designated 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 Designated Project and
the Transmission Project to be completed and achieve its In-Service Date no later than
the proposed, modified Required Designated Project In-Service Date and Required
Transmission Project In-Service Date, respectively, taking into account the schedule
for completing other Designated Public Policy Projects or Designated Network
Upgrade Facilities related to the Transmission Project, if applicable, (iii) demonstrate
that the Designated Entity has made reasonable progress against the milestones set
forth in the Development Schedule, and is capable of completing the Designated
Project in accordance with the modified schedule, and (iv) submit a an officer’s
certificate in a form acceptable to the NYISO from other Designated Entities
responsible for developing Designated Public Policy Projects or Designated Network
Upgrade Facilities related to the Transmission Project certifying their capability to
complete their projects in accordance with the Designated Entity’s modified schedule
and the proposed, modified Required Transmission Project In-Service Date and/or
Required Designated Project In-Service Date. If the Required Transmission Project
In-Service Date is the date prescribed by the NYPSC in its order identifying the Public
Policy Transmission Need or in a subsequent order, the Designated Entity must also
demonstrate that the NYPSC has issued an order modifying its prescribed date.

3.4.2. The NYISO will promptly review Designated Entity’s requested change to the

Required Transmission Project In-Service Date and/or Required Designated Project
In-Service Date. The Designated Entity 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 Designated Entity 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 Transmission Project In-Service Date
and/or Required Designated Project In-Service Date will not be unreasonably

withheld, conditioned, or delayed if the Designated Entity demonstrates to the

NYISO’s satisfaction that: (i) its proposed modified Required Transmission Project

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In-Service Date or Required Designated 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, (iii) its proposed modified date
will not result in a significant adverse impact to the reliability of the New York State
Transmission System, and (iv) its proposed modified date will not materially impact
the development of Designated Public Policy Projects or Designated Network

Upgrade Facilities related to the Transmission Project being developed by other Designated Entities. The Parties shall amend this Agreement in accordance with Article 15.8 to incorporate a revised Required Project In-Service Date and
Development Schedule.

3.4.3 In the event that another Designated Entity of a Designated Public Policy Project or

Designated Network Upgrade Facilities related to the same Transmission Project seeks to modify its project, its project’s Required Designated Project In-Service Date, or the Required Transmission Project In-Service Date, the Designated Entity subject to this Agreement will not unreasonably withhold, condition, or delay any required input,
information, or certification.

3.5. Modifications to Designated Project

The Designated Entity shall not make a Significant Modification to the Designated

Project without the prior written consent of the NYISO, including, but not limited to,

modifications necessary for the Designated Entity to obtain required approvals or authorizations
from Governmental Authorities; provided, however, that a proposed Significant Modification
that is a proposed modification to the Required Transmission Project In-Service Date or
Required Designated Project In-Service Date shall be addressed in accordance with Article 3.4.
The NYISO’s determination regarding a Significant Modification to the Designated Project
under this Agreement shall be separate from, and shall not replace, the NYISO’s review and
determination of material modifications to the Designated Project under Attachment P of the
OATT. The Designated Entity may request that the NYISO review whether a modification to
the Designated Project would constitute a Significant Modification. The Designated Entity 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
Designated Entity 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 or Designated Project beyond the Required Transmission Project In-Service Date or
Required Designated Project In-Service Date, respectively, (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, (iv) will not result in a
significant adverse impact to the reliability of the New York State Transmission System, and (v)
through submittal of an officer’s certificate in a form acceptable to the NYISO from other
Designated Entities responsible for developing Designated Public Policy Projects or Designated
Network Upgrade Facilities related to the Transmission Project, certifies that the proposed
modification will not materially impact the development of such other Designated Public Policy

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Projects or Designated Network Upgrade Facilities. The NYISO’s performance of this review shall not constitute its consent to delay the completion of any Critical Path Milestone.

3.6. Billing and Payment

The NYISO shall charge, and the Designated Entity 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 Designated Project by the NYISO or its subcontractor(s) under Article

3.8. The NYISO will invoice Designated Entity 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 Designated Entity 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 Designated
Entity disputes an amount to be paid, the Designated Entity shall pay the disputed amount to the
NYISO, pending resolution of the dispute. To the extent the dispute is resolved in the
Designated Entity’s favor, the NYISO will net the disputed amount, including interest calculated
from Designated Entity’s date of payment at rates applicable to refunds under FERC regulations,
against any current amounts due from the Designated Entity and pay the balance to the
Designated Entity. This Article 3.6 shall survive the termination, expiration, or cancellation of
this Agreement.

3.7. Project Monitoring

The Designated Entity 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. The Designated Entity shall also provide updates and information upon the NYISO’s request to assist with the
coordination of the Designated Project with other Designated Public Policy Projects or
Designated Network Upgrade Facilities related to the Transmission Project.

3.8. Right to Inspect

Upon reasonable notice, the NYISO or its subcontractor shall have the right to inspect the Designated Project for the purpose of assessing the progress of the development and construction of the Designated 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 Designated 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 Designated Project and shall be subject to such reasonable safety and procedural
requirements as the Designated Entity shall specify.

3.9. Exclusive Responsibility of Designated Entity

As between the Parties, the Designated Entity 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 Designated Project, including, but
not limited to, scheduling, meeting Critical Path Milestones and Advisory Milestones, timely

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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 Designated Entity’s development of
the Designated Project or the compliance of the Designated Entity with Applicable Laws and
Regulations, Applicable Reliability Requirements, and Transmission Owner Technical
Standards. The NYISO shall cooperate with the Designated Entity in good faith in providing
information to assist the Designated Entity in obtaining all approvals and authorizations from
Governmental Authorities required to develop, construct, and operate the Designated Project by
the Required Designated 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 Designated Entity wishes to receive or supply such products or services, the Designated Entity 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 Designated Project

The Designated Entity shall satisfy all requirements set forth in the Transmission

Interconnection Procedures in Attachment P of the OATT applicable to a “Transmission Project”

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to interconnect the Designated Project to the New York State Transmission System by the

Required Designated Project In-Service Date, including, but not limited to, submitting a

Transmission Interconnection Application for the Designated Project or joining with the

agreement of the “Transmission Developer” a pending Transmission Interconnection Application that includes the Designated Project; participating in all necessary studies; executing, and/or
requesting the NYISO to file for FERC acceptance, a Transmission Project Interconnection
Agreement for the Designated Project and/or EPC agreement(s), as applicable; and constructing, or arranging for the construction of, all required Network Upgrade Facilities; provided, however, if a Developer began the interconnection process in Attachment X of the OATT or the
transmission expansion process in Sections 3.7 or 4.5 of the OATT for the Transmission Project prior to the effective date of the Transmission Interconnection Procedures, the Designated Entity 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 Designated Project under this Agreement, the Designated
Entity 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 Designated Project, the Designated Entity 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 Designated
Project, the Designated Entity 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 Designated Project will affect the facilities of an Affected System as

determined in Attachment P of the OATT, the Designated Entity shall satisfy the requirements of the Affected System Operator for the interconnection of the Designated Project, including
entering into any applicable EPC agreement(s).

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
Designated Entity shall coordinate its development and construction of the Designated 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).

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ARTICLE 5. OPERATION REQUIREMENTS FOR THE DESIGNATED PROJECT

If the Designated Entity is a Transmission Owner, the Designated Entity shall comply
with the operating requirements set forth in the ISO/TO Agreement. If the Designated Entity is
not a Transmission Owner, the Designated Entity shall: (i) execute, and/or obtain a FERC
accepted, interconnection agreement for the Designated 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
Designated 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 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 Designated
Project, execute an operating agreement with the NYISO.

ARTICLE 6. INSURANCE

The Designated Entity 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 Designated
Project will be located in part outside of New York State, Designated Entity 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.

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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 the

Designated Entity shall name the NYISO and its respective directors, officers, agents,
servants and employees (“NYISO Parties”) as additional insureds. For Commercial
General Liability Insurance, the Designated Entity 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 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, the Designated Entity 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 Designated
Entity 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 Designated Entity and the NYISO.

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

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

6.11 The Designated Entity 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 Designated Entity may self-insure to meet the

minimum insurance requirements of Articles 6.1 through 6.10 to the extent it

maintains a self-insurance program; provided that, the Designated Entity’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 6.1 through 6.10. For
any period of time that the Designated Entity’s senior debt is unrated by Standard &
Poor’s or is rated at less than investment grade by Standard & Poor’s, the Designated
Entity shall comply with the insurance requirements applicable to it under Articles 6.1
through 6.10. In the event that the Designated Entity is permitted to self-insure

pursuant to 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 Designated Entity 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 Designated Entity: (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 Designated Entity 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 Designated Entity notifies the
NYISO in writing that it will not proceed to develop the Designated Project for reasons other
than those set forth in Articles 8.1(i) through (iv); (ii) the Designated Entity 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

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this Agreement; (iii) the Designated Entity makes a Significant Modification to the Designated
Project without the prior written consent of the NYISO; (iv) the Designated Entity fails to pay a
monthly invoice within the timeframe set forth in Article 3.6; (v) the Designated Entity
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 Designated Entity fails to file with the Commission any Cost Cap that the
Designated Entity submitted to the NYISO as a part of its Public Policy Transmission Project
and agreed to in this Agreement or seeks to recover through its transmission rates for the
Designated Project or through any other means costs for the Included Capital Costs (as defined
in Section 31.4.5.1.8.1 of the ISO OATT) above its Cost Cap, except as permitted for excusing
conditions in Section 6.10.6.2 of the ISO OATT and Article 15.3 of this Agreement; (viii) the
Designated Entity fails to comply with any other material term or condition of this Agreement;
(ix) a custodian, receiver, trustee or liquidator of the Designated Entity, or of all or substantially
all of the assets of the Designated Entity, is appointed in any proceeding brought by the
Designated Entity; or (x) any such custodian, receiver, trustee, or liquidator is appointed in any
proceeding brought against the Designated Entity that is not discharged within ninety (90) Days
after such appointment, or if the Designated Entity 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 another Designated
Entity, 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 Designated Project by the Required Designated 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 agreement the NYISO will not unreasonably withhold, condition, or delay if it
determines a longer cure period will not threaten the Designated Entity’s ability to complete the
Designated Project by the Required Designated Project In-Service Date or other Designated
Entities’ ability to complete Designated Public Policy Projects or Designated Network Upgrade
Facilities related to the Transmission Project by their required designated project in-service date
and the Required Transmission Project In-Service Date; provided, however, that if the Breach is
the result of a Designated Entity’s inability or failure to meet a Critical Path Milestone, the
Designated Entity 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 Designated Project will achieve its In-
Service Date no later than the Required Designated Project In-Service Date and other Designated
Public Policy Projects or Designated Network Upgrade Facilities related to the Transmission
Project will achieve their in-service dates before their required designated project in-service
dates and the Required Transmission Project In-Service Date, or (ii) the Designated Entity
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

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Designated Project to be completed by the Required Designated 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 Designated Entity in the event that: (i) the Designated Entity 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 Designated Project by the Required
Designated Project In-Service Date; (ii) the Designated Entity notifies the NYISO that its
required approvals or authorizations by Governmental Authorities have been withdrawn by the
Governmental Authorities; (iii) the Designated Entity cannot complete the Designated Project by
the Required Designated Project In-Service Date for any reason: (A) including the occurrence of
a Force Majeure event that will prevent the Designated Entity from completing the Designated
Project by the Required Designated Project In-Service Date, but (B) excluding a delay caused by
a Connecting Transmission Owner, an Affected System Operator, or other Designated Entity
responsible for completing a Designated Public Policy Project or Designated Network Upgrade
Facilities related to the Transmission Project; (iv) the NYISO declares a default pursuant to
Article 7.2 of this Agreement; or (v) another Designated Entity defaults on the development of a
separate Designated Public Policy Project or Designated Network Upgrade Facilities related to
the Transmission Project and the ISO determines to address the Public Policy Transmission Need
in a future planning cycle pursuant to Section 31.4.12.3.1.2 of Attachment Y of the OATT.

If the NYISO identifies grounds for termination under Articles 8.1(iii) or (iv) or receives
notice from the Designated Entity under Articles 8.1(i) or (ii), the NYISO may, prior to
providing a written notice of termination, take action in accordance with Sections 31.4.12.3.1.3
and 31.4.12.3.1.4 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), (iv), or

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(v), it will provide written notice of termination to the Designated Entity, 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 Designated Entity, promptly file with FERC for its acceptance a notice of termination of this Agreement. Filing of a notice of termination or other filing made to FERC pursuant to this Agreement shall not be construed to be a waiver of the status of the Long Island Power Authority and its operating subsidiary—the Designated Entity—as a non-
jurisdictional utility pursuant to Section 201(f) of the Federal Power Act.

In the event of termination under Articles 8.1 (i), (ii), or (v), the Designated Entity 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 the appropriate authority to approve rate recovery
mechanisms for LIPA. In the event of termination for any reason under this Article 8.1, the
Designated Entity 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 Designated
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. Designated Project Transfer Rights Upon Termination

If the NYISO terminates this Agreement pursuant to Article 8.1 (except pursuant to

Article 8.1(v)), the NYISO shall have the right, but shall not be required, to request an entity

other than the Designated Entity to complete the Designated Public Policy Project. The NYISO
may exercise this right by providing the Designated Entity 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 Sections 31.4.12.3.1.3 and 31.4.12.3.1.4 of Attachment Y of the
OATT, the Designated Entity shall work cooperatively with the NYISO’s designee pursuant to
the requirements set forth, as applicable, in Sections 31.4.12.3.1.3 or 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 Designated Public Policy Project to the NYISO’s designee.
If the NYISO exercises the right to request an entity other than the Designated Entity to complete
the Designated Public Policy Project and if there are Designated Network Upgrade Facilities
covered by this Agreement, the NYISO may (i) request the Designated Entity to continue with
the development of the Designated Network Upgrade Facilities and amend this Agreement to,
among other things, revise the Designated Project as described in the Project Description set
forth in Appendix A to this Agreement or (ii) execute or amend a Transmission Interconnection
Agreement if termination under Articles 8.1(iii) or (iv) is related to the development of
Designated Network Upgrade Facilities. All liabilities under this Agreement existing prior to

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such transfer shall remain with the Designated Entity, unless otherwise agreed upon by the

Designated Entity 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.

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 Designated Entity 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

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

(i) any Change of Control shall be considered an assignment under this Article 10

and shall require the other Party’s prior written consent;

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(ii) an assignment by the Designated Entity shall be contingent upon the Designated

Entity 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 materials, equipment, and plans to comply with the requirements of this Agreement and to construct and place in service the
Designated Project by the Required Designated Project In-Service Date consistent with the assignor’s cost estimates for the Designated 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) the Designated Entity 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 Designated 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 Designated Project meets the requirements for the

assignee of a Designated Entity 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, 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.

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

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

12.2. Good Standing

The Designated Entity 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 Designated Entity is qualified to do business in the state or states in which the Designated Project is located. The Designated Entity 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 Designated Entity 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 Designated Entity, enforceable against the Designated Entity
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

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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
Designated Entity, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon the Designated Entity or any of its assets.

12.5. Consent and Approval

The Designated Entity 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 Designated Entity 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, 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 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, the cost recovery provisions in Article 15.3 and Appendix D, and the billing and
payment provisions in Article 3.6 of this Agreement shall survive termination, expiration, or
cancellation of this Agreement.

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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:

The New York Independent System Operator, Inc.

Attn: Zachary G. Smith

Senior Vice President, System and Resource Planning

10 Krey Boulevard

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

Fax: (518) 356-6118

Designated Entity:

Long Island Power Authority Attn: General Counsel

333 Earle Ovington Blvd., Suite 403 Uniondale, NY 11553

Phone: (516) 719-8618

With a copy to the Designated Entity’s agent:

Long Island Electric Utility Servco LLC Power Portfolios

175 East Old Country Rd.
Hicksville, NY 11801
Phone: (516) 318-5718

Long Island Electric Utility Servco LLC Attn: Director, Legal - Regulatory
333 Earle Ovington Blvd., Suite 403 Uniondale, NY 11553

Phone: (516) 647-4030

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.

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Notwithstanding the foregoing, this Agreement is in addition to, and does not supersede or limit the Designated Entity’s and NYISO’s rights and responsibilities, under any
interconnection agreement(s) entered into by and among the NYISO, Designated Entity, and
Connecting Transmission Owner(s) for the Designated 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 Designated Entity may recover the costs of the Designated Project in accordance with the

cost recovery requirements in the ISO Tariffs. If the Designated Entity submitted a Cost Cap for
the Included Capital Costs (as defined in Section 31.4.5.1.8.1 of the ISO OATT) of the
Designated Project pursuant to Section 31.4.5.1 of the ISO OATT, the Designated Entity’s Cost
Cap for the Included Capital Costs shall be detailed in Appendix D of this Agreement, which
description shall include the Cost Cap in the Designated Entity’s project proposal. Designated
Entity agrees to file this Cost Cap for Included Capital Costs with the Commission in
accordance with the requirements in Rate Schedule 10 of the ISO OATT. If the Cost Cap is a
soft Cost Cap, Designated Entity agrees to implement the Cost Cap in accordance with Section

6.10.6.3 of Rate Schedule 10. The Designated Entity further agrees in accordance with Rate Schedule 10 of the OATT that it shall not seek to recover through its transmission rates for the Designated Project or through any other means costs for the Included Capital Cost above its agreed-upon Cost Cap; provided, however, the Designated Entity may recover costs above its agreed-upon Cost Cap resulting from one of the following excusing conditions, but only to the extent the costs arise from the excusing condition:

A. Designated Project changes, delays, or additional costs that are due to the actions

or omissions of the ISO, Connecting Transmission Owner(s), Interconnecting
Transmission Owner(s), Affected Transmission Owner(s), or other Designated
Entity(ies) responsible for completing other parts of the Transmission Project;

B. A Force Majeure event as defined in this Agreement and subject to the Force

Majeure requirements in Section 15.5 of this Agreement;

C. Changes in laws or regulations, including but not limited to applicable taxes;

D. Material modifications to scope or routing arising from siting processes under

Public Service Law Article VII or applicable local laws as determined by the New
York State Public Service Commission or local governments respectively; and

E. Actions or inactions of regulatory or governmental entities, and court orders.

The provisions of this Section 15.3 and the Designated Entity 's Cost Cap for the

Included Capital Costs detailed in Appendix D shall not be subject to change through application

to the Federal Energy Regulatory Commission pursuant to the provisions of Section 205 of the
Federal Power Act absent the agreement of all Parties to the Agreement. In any proceeding
conducted pursuant to Section 206 of the Federal Power Act, the standard of review for any
change to this Section 15.3 and the Designated Entity’s Cost Cap for the Included Capital Costs

detailed in Appendix D shall be the “public interest” application of the just and reasonable

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standard set forth in United Gas Pipe Line Co. v. Mobile Gas Serv. Corp., 350 U.S. 332 (1956),
and Fed. Power Comm'n v. Sierra Pacific Power Co., 350 U.S. 348 (1956), as clarified in
Morgan Stanley Capital Grp., Inc. v. Pub. Util. Dist. No. 1 of Snohomish Cnty., Wash., 554 U.S.
527 (2008), and refined in NRG Power Mktg. v. Maine Pub. Utils. Comm'n, 558 U.S. 165 (2010).

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.

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 Designated Entity to

meet a Critical Path Milestone. If the notifying Party is the Designated Entity, 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 Designated Project in time for other
Designated Public Policy Projects or Designated Network Upgrade Facilities related to the
Transmission Project to go into service by their required designated project in-service date(s) and
the Required Transmission Project In-Service Date. If the Force Majeure will delay the
Designated Entity’s ability to meet one or more Critical Path Milestones, the Designated Entity
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 Designated Entity’s ability to complete the Designated Project by the Required Designated
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 the Designated
Entity will not be able to complete the Designated Project by the Required Designated 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 Designated Entity 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 that submitted the

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Transmission Project under Attachment Y of the ISO OATT or by the Designated Entity nor any inspection carried out by the NYISO or its subcontractor(s) pursuant to this Agreement shall
relieve the Designated Entity 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 Designated Entity 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.

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

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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”.

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

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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.

The New York Independent System Operator, Inc.

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

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

Long Island Electric Utility Servco LLC

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

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Appendix A

Project Description

1. Transmission Project Overview

The transmission project is the T051 Propel Alternate Solution 5 (“Transmission

Project”) that was submitted by the New York Power Authority and New York Transco, LLC,
collectively “Propel NY,” and evaluated in the NYISO’s Public Policy Transmission Planning
Process and selected by the NYISO Board of Directors on June 13, 2023 as the more efficient or
cost-effective transmission solution to the Long Island Public Policy Transmission Need
identified by the New York State Public Service Commission on March 19, 2021 in its order in
Case No. 20-E-0497. The Transmission Project will be located in Dunwoodie (Zone I), New
York City (Zone J), and Long Island (Zone K) in the State of New York and is principally
comprised of three new PAR-controlled 345 kV Long Island ties lines (two between Shore Road
and Sprain Brook and one between East Garden City and Tremont), a Shore Road - Ruland
Road - East Garden City 345 kV backbone, and other transmission facilities in Long Island.

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2. Components of the Transmission Project

The Transmission Project consists of the following components:

• Build a proposed Barrett 345 kV substation with two 345/138 kV transformers in

series with 138 kV PARs controlling flow towards the 138 kV substation, which
is proposed to connect an offshore wind facility in the NYISO’s interconnection
queue, near the existing Barrett substation and one 100 MVAR shunt reactor,

• Build a proposed New Shore Road 345 kV substation with a 345/138 kV

transformer in series with a 138 kV PAR to connect to the existing Shore Road

345/138 kV substation, two 345 kV PARs controlling flow between the New

Rochelle 345 kV station and New Shore Road 345 kV substation, two 150 MVAR shunt reactors, and one 100 MVAR shunt reactor,

• Build a proposed Ruland Road substation consisting of a 345 kV six-breaker-ring

configuration with three 345/138 kV transformers connecting to a 138 kV six-
breaker-ring substation, a 345 kV PAR controlling flow between the Ruland Rd
345 kV station and East Garden City 345 kV substation, and two 150 MVAR
shunt reactors,

• Build a proposed New Rochelle 345 kV transition substation consisting of six 345

kV air insulated disconnect switches and rigid buses,

• Build one proposed underground Barrett - East Garden City 345 kV alternating

current (“AC”) line,

• Build a 345 kV PAR-controlled tie line from the East Garden City 345 kV

substation interconnected to the existing Tremont 345 kV substation,

• Build a proposed underground East Garden City - New Shore Road 345 kV AC

line,

• Build a proposed underground Ruland Road - New Shore Road 345 kV AC line,

• Build two proposed underground/submarine New Shore Road - New Rochelle -

Sprain Brook 345 kV AC lines,

• Build a 138 kV line from the existing Syosset 138 kV substation to the existing

Shore Road 345/138 kV substation,

• Convert and reconfigure the existing Ruland Road - New Bridge 138 kV (Line

567) and New Bridge - East Garden City 138 kV (Line 467) to a proposed Ruland Road - East Garden City 345 kV PAR-controlled line, bypassing the existing New Bridge 138 kV substation,

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• Install Plug and Switch System (“PASS”) breakers (i.e., two breakers in series

with integral switches) in place of breakers 1E and 6E at the existing Rainey 345 kV substation,

• Modify the existing East Garden City 345 kV substation to a breaker-and-a-half

configuration with a PAR-controlled connection of the existing Y49 345 kV line
(i.e., the two existing Y49 345/138 kV transformers will be used to connect the
East Garden City 345 kV substation to the existing East Garden City 138 kV
substation),

• Install series reactors on the following five existing 138 kV lines: Ruland Road -

New Bridge (Lines 561, 562), East Garden City - New Bridge (Lines 462, 463), and East Garden City - Valley Stream (Line 262),

• Uprate the 2.5-mile segment of each of the existing Syosset - Greenlawn 138 kV

line (Line 676) and the Syosset - Oakwood 138 kV (Line 675) line,

• Install a second PAR at the existing 138 kV Northport substation,

• Install a PASS breaker in place of breaker CB-1460 at the existing New Bridge

138 kV substation,

• Install a circuit breaker between the Holbrook 138/69 kV transformers 2 & 2A

and the Holbrook - Ruland Road 138 kV line (Line 882) at the existing Holbrook

138 kV substation,

• Upgrade the Central Islip - Hauppauge 138 kV line (Line 889), and

• Modify relay systems to eliminate P5 contingencies at multiple substations,

including Valley Stream 138 kV substation, Lake Success 138 kV substation, East Garden City 138 kV substation, and Barrett 138 kV substation.

3. Components of the Designated Project

The Designated Project that the Designated Entity has accepted to be and is responsible for designing, engineering, procuring all necessary property and equipment, installing, constructing, testing, and commissioning is as follows:

• Convert and reconfigure the existing Ruland Road - New Bridge 138 kV (Line
 567) and New Bridge - East Garden City 138 kV (Line 467) to a proposed
 Ruland Road - East Garden City 345 kV PAR-controlled line, bypassing the
 existing New Bridge 138 kV substation,

• Install series reactors on the following five existing 138 kV lines: Ruland Road -
 New Bridge (Lines 561, 562), East Garden City - New Bridge (Lines 462, 463),
 and East Garden City - Valley Stream (Line 262),

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• Uprate the 2.5-mile segment of each of the existing Syosset - Greenlawn 138 kV
 line (Line 676) and the Syosset - Oakwood 138 kV (Line 675) line,

• Install a second PAR at the existing 138 kV Northport substation,

• Install a PASS breaker in place of breaker CB-1460 at the existing New Bridge
 138 kV substation,

• Install a circuit breaker between the Holbrook 138/69 kV transformers 2 & 2A

and the Holbrook - Ruland Road 138 kV line (Line 882) at the existing Holbrook 138 kV substation,

• Upgrade the Central Islip - Hauppauge 138 kV line (Line 889), and

• Modify relay systems to eliminate P5 contingencies at multiple substations,

including Valley Stream 138 kV substation, Lake Success 138 kV substation, East Garden City 138 kV substation, and Barrett 138 kV substation.

4. Interconnection Facilities

This Agreement was executed prior to the completion of the NYISO’s evaluation of the
impact of the Designated Project on the New York State Transmission System and execution of a
Transmission Project Interconnection Agreement, if applicable. As a result, the interconnection
and operation of the Designated Project may require the construction of Network Upgrade
Facilities, as applicable, which will be identified through the Transmission Interconnection
Procedures. The identified facilities and associated responsibilities in designing, engineering,
procuring, installing, constructing, testing, and commissioning will be addressed in any
Transmission Project Interconnection Agreement and/or associated engineering, procurement,
and construction agreements among the Designated Entity, the Connecting Transmission
Owner(s) and/or the Affected System Operator(s), and the NYISO, as applicable. In the event
that the identification of those facilities materially affects the facilities to be constructed under
this Agreement, the Parties will amend this Agreement, as necessary, pursuant to the terms of
this Agreement.

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Appendix B

Scope of Work

1. Designated Project:

The Designated Entity shall design, engineer, procure, install, construct, test, and

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

Relay Upgrades at Barrett 138 kV Substation

Upgrade existing control and protection systems, as applicable, to eliminate NERC P5 contingencies (P5 contingencies as defined in NERC TPL-001-5.1).

Furnish and install the following major equipment, as applicable:

• Required relays, panels, instrument transformers, control cables, controls,
 batteries, and hardware.1

Relay Upgrades at East Garden City 138 kV Substation

Upgrade existing control and protection systems, as applicable, to eliminate NERC P5 contingencies (P5 contingencies as defined in NERC TPL-001-5.1).

Furnish and install the following major equipment, as applicable:

• Required relays, panels, instrument transformers, control cables, controls,
 batteries, control enclosure, and hardware.2

Installation of Series Reactors at East Garden City 138 kV Substation

Install series reactors on three 138 kV lines (Line 462 and Line 463 to the Newbridge

substation and Line 262 to the Valley Stream substation). LIPA’s East Garden City 138
kV substation is an existing 138 kV air-insulated substation (“AIS”) substation with a ten

(10) position ring bus configuration located in Town of Hempstead, Nassau County.

1 The Designated Entity may be able to use monitoring and reporting at a control center consistent with NERC TPL-001-5.1, Table 1 - Footnote 13.

2 See footnote 1, supra.

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Furnish and install the following major equipment:

• Three (3) 138 kV series reactors (to achieve a per unit line impedance of

0.005649 (reactor value: 0.147 ohm), 0.005555 (reactor value: 0.128 ohm), and

0.025200 (reactor value: 3.180 ohm) on Lines 462, 463, and 262, respectively),

• Nine (9) 138 kV rated, 3000 A, 100 kA, double break, manually operated,
 disconnect switches,

• A total of three (3) three phase ganged manually operated bypass switch with one

(1) switch installed on each set of three (3) single phase air core series reactors,

• Associated 138 kV conductor, hardware, and fittings,

• Associated trench and conduit system,

• Associated foundations,

• Associated steel support structures,

• Relays, panels, controls, communication equipment as required, and

• Associated material and hardware as required,

Relay Upgrades at Lake Success 138 kV Substation

Upgrade existing control and protection systems, as applicable, to eliminate NERC P5 contingencies (P5 contingencies as defined in NERC TPL-001-5.1).

Furnish and install the following major equipment, as applicable:

• Required relays, panels, instrument transformers, control cables, controls,
 batteries, control enclosure, and hardware.3

Relay Upgrades at Valley Stream 138 kV Substation

Upgrade existing control and protection systems, as applicable, to eliminate NERC P5 contingencies (P5 contingencies as defined in NERC TPL-001-5.1).

Furnish and install the following major equipment, as applicable:

• Required relays, panels, instrument transformers, control cables, controls,
 batteries, control enclosure, and hardware.4

Installation of Breaker at Newbridge Road 345/138 kV Substation

Install two PASS circuit breakers at the existing Newbridge 138 kV substation, located in the Town of Hempstead, Nassau County. The Newbridge substation is a 138 kV AIS substation with a six (6) bay BAAH configuration and 138 kV/69 kV transformers
connected to each main bus.

3 See footnote 1, supra.

4 See footnote 1, supra.

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Remove existing 138 kV SF6-Circuit Breaker 1460 and support structures, associated 138 kV disconnect switches, and 138 kV potential transformers,

Furnish and install the following major equipment:

• Two (2) 145 kV, 3000 A, 63 kA, PASS circuit breakers,

• Associated protection and control panels to be located inside the existing
 substation control house,

• Associated steel support structures,

• Associated 138 kV hardware and fittings,

• Associated foundations, and

• Associated conduit, control cable, grounding, and miscellaneous materials as
 required.

Installation of Phase Angle Regulator (“PAR”) at Northport 138 kV Substation

Installation of a PAR and two breakers at the existing Northport 138 kV AIS substation, located in the Town of Huntington, Suffolk County.

Furnish and install the following major equipment:

• One (1) 138 kV PAR transformer with a summer rating of at least 396 MVA
 Normal / 482 MVA LTE / 560 MVA STE and a winter rating of at least 517
 MVA Normal / 591 MVA LTE/ 599 MVA STE,

• Two (2) 145 kV, 3000 A, 63 kA, PASS circuit breakers,

• Relocate 138 kV circuit breaker 1460 and its associated disconnect switches

within Northport 138kV substation to accommodate connection of the proposed 138 kV PAR,

• Associated protection and control panels inside the existing substation control
 house,

• Associated steel support structures,

• Associated 138 kV hardware and fittings,

• Associated foundations, and

• Associated conduit, control cable, grounding, and miscellaneous materials as
 required.

Installation of Series Reactors at the Ruland Road Substation on two 138 kV Lines to Newbridge Substation

Install series reactors to the 138 kV Line #561 and Line #562 within the existing Ruland Road 138 kV AIS substation, located in the Town of Huntington, Suffolk County.

Furnish and install the following major equipment:

• Two (2) sets of three (3) 138 kV single phase air core series reactors (to achieve a
 per unit line impedance of 0.04824 (reactor value: 3.24 ohm )),

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• A total of three (3) three phase ganged manually operated bypass switch with one

(1) switch on each set of three (3) single phase air core series reactors,

• Protection and control panels inside the existing substation control house,

• Associated 138 kV conductor, hardware, and fittings,

• Associated foundations,

• Associated steel support structures,

• Associated stormwater fixtures,

• Earthwork and grading,

• New station ground grid that connects to the new 345 kV and existing 138 kV
 yards,

• Required station lightning masts, lighting, and security system,

• Relays, panels, controls, and communication equipment as required, and

• Associated material and hardware as required.

Installation of a Breaker at the Holbrook 138 kV Substation

Replacement of existing switch #1322 with a hybrid PASS GIS 138 kV breaker system with integrated disconnect and ground switches at the existing Holbrook 138 kV AIS substation, located in the Town of Brookhaven, Suffolk County. The substation is currently configured as an eight (8) position ring bus.

Furnish and install the following major equipment:

• Removal of the existing 138 kV disconnect switch #1322, support structures, and
 foundations,

• One (1) 145 kV, 3000 A, 63 kA PASS circuit breaker,

• Associated steel support structures,

• Associated bus hardware and fittings,

• Associated foundations,

• Associated conduit, control cable, grounding, and miscellaneous materials as
 required, and

• Relays, panels, controls, and communication equipment as required.

Central Islip - Hauppauge 138 kV Line Uprate

Upgrade Central Islip-Hauppauge 138 kV line (Line 889) to the required summer rating of at least 232 MVA Normal /324 MVA LTE/358 MVA STE and winter rating of at least 251 MVA Normal/387 MVA LTE/427 MVA STE.

Conversion of the Existing Ruland Road - Newbridge - East Garden City Circuit

Convert the existing Ruland Road - Newbridge - East Garden City line to 345 kV to
achieve a summer rating of at least 607 MVA Normal/810 MVA LTE /985 MVA STE
and a winter rating of at least 647 MVA Normal /970 MVA LTE /1067 MVA STE. The
work includes the conversion of the existing circuit that is operated at 138 kV between

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the East Garden City substation in the Town of Hempstead, Nassau County, to the

Ruland Road substation in the Town of Huntington, Suffolk County, via the Newbridge
Road substation in the Town of Hempstead, Nassau County. A 0.6 mile new 345 kV line
will be spliced to the existing line, creating a continuous 345 kV feed between the
substations.

• Inspect, test, and make modifications to (if necessary) the existing circuits from
 the Ruland Road substation to the East Garden City substation, which are rated
 for 345 kV operation but have been operated at 138 kV, to operate at 345 kV with
 a summer rating of 607 MVA Normal /810 MVA LTE /985 MVA STE and
 winter rating of 647 Normal /970 MVA LTE /1067 MVA STE,

• Remove the existing 138 kV lines and install approximately 0.6 miles of new
 cable at the existing Newbridge substation to create a Ruland Rd - East Garden
 City 345 kV line, and

• Remove of the mini GIS assemblies at Newbridge Road (2) and EGC (1).

Syosset - Greenlawn and Syosset - Oakwood 138 kV Circuit Uprates

Upgrade the existing underground line ratings of the Oakwood - Syosset circuit (Line

675) and the Greenlawn - Syosset circuit (Line 676) with a summer rating of at least 362 MVA Normal /544 MVA LTE /624 STE MVA and winter rating of at least 362 MVA Normal /618 MVA LTE/685 STE MVA. The work includes:

• Splicing the existing double-circuit duct bank into a two-cable circuit

configuration at the existing Oakwood substation and the existing Syosset Transition station via line terminal configuration upgrades.

• Replacing the underground portion of the existing circuit (Line 676) with a 2.6-

mile underground 138 kV transmission circuit to match the ratings of the existing aerial portions of the transmission circuit. This additional 138 kV transmission circuit will run parallel with existing underground 138 kV circuits beginning at
the Oakwood substation in the Town of Huntington, Suffolk County, leading to the Syosset Transition Station located near Woodbury Road in the Town of
Oyster Bay, Nassau County.

Furnish and install:

o Approximately 2.6 miles of 4000kcmil XLPE cable per circuit

o Associated cable splices, link boxes, cable terminations,

o Associated duct bank and manholes, and

o Associated grounding and miscellaneous materials.

• Upgrades to the existing Syosset Transition Station, located near Woodbury Road

in the Town of Oyster Bay, Nassau County. The Syosset Transition Station is a

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138 kV underground-to-overhead transition station with two (2) transition

pothead stands. The work includes an expansion of the transition station that will:

o Relocate the existing circuits to additional feeder pothead stands with
 disconnect switches tied to a common bus work to accommodate the
 connection of the Oakwood - Syosset two-cable circuit configuration to
 the existing aerial connection, and

o Connect the upgraded 2.6 miles of the circuit to the existing underground-
 to-aerial connection for the Greenlawn - Syosset circuit.

Furnish and install:

o Three (3) 138 kV manual operated, aluminum double-break disconnect
 switches.

• Upgrades to the existing Oakwood 138 kV AIS substation with a two-bus

configuration and a tie breaker, located in the Town of Huntington, Suffolk

County. The work will re-classify the existing Greenlawn feeder pothead stand
and connection as the second leg of the upgraded two-cable circuit configuration from Oakwood - Syosset circuit and connect the re-classified Oakwood - Syosset second leg to the Oakwood substation via the installation of a PASS circuit
breaker. The work will also remove the existing aerial-to-underground
connection for the existing Greenlawn - Syosset circuit, then install a new
Greenlawn - Syosset Transition underground-to-overhead connection at an
alternate location adjacent to the station. The additional circuit to be installed will connect to this modified connection point.

Furnish and install:

o One (1) 138 kV PASS circuit breaker, and

o One (1) 138 kV manual operated, aluminum double-break disconnect
 switch.

2. Permitting - Licensing, Environmental, and Regulatory Approvals

In accordance with Section 3.9 of this Agreement, the Designated Entity shall be

responsible for applying for and obtaining all necessary licensing, environmental, and regulatory approvals for the Designated Project. Such approvals and review may include the following to the extent applicable:

a. Certificate of Environmental Compatibility and Public Need (“CECPN”) issued
 pursuant to Article VII of the New York State Public Service Law;

b. State Environmental Quality Review Act (SEQRA);

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c. Environmental Management and Construction Plan (“EM&CP”) from the New

York State Public Service Commission following issuance of the Article VII Certificate;

d. National/State Pollutant Discharge Elimination System General Permit from the

United State Environmental Protection Agency or the New York State

Department of Environmental Conservation (“NYSDEC”) for stormwater discharge during construction activities;

e. NYS Office of Parks, Recreation and Historic Preservation (OPRHP)

consultation/effect determination;

f. New York State Department of State Coastal Review/Consistency Concurrence

and/or Determination;

g. Freshwater Wetlands Permit, Tidal Wetland Permit, and/or Article Protection of

Waters Permit from the NYSDEC, Division of Environmental Permits and the

Bureau of Energy Policy Management;

h. NYSDEC Long Island Well or Water Withdrawal Permit;

i. Coastal Erosion Management Permit from the NYSDEC, Division of Water,

Bureau of Flood Protection and Dam Safety;

j. Utility Work Permits from the New York State Department of Transportation

(“NYSDOT”) (for work within State highway rights of way);

k. Permits from the Long Island Railroad;

l. Permits for local road opening, right of way work, and/or curb work from the

applicable county or local municipality; and

m. Spill Prevention, Control & Countermeasure (SPCC) plan
 preparation/implementation.

3. Site Control / Rights of Way Acquisition

The Designated Entity is responsible for obtaining the necessary real property and/or rights of way (“ROWs”), as applicable, for the construction of the Designated Project in accordance with the milestones set forth in Appendix C of this Agreement.

4. Financing

The Designated Entity is responsible for obtaining the necessary financing for the design,
engineering, procurement, installation, construction, testing, commissioning, and operation of the
Designated Project in accordance with the milestone set forth in Appendix C of this Agreement.

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5. Engineering and Design

The Designated Entity 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 C2-2023 National Electrical Safety Code;

• New York Transmission Owners Task Force on Tie-Line Ratings Report 2019;

• ASCE Manual of Practice 113 Substation Structure Design Guide;

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

• IEEE C37, Standard for substations and circuit breakers;

• IEEE C57, Standard for power and transformers; and

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

6. Estimated Cost

The Designated Entity was not the sponsor of the Transmission Project and, therefore, did not independently develop a cost estimate for the Designated Project that was submitted to the NYISO under the Public Policy Transmission Planning Process. The NYISO developed an independent, non-binding cost estimate used in its evaluation and selection and as documented in the Long Island Public Policy Transmission Planning Report, dated June 13, 2023.

7. Other Requirements

This Agreement was executed prior to the completion of the Facilities Study for the
Designated Project in the Transmission Interconnection Procedures under Attachment P, the
execution of a Transmission Project Interconnection Agreement for the Designated Project, as applicable, and the receipt of all necessary regulatory approvals. As a result, the construction, interconnection, and operation of the Designated 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 will amend this Agreement, as
necessary, pursuant to the terms of this Agreement.

8. Agency

PSEG Long Island LLC (“PSEG LI”) and Designated Entity are parties to the Second
Amended and Restated Operations Services Agreement dated as of December 15, 2021, which
amended and restated the Amended and Restated Operations Services Agreement dated as of

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December 31, 2013 (“A&R OSA”). Pursuant to the A&R OSA, PSEG LI established an

operating subsidiary known as Long Island Electric Utility Servco LLC (“Servco”). Servco is
not a party to this Agreement and is executing and administering this Agreement on behalf of
Designated Entity, as its agent. Designated Entity shall have full liability under this Agreement
and Servco shall have no liability with respect to this Agreement. Servco shall be the Designated
Entity’s representative on matters related to this Agreement, including the attachments.

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Appendix C

Development Schedule

The Designated Entity shall demonstrate to the NYISO that it timely meets the following Critical Path Milestones and Advisory Milestones 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 a Transmission Project Interconnection Agreement, as applicable, and the receipt of regulatory approvals, which could affect the milestones set forth herein. In the event that the completion of the Transmission Interconnection Procedures, the execution of a Transmission Project Interconnection Agreement, or receipt of regulatory approvals materially affect a milestone set forth in this Appendix C, the Parties shall review the milestones and the Designated Entity shall seek to amend the milestone(s), as necessary, pursuant to the terms of this Agreement.

Item Milestone Description

Responsible
 Party(ies)

Type

Due Date

Within ten (10) days of the

1. Submit proof of Insurance

pursuant to Article 6

Designated
 Entity

Advisory

execution of this

Agreement or the date on
 which the Agreement is
 filed with FERC

2.

3.

4.

5.

Commence preliminary
engineering and design for the Designated Project

Commence land acquisition activities

Execute TIP Facilities Study
Agreement for the Designated
Project

File NYISO Quarterly Report

Designated
 Entity

Designated
 Entity

Designated
 Entity

NYISO

Connecting
Transmission

Owner(s)1

Designated
 Entity

Advisory

Advisory

Advisory

Advisory

Completed

Completed

7/31/2024

9/15/2024

1 The Connecting Transmission Owners are the Transmission Owners that are identified in the

Transmission Interconnection Procedures (“TIP”) under Attachment P to the ISO OATT for the Transmission Interconnection Application for the Designated Project.

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Item Milestone Description

Responsible
 Party(ies)

Type

Due Date

Complete procurement of

6. major electrical equipment and

materials2 for the Northport
PAR

Designated
 Entity

Critical

11/30/2024

Complete procurement of

7. major electrical equipment and

materials for the Newbridge breaker

Designated
 Entity

Critical

11/30/2024

Complete procurement of

8. major electrical equipment and

materials for the Holbrook switch/breaker

Designated
 Entity

Critical

11/30/2024

Complete procurement of

9. major electrical equipment and

materials for the Ruland Road reactors

Designated
 Entity

Critical

11/30/2024

Complete procurement of

10. major electrical equipment and

materials for the East Garden City reactors

Designated
 Entity

Critical

11/30/2024

11.

12.

13.

File NYISO Quarterly Report

Demonstrate adequate
financing for the Designated Project to the NYISO

Completion of land acquisition activities for the Designated
Project3

Designated
 Entity

Designated
 Entity

Designated
 Entity

Advisory

Critical

Advisory

12/15/2024

12/31/2024

1/31/2025

2 For purposes of the milestones set forth in this Appendix C, “major electrical equipment and materials”
shall include terrestrial cable, towers, transformers, PARs, shunt reactors, and breakers, as applicable. Further,
“complete procurement” of major electric equipment and materials shall mean that the Designated Entity 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 Designated Entity has paid in full or made all
applicable deposits for vendor to begin designing, manufacturing, and/or shipping such equipment and materials.

3 For purposes of the milestones set forth in this Appendix C, “completion of land acquisition activities”
shall mean that the Designated Entity has obtained all necessary documentation demonstrating (i) ownership of a
site, (ii) a leasehold interest in a site, or (iii) a right to develop a site for the purpose of constructing a transmission
facility.

C-2

SERVICE AGREEMENT NO. 2855

Item Milestone Description

Responsible
 Party(ies)

Type

Due Date

14.

15.

16.

File NYISO Quarterly Report

File NYISO Quarterly Report

Complete Facilities Study for the Designated Project

Designated
 Entity

Designated
 Entity

Designated
 Entity

NYISO

Connecting
Transmission

Owner(s) /
 Affected

Transmission
 Owner(s)

Advisory

Advisory

Advisory

3/15/2025

6/15/2025

6/30/2025

Submit annual construction

17. outage and restoration

coordination plan4 for 2026 (as applicable)

Designated
 Entity

Advisory

8/31/2025

18.

File NYISO Quarterly Report

Designated
 Entity

Advisory

9/15/2025

19. Apply for all federal and other

permits or approvals

Designated
 Entity

Advisory

11/30/2025

File Article VII CECPN

Application for Ruland Road -

20. East Garden City 345 kV line

converting the existing Ruland Road - Newbridge - East

Garden City 138 kV lines

Designated
 Entity

Critical

11/30/2025

21.

File Article VII CECPN
Application for Syosset -

Greenlawn 138 kV line uprate

Designated
 Entity

Critical

11/30/2025

4 For purposes of the milestones set forth in this Attachment C, the approval of an annual construction

outage and restoration coordination plan for the upcoming year does not guarantee that there will not be subsequent
modifications or cancellations of the requested outages and restorations by the NYISO or applicable Transmission
Owner. The scheduling of all outages and restorations will be scheduled, modified, or cancelled pursuant to the
requirements set forth in the NYISO’s tariffs and procedures, including, but not limited to, the NYISO’s Outage
Scheduling Manual.

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SERVICE AGREEMENT NO. 2855

Item Milestone Description

Responsible
 Party(ies)

Type

Due Date

22.

23.

File Article VII CECPN
Application for Syosset -

Oakwood 138 kV line uprate

File NYISO Quarterly Report

Designated
 Entity

Designated
 Entity

Critical

Advisory

11/30/2025

12/15/2025

Approval of annual

24. construction outage and

restoration coordination plan for 2026 (as applicable)

NYISO

Application Transmission
 Owner(s)

Advisory

12/31/2025

25.

File Article VII CECPN
Application for East Garden City reactor

Designated
 Entity

Critical

12/31/2025

Provide notice to the NYISO

26.

confirming that all major
electrical equipment and

materials for the East Garden City reactor are available5

Designated
 Entity

Advisory

12/31/2025

27. Engineering design finalized

for the Ruland Road reactor(s)

Designated
 Entity

Critical

12/31/2025

Provide notice to the NYISO

28.

confirming that all major
electrical equipment and

materials for the Ruland Road reactor(s) are available

Designated
 Entity

Advisory

12/31/2025

29.

Article VII CECPN

Application deemed complete
for East Garden City reactor

NYPSC Critical

1/30/2026

5 For purposes of the milestones set forth in this Appendix C, 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 Designated Entity’s warehouse or other inventory stocking location of the Designated Entity, 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.

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Item

30.

Milestone Description

Article VII CECPN

Application deemed complete for Ruland Road - East Garden City 345 kV line converting the existing Ruland Road -

Newbridge - East Garden City 138 kV lines

Responsible
 Party(ies)

NYPSC

Type

Critical

Due Date

2/28/2026

Article VII CECPN

31. Application deemed complete

for Syosset - Greenlawn 138 kV line uprate

NYPSC Critical

2/28/2026

Article VII CECPN

32. Application deemed complete

for Syosset - Oakwood 138 kV line uprate

NYPSC Critical

2/28/2026

Complete procurement of

33. major electrical equipment and

materials for the Valley Stream relay upgrades

Designated
 Entity

Critical

2/28/2026

Complete procurement of

34. major electrical equipment and

materials for the Barrett relay upgrades

Designated
 Entity

Critical

2/28/2026

35.

File NYISO Quarterly Report

Designated
 Entity

Advisory

3/15/2026

Complete procurement of

36.

37.

major electrical equipment and materials for the Lake Success relay upgrades

Provide notice to the NYISO confirming that all major

electrical equipment and
materials for the Holbrook
switch/breaker are available

Designated
 Entity

Designated
 Entity

Critical

Advisory

3/31/2026

3/31/2026

Complete procurement of

38. major electrical equipment and

materials for the East Garden City relay upgrades

Designated
 Entity

Critical

4/30/2026

39.

File NYISO Quarterly Report

Designated
 Entity

Advisory

6/15/2026

C-5

SERVICE AGREEMENT NO. 2855

Item

40.

41.

Milestone Description

Execution of Transmission Project Interconnection

Agreement(s) / Engineering,
Procurement and Construction
Agreement(s), as applicable

Submit annual construction outage and restoration

coordination plan for 2026

Responsible
 Party(ies)

Designated
 Entity

NYISO

Connecting
Transmission

Owner(s) /
 Affected

Transmission
 Owner(s)

Designated
 Entity

Type

Advisory

Advisory

Due Date

6/30/2026

8/31/2026

Engineering design finalized

42.

43.

for the Valley Stream relay
upgrades and submitted to the
NYISO

Provide notice to the NYISO confirming that all major

electrical equipment and
materials for the Valley Stream relay upgrades are available

Designated
 Entity

Designated
 Entity

Critical

Advisory

8/31/2026

8/31/2026

Engineering design finalized

44. for the Holbrook switch/

breaker and submitted to the NYISO

Designated
 Entity

Critical

8/31/2026

45.

File NYISO Quarterly Report

Designated
 Entity

Advisory

9/15/2026

46. Commence public outreach

plan

Designated
 Entity

Advisory

9/30/2026

Provide notice to the NYISO

47.

confirming that all major
electrical equipment and

materials for the Lake Success relay upgrades are available

Designated
 Entity

Advisory

9/30/2026

48. Commence construction of the

Ruland Road reactor

Designated
 Entity

Critical

9/30/2026

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SERVICE AGREEMENT NO. 2855

Item Milestone Description

49. Commence construction of the

Valley Stream relay upgrades

Responsible
 Party(ies)

Designated
 Entity

Type

Critical

Due Date

9/30/2026

Complete procurement of

50. major electrical equipment and

materials for Syosset -
Oakwood 138 kV line uprate

Designated
 Entity

Critical

10/31/2026

Complete procurement of

51. major electrical equipment and

materials for Syosset -
Greenlawn 138 kV line uprate

Designated
 Entity

Critical

10/31/2026

52. Article VII CECPN granted for

East Garden City reactor

NYPSC Critical

11/30/2026

Article VII CECPN granted for

Ruland Road - East Garden

53. City 345 kV line converting

the existing Ruland Road -
Newbridge - East Garden City 138 kV lines

NYPSC Critical

11/30/2026

Engineering design finalized

54.

55.

56.

for Lake Success relay
upgrades and submitted to the
NYISO

Provide notice to the NYISO confirming that all major

electrical equipment and materials for the Newbridge breaker are available

File NYISO Quarterly Report

Designated
 Entity

Designated
 Entity

Designated
 Entity

Critical

Advisory

Advisory

11/30/2026

11/30/2026

12/15/2026

Approval of annual

57. construction outage and

restoration coordination plan for 2027

NYISO

Application Transmission
 Owner(s)

Advisory

12/31/2026

58.

Article VII CECPN granted for Syosset - Greenlawn 138 kV line uprate

NYPSC Critical

12/31/2026

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SERVICE AGREEMENT NO. 2855

Item Milestone Description

Responsible
 Party(ies)

Type

Due Date

59.

Article VII CECPN granted for Syosset - Oakwood 138 kV

line uprate

NYPSC Critical

12/31/2026

60.

61.

Engineering design finalized for the Newbridge breaker and submitted to the NYISO

Complete procurement of
major electrical equipment and
materials for Ruland Road -
East Garden City 345 kV line
converting the existing Ruland
Road - Newbridge - East
Garden City 138 kV lines

Designated
 Entity

Designated
 Entity

Critical

Critical

12/31/2026

12/31/2026

Engineering design finalized

62. for Syosset - Oakwood 138 kV

line uprate and submitted to the NYISO

Designated
 Entity

Critical

1/31/2027

Engineering design finalized

63. for Syosset - Greenlawn 138

kV line uprate and submitted to the NYISO

64. Commence construction of

Newbridge breaker

65. Commence construction of

Holbrook switch/breaker

Designated
 Entity

Designated
 Entity

Designated
 Entity

Critical

Critical

Critical

1/31/2027

1/31/2027

1/31/2027

66.

67.

Commence construction of
Lake Success relay upgrades

Engineering design finalized for Ruland Road - East Garden City 345 kV line converting the existing Ruland Road -

Newbridge - East Garden City

Designated
 Entity

Designated
 Entity

Critical

Critical

1/31/2027

1/31/2027

C-8

SERVICE AGREEMENT NO. 2855

Item Milestone Description

138 kV lines and submitted to the NYISO

68. Completion of Valley Stream

relay upgrades6

Provide notice to the NYISO confirming that all major

69. electrical equipment and

materials for the East Garden City relay upgrades are

available

Responsible
 Party(ies)

Designated
 Entity

Designated
 Entity

Type

Critical

Advisory

Due Date

2/28/2027

2/28/2027

70.

Status update meeting with
NYISO to discuss Article VII CECPN

Designated

Entity Advisory
NYISO

2/28/2027

71.

File NYISO Quarterly Report

Designated
 Entity

Advisory

3/15/2027

Engineering design finalized

72. for East Garden City relay

upgrades and submitted to the NYISO

Designated
 Entity

Critical

3/31/2027

73.

74.

Engineering design finalized for the East Garden City

reactors

File EM&CP for the Ruland
Road - East Garden City 345
kV line converting the existing
Ruland Road - Newbridge -
East Garden City 138 kV lines

Designated
 Entity

Designated
 Entity

Critical

Critical

4/30/2027

5/31/2027

75. Completion of installation of

breaker at Newbridge

76. Completion of Lake Success

relay upgrades

Designated
 Entity

Designated
 Entity

Critical

Critical

5/31/2027

5/31/2027

6 For purposes of the milestones contained in this Attachment C, “completion” means completion of all work necessary for the facilities to be ready for testing but excludes the final construction work to connect such transmission facilities to the New York State Transmission System and testing activities.

C-9

SERVICE AGREEMENT NO. 2855

Item

77.

78.

Milestone Description

Provide notice to the NYISO confirming that all major

electrical equipment and
materials for the Barrett relays are available

File NYISO Quarterly Report

Responsible
 Party(ies)

Designated
 Entity

Designated
 Entity

Type

Advisory

Advisory

Due Date

5/31/2027

6/15/2027

79. File EM&CP for the East

Garden City reactors

80. File EM&CP for the Syosset -

Greenlawn 138 kV line uprate

81. File EM&CP for the Syosset -

Oakwood 138 kV line uprate

Designated
 Entity

Designated
 Entity

Designated
 Entity

Critical

Critical

Critical

6/30/2027

6/30/2027

6/30/2027

82.

83.

84.

85.

86.

Engineering design finalized for Barret relay upgrades and submitted to the NYISO

Submit proposed protection for the BPS element to NPCC for approval (if applicable)

Submit an annual construction outage and restoration

coordination plan for 2028

Commence construction at East Garden City relay

upgrades

File NYISO Quarterly Report

Designated
 Entity

Designated
 Entity

Designated
 Entity

Designated
 Entity

Designated
 Entity

Critical

Advisory

Advisory

Critical

Advisory

6/30/2027

7/30/2027

8/31/2027

8/31/2027

9/15/2027

87.

NYPSC order approving
EM&CP for East Garden City reactors

NYPSC Critical

10/31/2027

C-10

SERVICE AGREEMENT NO. 2855

Item Milestone Description

88. Commence construction of the

East Garden City reactors

89. Commence construction of the

Barrett relay upgrades

NYPSC order approving
EM&CP for Ruland Road -

90. East Garden City 345 kV line

converting the existing Ruland Road - Newbridge - East

Garden City 138 kV lines

91. Completion of East Garden

City relay upgrades

Responsible
 Party(ies)

Designated
 Entity

Designated
 Entity

NYPSC

Designated
 Entity

Type

Critical

Critical

Critical

Critical

Due Date

10/31/2027

10/31/2027

11/30/2027

11/30/2027

92.

93.

File NYISO Quarterly Report

Approval of construction outage and restoration

coordination plan for 2028

Designated
 Entity

NYISO

Applicable Transmission
 Owner(s)

Advisory

Advisory

12/15/2027

12/31/2027

Provide notice to the NYISO

confirming that all major

94. electrical equipment and

materials for the Syosset -
Oakwood 138 kV line uprate are available

Designated
 Entity

Advisory

12/31/2027

Provide notice to the NYISO
confirming that all major

95. electrical equipment and

materials for the Syosset -
Greenlawn 138 kV line uprate are available

96. Completion of installation of

reactor at Ruland Road

Designated
 Entity

Designated
 Entity

Advisory

Critical

12/31/2027

12/31/2027

C-11

SERVICE AGREEMENT NO. 2855

Item Milestone Description

Responsible
 Party(ies)

Type

Due Date

97.

NYPSC order approving EM&CP for Syosset -

Oakwood 138 kV line uprate

NYPSC Critical

1/31/2028

98. Commence construction of the

PAR at Northport

Designated
 Entity

Critical

1/31/2028

99.

NYPSC order approving EM&CP for Syosset -

Greenlawn 138 kV line uprate

NYPSC Critical

1/31/2028

Notification to the NYISO of
selected general construction

100.

101.

102.

103.

104.

contractor(s) for the

Designated Project and that applicable contracting

agreement(s) are fully executed

Provide notice to the NYISO confirming that all major

electrical equipment and
materials for the Ruland Road

- East Garden City 345 kV line converting the existing Ruland Road - Newbridge - East

Garden City 138 kV lines are available

File NYISO Quarterly Report

Commence construction for
Ruland Road - East Garden
City 345 kV line converting
the existing Ruland Road -

Newbridge - East Garden City 138 kV lines

Commence construction for Syosset - Greenlawn 138 kV line uprate

Designated
 Entity

Designated
 Entity

Designated
 Entity

Designated
 Entity

Designated
 Entity

Advisory

Advisory

Advisory

Critical

Critical

2/28/2028

2/29/2028

3/15/2028

3/31/2028

4/30/2028

105. Completion of installation of

breaker at Holbrook

Designated
 Entity

Critical

5/31/2028

C-12

SERVICE AGREEMENT NO. 2855

Item Milestone Description

106. Completion of installation of

reactors at East Garden City

107. Completion of Barrett relay

upgrades

Responsible
 Party(ies)

Designated
 Entity

Designated
 Entity

Type

Critical

Critical

Due Date

5/31/2028

5/31/2028

108.

109.

110.

111.

112.

113.

114.

115.

116.

117.

File NYISO Quarterly Report

Obtain NPCC approval of the protection for the BPS element (if applicable)

Submit an annual construction outage and restoration

coordination plan for 2029

File NYISO Quarterly Report

File NYISO Quarterly Report

Approval of construction outage and restoration

coordination plan for 2029

File NYISO Quarterly Report

File NYISO Quarterly Report

Commence construction for Syosset - Oakwood 138 kV line uprate

Provide notice to the NYISO confirming that all major

electrical equipment and materials for the Northport PAR are available

Designated
 Entity

Designated
 Entity

Designated
 Entity

Designated
 Entity

Designated
 Entity

NYISO

Applicable
Transmission

Owner(s)
Designated

Entity

Designated
 Entity

Designated
 Entity

Designated
 Entity

Advisory

Advisory

Advisory

Advisory

Advisory

Advisory

Advisory

Advisory

Critical

Advisory

6/15/2028

7/30/2028

8/31/2028

9/15/2028

12/15/2028

12/31/2028

3/15/2029

6/15/2029

6/30/2029

6/30/2029

C-13

SERVICE AGREEMENT NO. 2855

Item Milestone Description

Responsible
 Party(ies)

Type

Due Date

118.

119.

120.

121.

122.

Submit an annual construction outage and restoration

coordination plan for 2030

File NYISO Quarterly Report

Engineering design finalized for Northport PAR and

submitted to the NYISO

File NYISO Quarterly Report

Approval of construction outage and restoration

coordination plan for 2030

Designated
 Entity

Designated
 Entity

Designated
 Entity

Designated
 Entity

NYISO

Applicable Transmission
 Owner(s)

Advisory

Advisory

Critical

Advisory

Advisory

8/31/2029

9/15/2029

10/31/2029

12/15/2029

12/31/2029

123. Completion of Syosset -

Greenlawn 138 kV line uprate

Designated
 Entity

Critical

12/31/2029

124.

File NYISO Quarterly Report

Designated
 Entity

Advisory

3/15/2030

Completion of Ruland Road -

125.

East Garden City 345 kV line converting the existing Ruland Road - Newbridge - East

Garden City 138 kV lines

Designated
 Entity

Critical

5/31/2030

126. Completion of Syosset -

Oakwood 138 kV line uprate

127. Completion of installation of

PAR at Northport

128. Completion of Central Islip -

Hauppauge 138 kV line uprate

Designated
 Entity

Designated
 Entity

Designated
 Entity

Critical

Critical

Critical

5/31/2030

5/31/2030

Complete

129.

Submit final energization plan to the NYISO and Applicable Transmission Owner(s)

Designated
 Entity

Critical

Four (4) weeks prior to the
 final energization of the
 Designated Project

C-14

SERVICE AGREEMENT NO. 2855

Item Milestone Description

Responsible
 Party(ies)

Type

Due Date

130.

131.

Completion of Network
Upgrade Facilities identified in the TIP Facilities Study

Perform final connections to the New York State

Transmission System and
complete verification and

testing in accordance with the final energization plan

Connecting

Transmission Advisory

Owner(s)

Designated
 Entity

Connecting Critical Transmission

Owner(s)

5/31/2030

5/31/20307

Required Designated Project

132. In-Service Date and Required

Transmission Project In-
Service Date

Designated
 Entity

Critical

5/31/2030

7 This milestone shall be completed in accordance with the final energization plan but no later than two (2) calendar days prior to the Required Designated Project In-Service Date (i.e., Milestone No. 132).

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SERVICE AGREEMENT NO. 2855

Appendix D

Cost Cap

Attachment Y of the ISO OATT does not establish requirements for a Cost Cap for a Public Policy Transmission Upgrade as defined by Attachment Y to the ISO OATT.

D-1