GENERATOR INTERCONNECTION AGREEMENT

BETWEEN

NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID

AND

CURTIS/PALMER HYDROELECTRIC COMPANY L.P.

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GENERATOR INTERCONNECTION AGREEMENT

THIS GENERATOR INTERCONNECTION AGREEMENT (“Agreement” or “GIA”) ismade and entered into this 21st day of August 2025, by and between Curtis/Palmer HydroelectricCompany L.P., a limited partnership organized and existing under the laws of the State of NewYork (“Developer”), and Niagara Mohawk Power Corporation d/b/a National Grid, a corporationorganized and existing under the laws of the State of New York (“Connecting TransmissionOwner”). Developer or Connecting Transmission Owner each may be referred to as a “Party”or together referred to as the “Parties.”

RECITALS

WHEREAS, the New York Independent System Operator, Inc., a not-for-profit corporationorganized and existing under the laws of the State of New York (“NYISO”) operates the NewYork State Transmission System and Connecting Transmission Owner owns certain facilities included in the New York State Transmission System;

WHEREAS, Developer either owns, leases and/or controls and operates or, intends to own,lease and/or control and operate, the two Generating Facilities located at the same site andidentified in Appendix C to this Agreement (together the “Generating Facilities” and eachindividually a “Generating Facility”);

WHEREAS, Developer and Connecting Transmission Owner are parties to an Amended andRestated Power Purchase Agreement regarding the Generating Facilities dated January 5, 1995, which the Federal Energy Regulatory Commission accepted for filing in Docket No. ER95-433 and which will be superseded and replaced by this Agreement; and

WHEREAS, Developer and Connecting Transmission Owner have agreed to enter into thisAgreement for the purpose of interconnecting the Generating Facilities with the New York StateTransmission System.

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

ARTICLE 1. DEFINITIONS

Whenever used in this Agreement with initial capitalization, the following terms shall have themeanings specified in this Article 1. Terms used in this Agreement with initial capitalizationthat are not defined in this Article 1 shall have the meanings specified in Section 1 of the ISO OATT, Section 30.1 of Attachment X of the ISO OATT, Section 25.1.2 of Attachment S of the ISO OATT, the body of the LFIP or the body of this Agreement.

Affected System shall mean an electric system other than the transmission system owned, controlled or operated by the Connecting Transmission Owner that may be affected by the

proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affected Transmission Owner shall mean the New York public utility or authority (or itsdesignated agent) other than the Connecting Transmission Owner that (i) owns facilities used forthe transmission of Energy in interstate commerce and provides Transmission Service under theTariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York StateTransmission System where System Deliverability Upgrades, System Upgrade Facilities, orNetwork Upgrade Facilities are or will be installed pursuant to Attachment P, Attachment X,Attachment Z, or Attachment S to the ISO OATT.

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

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

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of the ApplicableReliability Councils, and the Transmission District to which the Developer’s GeneratingFacilities are directly interconnected, as those requirements and guidelines are amended andmodified and in effect from time to time; provided that neither Party shall waive its right tochallenge the applicability or validity of any requirement or guideline as applied to it in thecontext of this Agreement.

Attachment Facilities shall mean the Connecting Transmission Owner’s Attachment Facilitiesand the Developer’s Attachment Facilities. Collectively, Attachment Facilities include allfacilities and equipment between the Generating Facilities and the Point of Interconnection,including any modification, additions or upgrades that are necessary to physically and

electrically interconnect the Generating Facilities to the New York State Transmission System.Attachment Facilities are sole use facilities and shall not include Stand Alone System UpgradeFacilities, Distribution Upgrades, System Upgrade Facilities or System Deliverability Upgrades.

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

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

this Agreement.

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

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

Byway shall mean all transmission facilities comprising the New York State TransmissionSystem that are neither Highways nor Other Interfaces. All transmission facilities in Zone J andZone K are Byways.

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

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

Capacity Resource Interconnection Service (“CRIS”) shall mean the service provided byNYISO to Developers that satisfy the NYISO Deliverability Interconnection Standard or that areotherwise eligible to receive CRIS in accordance with Attachment S to the ISO OATT; suchservice being one of the eligibility requirements for participation as a NYISO Installed Capacity Supplier.

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

Commercial Operation shall mean the status of a Generating Facility that has commenced

generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which each Generating Facilitycommences Commercial Operation as agreed to by the Parties, notice of which must be providedto the NYISO in the form of Appendix E-2 to this Agreement.

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

22 of this Agreement.

Connecting Transmission Owner shall mean the New York public utility or authority (or itsdesignated agent) that (i) owns facilities used for the transmission of Energy in interstatecommerce and provides Transmission Service under the Tariff, (ii) owns, leases or otherwisepossesses an interest in the portion of the New York State Transmission System or DistributionSystem at the Point of Interconnection, and (iii) is a Party to this Agreement.

Connecting Transmission Owner’s Attachment Facilities shall mean all facilities andequipment owned, controlled or operated by the Connecting Transmission Owner from the Pointof Change of Ownership to the Point of Interconnection as identified in Appendix A to thisAgreement, including any modifications, additions or upgrades to such facilities and equipment.Connecting Transmission Owner’s Attachment Facilities are sole use facilities and shall notinclude Stand Alone System Upgrade Facilities, System Upgrade Facilities, or SystemDeliverability Upgrades.

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

Control Area shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to: (1) match, at all times, the power output of the Generating Facilities within the electric power system(s) andcapacity and energy purchased from entities outside the electric power system(s), with the Loadwithin the electric power system(s); (2) maintain scheduled interchange with other ControlAreas, within the limits of Good Utility Practice; (3) maintain the frequency of the electric powersystem(s) within reasonable limits in accordance with Good Utility Practice; and (4) providesufficient generating capacity to maintain Operating Reserves in accordance with Good UtilityPractice. A Control Area must be certified by the NPCC.

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

Developer shall mean an Eligible Customer that has developed or is developing a GeneratingFacility, proposing to connect to the New York State Transmission System, in compliance withthe NYISO Minimum Interconnection Standard.

Developer’s Attachment Facilities shall mean all facilities and equipment, as identified inAppendix A of this Agreement, that are located between a Generating Facility and the Point ofChange of Ownership, including any modification, addition, or upgrades to such facilities andequipment necessary to physically and electrically interconnect the Generating Facility to theNew York State Transmission System. Developer’s Attachment Facilities are sole use facilities.

Distribution System shall mean the Connecting Transmission Owner’s facilities and equipmentused to distribute electricity that are subject to FERC jurisdiction, and are subject to theNYISO’s Large Facility Interconnection Procedures in Attachment X to the ISO OATT or SmallGenerator Interconnection Procedures in Attachment Z to the ISO OATT under FERC OrderNos. 2003 and/or 2006. The term Distribution System shall not include LIPA’s distributionfacilities.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the ConnectingTransmission Owner’s Distribution System at or beyond the Point of Interconnection to facilitateinterconnection of a Generating Facility and render the transmission service necessary to affectthe Developer’s wholesale sale of electricity in interstate commerce. Distribution Upgrades donot include Attachment Facilities, System Upgrade Facilities, or System DeliverabilityUpgrades. Distribution Upgrades are sole use facilities and shall not include Stand AloneSystem Upgrade Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

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

Emergency State shall mean the condition or state that the New York State Power System is inwhen an abnormal condition occurs that requires automatic or immediate manual action toprevent or limit loss of the New York State Transmission System or Generators that couldadversely affect the reliability of the New York State Power System.

Energy Resource Interconnection Service (“ERIS”) shall mean the service provided byNYISO to interconnect a Generating Facility to the New York State Transmission System or tothe Distribution System in accordance with the NYISO Minimum Interconnection Standard, toenable the New York State Transmission System to receive Energy and Ancillary Services fromthe Generating Facility, pursuant to the terms of the ISO OATT.

Environmental Law shall mean Applicable Laws and Regulations relating to pollution or

protection of the environment or natural resources.

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

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

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

Generating Facility shall mean either of Developer’s devices for the production and/or storagefor later injection of electricity identified in Appendix C to this Agreement, but shall not includethe Developer’s Attachment Facilities or Distribution Upgrades.

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

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety andexpedition. 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 regulatoryor administrative agency, court, commission, department, board, or other governmentalsubdivision, legislature, rulemaking board, tribunal, or other governmental authority havingjurisdiction over either of the Parties, their respective facilities, or the respective services theyprovide, and exercising or entitled to exercise any administrative, executive, police, or taxingauthority or power; provided, however, that such term does not include Developer, NYISO,Affected Transmission Owner, Connecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or

included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,”“hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,”“toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” orwords of similar meaning and regulatory effect under any applicable Environmental Law, or anyother chemical, material or substance, exposure to which is prohibited, limited or regulated byany applicable Environmental Law.

Highway shall mean 115 kV and higher transmission facilities that comprise the following NYCA interfaces: Dysinger East, West Central, Volney East, Moses South, Central East/Total East, and UPNY-ConEd, and their immediately connected, in series, bulk power system facilitiesin New York State. Each interface shall be evaluated to determine additional “in series”facilities, defined as any transmission facility higher than 115 kV that (a) is located in anupstream or downstream zone adjacent to the interface and (b) has a power transfer distributionfactor (DFAX) equal to or greater than five percent when the aggregate of generation in zones orsystems adjacent to the upstream zone or zones that define the interface is shifted to theaggregate of generation in zones or systems adjacent to the downstream zone or zones that definethe interface. In determining “in series” facilities for Dysinger East and West Central interfaces,the 115 kV and 230 kV tie lines between NYCA and PJM located in LBMP Zones A and B shallnot participate in the transfer. Highway transmission facilities are listed in ISO Procedures.

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

In-Service Date shall mean the date upon which the Developer reasonably expects it will beready to begin use of the Connecting Transmission Owner’s Attachment Facilities to obtain backfeed power.

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

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

Interconnection Request shall mean the Developer’s request, in the form of Appendix 1 to the Standard Large Facility Interconnection Procedures, in accordance with the Tariff, to

interconnect a new Generating Facility to the New York State Transmission System or to theDistribution System, or to materially increase the capacity of, or make a material modification tothe operating characteristics of, an existing Generating Facility that is interconnected with theNew York State Transmission System or with the Distribution System.

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

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

IRS shall mean the Internal Revenue Service.

ISO shall mean the NYISO.

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

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

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

New York State Transmission System shall mean the entire New York State electrictransmission system, which includes (i) the Transmission Facilities Under ISO OperationalControl; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remainingtransmission facilities within the New York Control Area.

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

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



NYISO shall mean the New York Independent System Operator, Inc. or its successor.

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

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

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

OATT shall mean the Tariff.

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

Party or Parties shall mean Connecting Transmission Owner, Developer, or both.

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

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

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

Provisional Large Facility Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between the ISO, Connecting Transmission Owner(s) and the Developer. This agreement shall take the form of the LargeGenerator Interconnection Agreement, modified for provisional purposes and type of facility.

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

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

Services Tariff shall mean the NYISO Market Administration and Control Area Tariff, as filedwith the Commission, and as amended or supplemented from time to time, or any successor tariffthereto.

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

Standard Large Facility Interconnection Procedures (“Large Facility Interconnection Procedures” or “LFIP”) shall mean the interconnection procedures applicable to an

Interconnection Request pertaining to a Generating Facility that are included in Attachment X ofthe ISO OATT.System Deliverability Upgrades shall mean the least costly configuration ofcommercially available components of electrical equipment that can be used, consistent withGood Utility Practice and Applicable Reliability Requirements, to make the modifications oradditions to Byways and Highways and Other Interfaces on the existing New York StateTransmission System and Distribution System that are required for the proposed project toconnect reliably to the system in a manner that meets the NYISO Deliverability InterconnectionStandard at the requested level of Capacity Resource Interconnection Service.

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

System Upgrade Facilities shall mean the least costly configuration of commercially availablecomponents of electrical equipment that can be used, consistent with Good Utility Practice andApplicable Reliability Requirements, to make the modifications to the existing transmissionsystem that are required to maintain system reliability due to: (i) changes in the system,including such changes as load growth and changes in load pattern, to be addressed in the formof generic generation or transmission projects; and (ii) proposed interconnections. In the case ofproposed interconnection projects, System Upgrade Facilities are the modifications or additionsto the existing New York State Transmission System that are required for the proposed project toconnect reliably to the system in a manner that meets the NYISO Minimum InterconnectionStandard.

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

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

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date.

This Agreement shall become effective upon execution by the Parties, subject toacceptance by FERC, or if filed unexecuted, upon the date specified by FERC. The ConnectingTransmission Owner shall promptly file this Agreement with FERC upon execution inaccordance with Article 3.

2.2 Term of Agreement.

Subject to the provisions of Article 2.3, this Agreement shall remain in effect for a period of 15 years from the Effective Date or such other longer period as the Developer may requestand shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination.

2.3.1 Written Notice.

This Agreement may be terminated by the Developer after giving the ConnectingTransmission Owner ninety (90) Calendar Days advance written notice, or by the ConnectingTransmission Owner notifying FERC after both Generating Facilities are Retired.

2.3.2 Default.

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

2.3.3 Compliance.

Notwithstanding Articles 2.3.1 and 2.3.2, no termination of this Agreement shall becomeeffective until the Parties have complied with all Applicable Laws and Regulations applicable tosuch termination, including the filing with FERC of a notice of termination of this Agreement,which notice has been accepted for filing by FERC.

2.4 Termination Costs.

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

2.4.1 With respect to any portion of the Connecting Transmission Owner’sAttachment Facilities that have not yet been constructed or installed, the ConnectingTransmission Owner shall to the extent possible and with Developer’s authorization cancel anypending orders of, or return, any materials or equipment for, or contracts for construction of,such facilities; provided that in the event Developer elects not to authorize such cancellation,Developer shall assume all payment obligations with respect to such materials, equipment, andcontracts, and the Connecting Transmission Owner shall deliver such material and equipment,and, if necessary, assign such contracts, to Developer as soon as practicable, at Developer’sexpense. To the extent that Developer has already paid Connecting Transmission Owner for

any or all such costs of materials or equipment not taken by Developer, ConnectingTransmission Owner shall promptly refund such amounts to Developer, less any costs, includingpenalties incurred by the Connecting Transmission Owner to cancel any pending orders of orreturn such materials, equipment, or contracts.

If Developer terminates this Agreement, it shall be responsible for all costs incurred inassociation with Developer’s interconnection, including any cancellation costs relating to ordersor contracts for Attachment Facilities and equipment, and other expenses including any SystemUpgrade Facilities and System Deliverability Upgrades for which the Connecting TransmissionOwner has incurred expenses and was unable to mitigate or avoid using commercially reasonableefforts and has not been reimbursed by the Developer.

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

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

2.5 Disconnection.

Upon termination of this Agreement, Developer and Connecting Transmission Ownerwill take all appropriate steps to disconnect the Developer’s Generating Facilities from the New York State Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party’s Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

2.6 Survival.

This Agreement shall continue in effect after termination to the extent necessary toprovide for final billings and payments and for costs incurred hereunder; including billings andpayments pursuant to this Agreement; to permit the determination and enforcement of liabilityand indemnification obligations arising from acts or events that occurred while this Agreementwas in effect; and to permit Developer and Connecting Transmission Owner each to have accessto the lands of the other pursuant to this Agreement or other applicable agreements, todisconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

Connecting Transmission Owner shall file this Agreement (and any amendment hereto)with the appropriate Governmental Authority, if required. Any information related to studiesfor interconnection asserted by Developer to contain Confidential Information shall be treated inaccordance with Article 22 of this Agreement and Attachment F to the ISO OATT. If the

Developer has executed this Agreement, or any amendment thereto, the Developer shallreasonably cooperate with Connecting Transmission Owner with respect to such filing and toprovide any information reasonably requested by Connecting Transmission Owner needed tocomply with Applicable Laws and Regulations.

ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE

4.1 Provision of Service.

The Parties understand that the NYISO will provide Developer with interconnectionservice of the following type for the term of this Agreement.

4.1.1 Product.

The Parties understand that the NYISO will provide Energy Resource InterconnectionService and/or Capacity Resource Interconnection Service to Developer at the Point ofInterconnection.

4.1.2 Developer is responsible for ensuring that its actual Generating Facility outputmatches the scheduled delivery from that Generating Facility to the New York StateTransmission System, consistent with the scheduling requirements of the NYISO’s FERC-approved market structure, including ramping into and out of such scheduled delivery, asmeasured at the Point of Interconnection, consistent with the scheduling requirements of the ISOOATT and any applicable FERC-approved market structure.

4.2 No Transmission Delivery Service.

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

4.3 No Other Services.

The execution of this Agreement does not constitute a request for, nor agreement toprovide Energy, any Ancillary Services or Installed Capacity under the NYISO MarketAdministration and Control Area Services Tariff (“Services Tariff”). If Developer wishes tosupply Energy, Installed Capacity or Ancillary Services, then Developer will make application todo so in accordance with the NYISO Services Tariff.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

5.1 Options.

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

5.1.1 Standard Option.

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

5.1.2 Alternate Option.

If the dates designated by Developer are acceptable to Connecting Transmission Owner, the Connecting Transmission Owner shall so notify Developer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Connecting Transmission Owner’s Attachment Facilities by the designated dates. If Connecting Transmission Owner subsequently fails to complete Connecting Transmission Owner’s Attachment Facilities by the In-Service Date, to the extent necessary to provide back feed power;or fails to complete System Upgrade Facilities or System Deliverability Upgrades by the InitialSynchronization Date to the extent necessary to allow for Trial Operation at full power output,unless other arrangements are made by the Developer and Connecting Transmission Owner forsuch Trial Operation; or fails to complete the System Upgrade Facilities and SystemDeliverability Upgrades by the Commercial Operation Date, as such dates are reflected in

Appendix B hereto; Connecting Transmission Owner shall pay Developer liquidated damages inaccordance with Article 5.3, Liquidated Damages, provided, however, the dates designated byDeveloper shall be extended day for day for each day that NYISO refuses to grant clearances toinstall equipment.

5.1.3 Option to Build.

Developer shall have the option to assume responsibility for the design, procurement andconstruction of Connecting Transmission Owner’s Attachment Facilities and Stand AloneSystem Upgrade Facilities on the dates specified in Article 5.1.2; provided that if an AttachmentFacility or Stand Alone System Upgrade Facility is needed for more than one Developer’sproject, Developer’s option to build such facility shall be contingent on the agreement of allother affected Developers. Connecting Transmission Owner and Developer must agree as to what constitutes Stand Alone System Upgrade Facilities and identify such Stand Alone System Upgrade Facilities in Appendix A hereto. Except for Stand Alone System Upgrade Facilities, Developer shall have no right to construct System Upgrade Facilities under this option.

5.1.4 Negotiated Option.

If the dates designated by Developer are not acceptable to the Connecting Transmission Owner, the Developer and Connecting Transmission Owner shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages,the provision of incentives or the procurement and construction of all facilities other than theConnecting Transmission Owner’s Attachment Facilities and Stand Alone System UpgradeFacilities if the Developer elects to exercise the Option to Build under Article 5.1.3. If the twoParties are unable to reach agreement on such terms and conditions, then, pursuant to Article

5.1.1 (Standard Option), Connecting Transmission Owner shall assume responsibility for thedesign, procurement and construction of all facilities other than the Connecting TransmissionOwner’s Attachment Facilities and Stand Alone System Upgrade Facilities if the Developerelects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build.

If Developer assumes responsibility for the design, procurement and construction of theConnecting Transmission Owner’s Attachment Facilities and Stand Alone System UpgradeFacilities, the following conditions apply:

5.2.1 Developer shall engineer, procure equipment, and construct the Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities (or portions thereof) using Good Utility Practice and using standards and specifications provided inadvance by the Connecting Transmission Owner;

5.2.2 Developer’s engineering, procurement and construction of the ConnectingTransmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities shallcomply with all requirements of law to which Connecting Transmission Owner would be subjectin the engineering, procurement or construction of the Connecting Transmission Owner’sAttachment Facilities and Stand Alone System Upgrade Facilities;

5.2.3 Connecting Transmission Owner shall review and approve the engineeringdesign, equipment acceptance tests, and the construction of the Connecting TransmissionOwner’s Attachment Facilities and Stand Alone System Upgrade Facilities;

5.2.4 Prior to commencement of construction, Developer shall provide to ConnectingTransmission Owner and NYISO a schedule for construction of the Connecting TransmissionOwner’s Attachment Facilities and Stand Alone System Upgrade Facilities, and shall promptlyrespond to requests for information from Connecting Transmission Owner or NYISO;

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

5.2.6 At any time during construction, should any phase of the engineering, equipmentprocurement, or construction of the Connecting Transmission Owner’s Attachment Facilities andStand Alone System Upgrade Facilities not meet the standards and specifications provided byConnecting Transmission Owner, the Developer shall be obligated to remedy deficiencies in thatportion of the Connecting Transmission Owner’s Attachment Facilities and Stand Alone SystemUpgrade Facilities;

5.2.7 Developer shall indemnify Connecting Transmission Owner and NYISO forclaims arising from the Developer’s construction of Connecting Transmission Owner’sAttachment Facilities and Stand Alone System Upgrade Facilities under procedures applicable toArticle 18.1 Indemnity;

5.2.8 Developer shall transfer control of Connecting Transmission Owner’s AttachmentFacilities and Stand Alone System Upgrade Facilities to the Connecting Transmission Owner;

5.2.9 Unless the Developer and Connecting Transmission Owner otherwise agree,Developer shall transfer ownership of Connecting Transmission Owner’s Attachment Facilitiesand Stand Alone System Upgrade Facilities to Connecting Transmission Owner;

5.2.10 Connecting Transmission Owner shall approve and accept for operation andmaintenance the Connecting Transmission Owner’s Attachment Facilities and Stand AloneSystem Upgrade Facilities to the extent engineered, procured, and constructed in accordancewith this Article 5.2; and

5.2.11 Developer shall deliver to NYISO and Connecting Transmission Owner “as built”drawings, information, and any other documents that are reasonably required by NYISO orConnecting Transmission Owner to assure that the Attachment Facilities and Stand AloneSystem Upgrade Facilities are built to the standards and specifications required by ConnectingTransmission Owner.

5.3 Liquidated Damages.

The actual damages to the Developer, in the event the Connecting Transmission Owner’sAttachment Facilities or System Upgrade Facilities or System Deliverability Upgrades are not

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

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

Further, Connecting Transmission Owner shall not pay liquidated damages to Developerif: (1) Developer is not ready to commence use of the Connecting Transmission Owner’sAttachment Facilities or System Upgrade Facilities or System Deliverability Upgrades to take the delivery of power for the Trial Operation of a Generating Facility or to export power from the Generating Facility on the specified dates, unless the Developer would have been able to commence use of the Connecting Transmission Owner’s Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades to take the delivery of power for the Generating Facility’s Trial Operation or to export power from the Generating Facility, but for Connecting Transmission Owner’s delay; (2) the Connecting Transmission Owner’s failure to meet the specified dates is the result of the action or inaction of the Developer or any other Developer who has entered into a Large Generator Interconnection Agreement with the Connecting Transmission Owner or has entered into a Standard Large Generator Interconnection Agreement with the Connecting Transmission Owner and NYISO, or action or inaction by the other Party, or any other cause beyond Connecting Transmission Owner’s reasonable control or reasonable ability to cure; (3) the Developer has assumed responsibility for the design, procurement and construction of the Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities; or (4) the Connecting Transmission Owner and Developer have otherwise agreed. In no event shall NYISO have any liability whatever to Developer for liquidated damages associated with the engineering, procurement or construction of Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades.

5.4 Power System Stabilizers.

The Developer shall procure, install, maintain and operate Power System Stabilizers in

accordance with the requirements identified in the Interconnection Studies conducted for aGenerating Facility. Connecting Transmission Owner reserves the right to reasonably establishminimum acceptable settings for any installed Power System Stabilizers, subject to the designand operating limitations of the Generating Facility. If the Generating Facility’s Power SystemStabilizers are removed from service or not capable of automatic operation, the Developer shallimmediately notify the Connecting Transmission Owner. The requirements of this paragraphshall not apply to wind generators.

5.5 Equipment Procurement.

If responsibility for construction of the Connecting Transmission Owner’s AttachmentFacilities or System Upgrade Facilities or System Deliverability Upgrades is to be borne by theConnecting Transmission Owner, then the Connecting Transmission Owner shall commencedesign of the Connecting Transmission Owner’s Attachment Facilities or System UpgradeFacilities or System Deliverability Upgrades and procure necessary equipment as soon aspracticable after all of the following conditions are satisfied, unless the Developer andConnecting Transmission Owner otherwise agree in writing:

5.5.1 NYISO and/or Connecting Transmission Owner, as applicable, havecompleted the Interconnection Facilities Study pursuant to the Interconnection Facilities StudyAgreement;

5.5.2 The NYISO has completed the required cost allocation analyses, andDeveloper has accepted its share of the costs for necessary System Upgrade Facilities andSystem Deliverability Upgrades in accordance with the provisions of Attachment S of the ISOOATT;

5.5.3 The Connecting Transmission Owner has received written authorization toproceed with design and procurement from the Developer by the date specified in Appendix Bhereto; and

5.5.4 The Developer has provided security to the Connecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B hereto.

5.6 Construction Commencement.

The Connecting Transmission Owner shall commence construction of the ConnectingTransmission Owner’s Attachment Facilities and System Upgrade Facilities and SystemDeliverability Upgrades for which it is responsible as soon as practicable after the followingadditional conditions are satisfied:

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

5.6.2 Necessary real property rights and rights-of-way have been obtained, tothe extent required for the construction of a discrete aspect of the Connecting TransmissionOwner’s Attachment Facilities and System Upgrade Facilities and System DeliverabilityUpgrades;

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

5.6.4 The Developer has provided security to the Connecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B hereto.

5.7 Work Progress.

The Developer and Connecting Transmission Owner will keep each other, and NYISO,advised periodically as to the progress of their respective design, procurement and constructionefforts. Either Party may, at any time, request a progress report from the Developer orConnecting Transmission Owner. If, at any time, the Developer determines that the completionof the Connecting Transmission Owner’s Attachment Facilities will not be required until afterthe specified In-Service Date, the Developer will provide written notice to the ConnectingTransmission Owner and NYISO of such later date upon which the completion of theConnecting Transmission Owner’s Attachment Facilities will be required.

5.8 Information Exchange.

As soon as reasonably practicable after the Effective Date, the Developer and ConnectingTransmission Owner shall exchange information, and provide NYISO the same information,regarding the design and compatibility of their respective Attachment Facilities andcompatibility of the Attachment Facilities with the New York State Transmission System, andshall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options

5.9.1 Limited Operation.

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

5.9.2 Provisional Interconnection Service.

Prior to the completion of the Large Facility Interconnection Procedures and prior tocompletion of requisite Attachment Facilities, Distribution Upgrades, System Upgrade Facilities,System Distribution Upgrades, or System Protection Facilities, the Developer may request anevaluation for Provisional Interconnection Service. NYISO, in conjunction with the Connecting

Transmission Owner, shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if the Developer interconnects without modifications to a Generating Facility or the New York StateTransmission System (or Distribution System as applicable). NYISO, in conjunction with the Connecting Transmission Owner, shall determine whether any Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, System Deliverability Upgrades, or System Protection Facilities, which are necessary to meet Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, are in place prior to the commencement of interconnection service from the Large Facility. Where available studies indicate that theAttachment Facilities, Distribution Upgrades, System Upgrade Facilities, System DeliverabilityUpgrades, or System Protection Facilities are required for the interconnection of a new, modifiedand/or expanded Large Facility but such facilities are not currently in place, NYISO, inconjunction with the Connecting Transmission Owner, will perform a study, at the Developer’sexpense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Large Facility in the Provisional Large Facility Interconnection Agreement shall be studied, at the Developer’s expense, and updated annually. The NYISO shall issue the study’s findings in writing to the Developer and Connecting Transmission Owner(s). Following a determination by NYISO, in conjunction with the Connecting Transmission Owner, that the Developer may reliably provide Provisional Interconnection Service, NYISO shall tender to the Developer and Connecting Transmission Owner, a Provisional Large Facility Interconnection Agreement. NYISO, Developer, and Connecting Transmission Owner may execute the Provisional Large Facility Interconnection Agreement, or the Developer may request the filing of an unexecuted Provisional Large Facility Interconnection Agreement with the Commission. The Developer shall assume all risk and liabilities with respect to changes between the Provisional Large Facility Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and the cost responsibilities for the Attachment Facilities, System Upgrade Facilities, System Deliverability Upgrades, and/or System Protection Facilities

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

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

5.10.1 DAF Specifications.

Developer shall submit initial specifications for the DAF, including System ProtectionFacilities, to Connecting Transmission Owner and NYISO at least one hundred eighty (180)Calendar Days prior to the Initial Synchronization Date; and final specifications for review andcomment at least ninety (90) Calendar Days prior to the Initial Synchronization Date.Connecting Transmission Owner shall review, and the NYISO may review, such specificationsto ensure that the DAF are compatible with the technical specifications, operational control, andsafety requirements of the Connecting Transmission Owner and NYISO and comment on suchspecifications within thirty (30) Calendar Days of Developer’s submission. All specificationsprovided hereunder shall be deemed to be Confidential Information.

5.10.2 No Warranty.

The review of Developer’s final specifications by Connecting Transmission Owner andNYISO shall not be construed as confirming, endorsing, or providing a warranty as to the design,fitness, safety, durability or reliability of a Generating Facility, or the DAF. Developer shallmake such changes to the DAF as may reasonably be required by Connecting TransmissionOwner or NYISO, in accordance with Good Utility Practice, to ensure that the DAF arecompatible with the technical specifications, operational control, and safety requirements of theConnecting Transmission Owner and NYISO.

5.10.3 DAF Construction.

The DAF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Developer and Connecting Transmission Owner agree on another mutually acceptable deadline, the Developer shall deliver to the Connecting Transmission Owner and NYISO “as- built” drawings, information and documents for the DAF, such as: a one-line diagram, a site plan showing each Generating Facility and the DAF, plan and elevation drawings showing the layout of the DAF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Developer’s step-up transformers, the facilitiesconnecting each Generating Facility to the step-up transformers and the DAF, and theimpedances (determined by factory tests) for the associated step-up transformers and eachGenerating Facility. The Developer shall provide to, and coordinate with, ConnectingTransmission Owner and NYISO with respect to proposed specifications for the excitationsystem, automatic voltage regulator, Generating Facility control and protection settings,transformer tap settings, and communications, if applicable.

5.11 Connecting Transmission Owner’s Attachment Facilities Construction.

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

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5.12 Access Rights.

Upon reasonable notice and supervision by the Granting Party, and subject to anyrequired or necessary regulatory approvals, either the Connecting Transmission Owner orDeveloper (“Granting Party”) shall furnish to the other of those two Parties (“Access Party”) atno cost any rights of use, licenses, rights of way and easements with respect to lands owned orcontrolled by the Granting Party, its agents (if allowed under the applicable agency agreement),or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress at thePoint of Interconnection to construct, operate, maintain, repair, test (or witness testing), inspect,

replace or remove facilities and equipment to: (i) interconnect each Generating Facility with the New York State Transmission System; (ii) operate and maintain each Generating Facility, the Attachment Facilities and the New York State Transmission System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. The Access Party shall indemnify the Granting Party against all claims of injury or damage from third parties resulting from theexercise of the access rights provided for herein.

5.13 Lands of Other Property Owners.

If any part of the Connecting Transmission Owner’s Attachment Facilities and/or SystemUpgrade Facilities and/or System Deliverability Upgrades is to be installed on property ownedby persons other than Developer or Connecting Transmission Owner, the ConnectingTransmission Owner shall at Developer’s expense use efforts, similar in nature and extent tothose that it typically undertakes for its own or affiliated generation, including use of its eminentdomain authority, and to the extent consistent with state law, to procure from such persons anyrights of use, licenses, rights of way and easements that are necessary to construct, operate,maintain, test, inspect, replace or remove the Connecting Transmission Owner’s AttachmentFacilities and/or System Upgrade Facilities and/or System Deliverability Upgrades upon suchproperty.

5.14 Permits.

Connecting Transmission Owner and the Developer shall cooperate with each other ingood faith in obtaining all permits, licenses and authorizations that are necessary to accomplishthe interconnection in compliance with Applicable Laws and Regulations. With respect to thisparagraph, Connecting Transmission Owner shall provide permitting assistance to the Developercomparable to that provided to the Connecting Transmission Owner’s own, or an Affiliate’sgeneration, if any.

5.15 Early Construction of Base Case Facilities.

Developer may request Connecting Transmission Owner to construct, and ConnectingTransmission Owner shall construct, subject to a binding cost allocation agreement reached inaccordance with Attachment S to the ISO OATT, including Section 25.8.7 thereof, usingReasonable Efforts to accommodate Developer’s In-Service Date, all or any portion of anySystem Upgrade Facilities or System Deliverability Upgrades required for Developer to beinterconnected to the New York State Transmission System which are included in the Base Caseof the Class Year Study for the Developer, and which also are required to be constructed foranother Developer, but where such construction is not scheduled to be completed in time toachieve Developer’s In-Service Date.

5.16 Suspension.

Developer reserves the right, upon written notice to Connecting Transmission Owner, to

suspend at any time all work by Connecting Transmission Owner associated with theconstruction and installation of Connecting Transmission Owner’s Attachment Facilities and/orSystem Upgrade Facilities and/or System Deliverability Upgrades required for only thatDeveloper under this Agreement with the condition that the New York State TransmissionSystem shall be left in a safe and reliable condition in accordance with Good Utility Practice andthe safety and reliability criteria of Connecting Transmission Owner and NYISO. In such event,Developer shall be responsible for all reasonable and necessary costs and/or obligations inaccordance with Attachment S to the ISO OATT including those which ConnectingTransmission Owner (i) has incurred pursuant to this Agreement prior to the suspension and (ii)incurs in suspending such work, including any costs incurred to perform such work as may benecessary to ensure the safety of persons and property and the integrity of the New York StateTransmission System during such suspension and, if applicable, any costs incurred in connectionwith the cancellation or suspension of material, equipment and labor contracts which ConnectingTransmission Owner cannot reasonably avoid; provided, however, that prior to canceling orsuspending any such material, equipment or labor contract, Connecting Transmission Ownershall obtain Developer’s authorization to do so.

Connecting Transmission Owner shall invoice Developer for such costs pursuant toArticle 12 and shall use due diligence to minimize its costs. In the event Developer suspendswork by Connecting Transmission Owner required under this Agreement pursuant to this Article

5.16, and has not requested Connecting Transmission Owner to recommence the work requiredunder this Agreement on or before the expiration of three (3) years following commencement ofsuch suspension, this Agreement shall be deemed terminated. The three-year period shall beginon the date the suspension is requested, or the date of the written notice to ConnectingTransmission Owner, if no effective date is specified.

5.17 Taxes.

5.17.1 Developer Payments Not Taxable.

The Developer and Connecting Transmission Owner intend that all payments or propertytransfers made by Developer to Connecting Transmission Owner for the installation of theConnecting Transmission Owner’s Attachment Facilities and the System Upgrade Facilities andthe System Deliverability Upgrades shall be non-taxable, either as contributions to capital, or asan advance, in accordance with the Internal Revenue Code and any applicable state income taxlaws and shall not be taxable as contributions in aid of construction or otherwise under theInternal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants.

In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Developer representsand covenants that (i) ownership of the electricity generated at each Generating Facility will passto another party prior to the transmission of the electricity on the New York State TransmissionSystem, (ii) for income tax purposes, the amount of any payments and the cost of any propertytransferred to the Connecting Transmission Owner for the Connecting Transmission Owner’sAttachment Facilities will be capitalized by Developer as an intangible asset and recovered using

the straight-line method over a useful life of twenty (20) years, and (iii) any portion of theConnecting Transmission Owner’s Attachment Facilities that is a “dual-use intertie,” within themeaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount ofelectricity in the direction of the Generating Facilities. For this purpose, “de minimis amount”means no more than 5 percent of the total power flows in both directions, calculated inaccordance with the “5 percent test” set forth in IRS Notice 88-129. This is not intended to bean exclusive list of the relevant conditions that must be met to conform to IRS requirements fornon-taxable treatment.

At Connecting Transmission Owner’s request, Developer shall provide ConnectingTransmission Owner with a report from an independent engineer confirming its representation inclause (iii), above. Connecting Transmission Owner represents and covenants that the cost ofthe Connecting Transmission Owner’s Attachment Facilities paid for by Developer will have nonet effect on the base upon which rates are determined.

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

Notwithstanding Article 5.17.1, Developer shall protect, indemnify and hold harmlessConnecting Transmission Owner from the cost consequences of any current tax liability imposedagainst Connecting Transmission Owner as the result of payments or property transfers made byDeveloper to Connecting Transmission Owner under this Agreement, as well as any interest andpenalties, other than interest and penalties attributable to any delay caused by ConnectingTransmission Owner.

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

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

5.17.4 Tax Gross-Up Amount.

Developer’s liability for the cost consequences of any current tax liability under this

Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Developer will pay Connecting Transmission Owner, in addition to the amount paid for the Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades, an amount equal to (1) the current taxes imposed on Connecting Transmission Owner (“Current Taxes”) on the excess of (a) the gross income realized by Connecting Transmission Owner as a result of payments or property transfers made by Developer to Connecting Transmission Owner under this Agreement (without regard to any payments under this Article 5.17) (the “Gross Income Amount”) over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments orproperty transfers (the “Present Value Depreciation Amount”), plus (2) an additional amountsufficient to permit the Connecting Transmission Owner to receive and retain, after the paymentof all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Connecting TransmissionOwner’s composite federal and state tax rates at the time the payments or property transfers arereceived and Connecting Transmission Owner will be treated as being subject to tax at thehighest marginal rates in effect at that time (the “Current Tax Rate”), and (ii) the Present ValueDepreciation Amount shall be computed by discounting Connecting Transmission Owner’santicipated tax depreciation deductions as a result of such payments or property transfers byConnecting Transmission Owner’s current weighted average cost of capital. Thus, the formulafor calculating Developer’s liability to Connecting Transmission Owner pursuant to this Article

5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount - Present ValueDepreciation Amount))/(1 - Current Tax Rate). Developer’s estimated tax liability in the eventtaxes are imposed shall be stated in Appendix A, Attachment Facilities and System UpgradeFacilities and System Deliverability Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law.

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

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

5.17.6 Subsequent Taxable Events.

If, within 10 years from the date on which the relevant Connecting Transmission Owner

Attachment Facilities are placed in service, (i) Developer Breaches the covenants contained in Article 5.17.2, (ii) a “disqualification event” occurs within the meaning of IRS Notice 88-129, or(iii) this Agreement terminates and Connecting Transmission Owner retains ownership of theAttachment Facilities and System Upgrade Facilities and System Deliverability Upgrades, theDeveloper shall pay a tax gross-up for the cost consequences of any current tax liability imposedon Connecting Transmission Owner, calculated using the methodology described in Article

5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests.

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

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

5.17.8 Refund.

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

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

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

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

The intent of this provision is to leave both the Developer and Connecting TransmissionOwner, to the extent practicable, in the event that no taxes are due with respect to any paymentfor Attachment Facilities and System Upgrade Facilities and System Deliverability Upgradeshereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes.

Upon the timely request by Developer, and at Developer’s sole expense, ConnectingTransmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (otherthan federal or state income tax) asserted or assessed against Connecting Transmission Ownerfor which Developer may be required to reimburse Connecting Transmission Owner under the

terms of this Agreement. Developer shall pay to Connecting Transmission Owner on a periodicbasis, as invoiced by Connecting Transmission Owner, Connecting Transmission Owner’sdocumented reasonable costs of prosecuting such appeal, protest, abatement, or other contest.Developer and Connecting Transmission Owner shall cooperate in good faith with respect to anysuch contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement orcannot be deferred, no amount shall be payable by Developer to Connecting TransmissionOwner for such taxes until they are assessed by a final, non-appealable order by any court oragency of competent jurisdiction. In the event that a tax payment is withheld and ultimately dueand payable after appeal, Developer will be responsible for all taxes, interest and penalties, otherthan penalties attributable to any delay caused by Connecting Transmission Owner.

5.18 Tax Status; Non-Jurisdictional Entities.

5.18.1 Tax Status.

Each Party shall cooperate with the other Parties to maintain the other Party’s tax status. Nothing in this Agreement is intended to adversely affect the tax status of either Party or the status of any Connecting Transmission Owner with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds. Notwithstanding any other provisions of this Agreement, LIPA, NYPA and Consolidated Edison Company of New York, Inc. shall not be required to comply with any provisions of this Agreement that would result in the loss of tax- exempt status of any of their Tax-Exempt Bonds or impair their ability to issue future tax-exemptobligations. For purposes of this provision, Tax-Exempt Bonds shall include the obligations ofthe Long Island Power Authority, NYPA and Consolidated Edison Company of New York, Inc.,the interest on which is not included in gross income under the Internal Revenue Code.

5.18.2 Non-Jurisdictional Entities.

LIPA and NYPA do not waive their exemptions, pursuant to Section 201(f) of the FPA,from Commission jurisdiction with respect to the Commission’s exercise of the FPA’s generalratemaking authority.

5.19 Modification.

5.19.1 General.

Either the Developer or Connecting Transmission Owner may undertake modifications toits facilities covered by this Agreement. If either the Developer or Connecting TransmissionOwner plans to undertake a modification that reasonably may be expected to affect the otherParty’s facilities, that Party shall provide to the other Party, and to NYISO, sufficientinformation regarding such modification so that the other Party and NYISO may evaluate thepotential impact of such modification prior to commencement of the work. Such informationshall be deemed to be Confidential Information hereunder and shall include informationconcerning the timing of such modifications and whether such modifications are expected tointerrupt the flow of electricity from a Generating Facility. The Party desiring to perform suchwork shall provide the relevant drawings, plans, and specifications to the other Party and NYISO

at least ninety (90) Calendar Days in advance of the commencement of the work or such shorterperiod upon which the Parties may agree, which agreement shall not unreasonably be withheld,conditioned or delayed.

In the case of Generating Facility modifications that do not require Developer to submitan Interconnection Request, Connecting Transmission Owner shall provide, within sixty (60)Calendar Days (or such other time as the Parties may agree), an estimate of any additionalmodifications to the New York State Transmission System, Connecting Transmission Owner’sAttachment Facilities or System Upgrade Facilities or System Deliverability Upgradesnecessitated by such Developer modification and a good faith estimate of the costs thereof. TheDeveloper shall be responsible for the cost of any such additional modifications, including thecost of studying the impact of the Developer modification.

5.19.2 Standards.

Any additions, modifications, or replacements made to a Party’s facilities shall bedesigned, constructed and operated in accordance with this Agreement, NYISO requirements andGood Utility Practice.

5.19.3 Modification Costs.

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

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications.

Prior to the Commercial Operation Date, the Connecting Transmission Owner shall test the Connecting Transmission Owner’s Attachment Facilities (including required control technologies and protection systems) and System Upgrade Facilities and System Deliverability Upgrades and Developer shall test each Generating Facility and the Developer’s Attachment Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Developer and Connecting Transmission Owner shall each make any modifications to its facilities that are found to be necessary as a result of such testing. Developer shall bear thecost of all such testing and modifications. Developer shall generate test energy at a GeneratingFacility only if it has arranged for the injection of such test energy in accordance with NYISOprocedures.

6.2 Post-Commercial Operation Date Testing and Modifications.

Developer and Connecting Transmission Owner shall each at its own expense performroutine inspection and testing of its facilities and equipment in accordance with Good UtilityPractice and Applicable Reliability Standards as may be necessary to ensure the continuedinterconnection of each Generating Facility with the New York State Transmission System in asafe and reliable manner. Developer and Connecting Transmission Owner shall each have theright, upon advance written notice, to require reasonable additional testing of the other Party’sfacilities, at the requesting Party’s expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing.

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

6.4 Right to Inspect.

Developer and Connecting Transmission Owner shall each have the right, but shall haveno obligation to: (i) observe the other Party’s tests and/or inspection of any of its SystemProtection Facilities and other protective equipment, including Power System Stabilizers; (ii)review the settings of the other Party’s System Protection Facilities and other protectiveequipment; and (iii) review the other Party’s maintenance records relative to the AttachmentFacilities, the System Protection Facilities and other protective equipment. NYISO shall havethese same rights of inspection as to the facilities and equipment of Developer and ConnectingTransmission Owner. A Party may exercise these rights from time to time as it deems necessaryupon reasonable notice to the other Party. The exercise or non-exercise by a Party of any suchrights shall not be construed as an endorsement or confirmation of any element or condition ofthe Attachment Facilities or the System Protection Facilities or other protective equipment or theoperation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same.Any information that a Party obtains through the exercise of any of its rights under this Article

6.4 shall be treated in accordance with Article 22 of this Agreement and Attachment F to the ISOOATT.

ARTICLE 7. METERING

7.1 General.

Developer and Connecting Transmission Owner shall each comply with applicablerequirements of NYISO and the New York Public Service Commission when exercising itsrights and fulfilling its responsibilities under this Article 7. Unless otherwise agreed by theConnecting Transmission Owner and NYISO approved meter service provider and Developer,the Connecting Transmission Owner shall install Metering Equipment at the Point ofInterconnection prior to any operation of either Generating Facility and shall own, operate, testand maintain such Metering Equipment. Net power flows including MW and MVAR, MWHRand loss profile data to and from a Large Generating Facility shall be measured at the Point ofInterconnection. Connecting Transmission Owner shall provide metering quantities, in analog

and/or digital form, as required, to Developer or NYISO upon request. Where the Point ofInterconnection for a Generating Facility is other than the generator terminal, the Developer shallalso provide gross MW and MVAR quantities at the generator terminal. Developer shall bearall reasonable documented costs associated with the purchase, installation, operation, testing andmaintenance of the Metering Equipment.

7.2 Check Meters.

Developer, at its option and expense, may install and operate, on its premises and on itsside of the Point of Interconnection, one or more check meters to check ConnectingTransmission Owner’s meters. Such check meters shall be for check purposes only and shallnot be used for the measurement of power flows for purposes of this Agreement, except asprovided in Article 7.4 below. The check meters shall be subject at all reasonable times toinspection and examination by Connecting Transmission Owner or its designee. Theinstallation, operation and maintenance thereof shall be performed entirely by Developer inaccordance with Good Utility Practice.

7.3 Standards.

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

7.4 Testing of Metering Equipment.

Connecting Transmission Owner shall inspect and test all of its Metering Equipmentupon installation and at least once every two (2) years thereafter. If requested to do so byNYISO or Developer, Connecting Transmission Owner shall, at Developer’s expense, inspect ortest Metering Equipment more frequently than every two (2) years. Connecting TransmissionOwner shall give reasonable notice of the time when any inspection or test shall take place, andDeveloper and NYISO may have representatives present at the test or inspection. If at any timeMetering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired orreplaced at Developer’s expense, in order to provide accurate metering, unless the inaccuracy ordefect is due to Connecting Transmission Owner’s failure to maintain, then ConnectingTransmission Owner shall pay. If Metering Equipment fails to register, or if the measurementmade by Metering Equipment during a test varies by more than two percent from themeasurement made by the standard meter used in the test, Connecting Transmission Owner shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Developer’s check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment. The NYISO shall reserve the right to review all associated metering equipment installation on the Developer’s or Connecting Transmission Owner’s property at any time.

7.5 Metering Data.

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

ARTICLE 8. COMMUNICATIONS

8.1 Developer Obligations.

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

8.2 Remote Terminal Unit.

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

Each Party will promptly advise the other Party if it detects or otherwise learns of anymetering, telemetry or communications equipment errors or malfunctions that require theattention and/or correction by the other Party. The Party owning such equipment shall correctsuch error or malfunction as soon as reasonably feasible.

8.3 No Annexation.

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

equipment and the Party receiving such equipment.

ARTICLE 9. OPERATIONS

9.1 General.

Each Party shall comply with Applicable Laws and Regulations and ApplicableReliability Standards. Each Party shall provide to the other Party and the NYISO allinformation that may reasonably be required by the other Party and the NYISO to comply withApplicable Laws and Regulations and Applicable Reliability Standards.

9.2 NYISO and Connecting Transmission Owner Obligations.

Connecting Transmission Owner and NYISO shall cause the New York StateTransmission System and the Connecting Transmission Owner’s Attachment Facilities to beoperated, maintained and controlled in a safe and reliable manner in accordance with thisAgreement and the NYISO Tariffs. Connecting Transmission Owner and NYISO may provideoperating instructions to Developer consistent with this Agreement, NYISO procedures andConnecting Transmission Owner’s operating protocols and procedures as they may change fromtime to time. Connecting Transmission Owner and NYISO will consider changes to theirrespective operating protocols and procedures proposed by Developer.

9.3 Developer Obligations.

Developer shall at its own expense operate, maintain and control each Generating Facilityand the Developer’s Attachment Facilities in a safe and reliable manner and in accordance withthis Agreement. Developer shall operate each Generating Facility and the Developer’sAttachment Facilities in accordance with NYISO and Connecting Transmission Ownerrequirements, as such requirements are set forth or referenced in Appendix C hereto. AppendixC will be modified to reflect changes to the requirements as they may change from time to time.Either Party may request that the other Party provide copies of the requirements set forth orreferenced in Appendix C hereto.

9.4 Start-Up and Synchronization.

Consistent with the mutually acceptable procedures of the Developer and ConnectingTransmission Owner, the Developer is responsible for the proper synchronization of eachGenerating Facility to the New York State Transmission System in accordance with NYISO andConnecting Transmission Owner procedures and requirements.

9.5 Real and Reactive Power Control.

9.5.1 Power Factor Design Criteria and Primary Frequency Response.

9.5.1.1 Synchronous Generation. Developer shall design each Generating Facility to maintain effective composite power delivery at continuous rated power output at the Point of

Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging unless theNYISO or the Transmission Owner in whose Transmission District the Generating Facilityinterconnects has established different requirements that apply to all generators in the New YorkControl Area or Transmission District (as applicable) on a comparable basis, in accordance withGood Utility Practice.

The Developer shall design and maintain the plant auxiliary systems to operate safelythroughout the entire real and reactive power design range.

9.5.1.2 Non-Synchronous Generation. Developer shall design each GeneratingFacility to maintain composite power delivery at continuous rated power output at the high-sideof the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging,unless the NYISO or the Transmission Owner in whose Transmission District the GeneratingFacility interconnects has established a different power factor range that applies to all non-synchronous generators in the Control Area or Transmission District (as applicable) on acomparable basis, in accordance with Good Utility Practice. This power factor range standardshall be dynamic and can be met using, for example, power electronics designed to supply thislevel of reactive capability (taking into account any limitations due to voltage level, real poweroutput, etc.) or fixed and switched capacitors, or a combination of the two. This requirementshall only apply to newly interconnection non-synchronous generators that have not yet executeda Facilities Study Agreement as of September 21, 2016.

The Developer shall design and maintain the plant auxiliary systems to operate safelythroughout the entire real and reactive power design range.

9.5.2 Voltage Schedules.

Once the Developer has synchronized a Generating Facility with the New York StateTransmission System, Developer is required to operate the Generating Facility to produce orabsorb reactive power within the design capability of the Generating Facility set forth in Article

9.5.1 (Power Factor Design Criteria). The Parties understand that the NYISO’s voltageschedules shall treat all sources of reactive power in the New York Control Area in an equitableand not unduly discriminatory manner. The Parties understand that the NYISO shall exerciseReasonable Efforts to provide Developer with such schedules in accordance with NYISOprocedures, and may make changes to such schedules as necessary to maintain the reliability ofthe New York State Transmission System. Developer shall operate the Generating Facility tomaintain the specified output voltage or power factor at the Point of Interconnection within thedesign capability of the Generating Facility set forth in Article 9.5.1 (Power Factor DesignCriteria) as directed by the Connecting Transmission Owner’s system operator or the NYISO.If Developer is unable to maintain the specified voltage or power factor, it shall promptly notifyNYISO.

9.5.3 Payment for Reactive Power.

The Parties understand that Developer shall be paid by the NYISO for reactive power or

voltage support service that Developer provides from a Generating Facility in accordance withthe provisions of Rate Schedule 2 of the NYISO Services Tariff.

9.5.4 Voltage Regulators.

Whenever a Generating Facility is operated in parallel with the New York StateTransmission System, the automatic voltage regulators shall be in automatic operation at alltimes. If the Generating Facility’s automatic voltage regulators are not capable of suchautomatic operation, the Developer shall immediately notify NYISO, or its designatedrepresentative, and ensure that such Generating Facility’s real and reactive power are within thedesign capability of the Generating Facility’s generating unit(s) and steady state stability limitsand NYISO system operating (thermal, voltage and transient stability) limits. Developer shallnot cause a Generating Facility to disconnect automatically or instantaneously from the NewYork State Transmission System or trip any generating unit comprising the Generating Facilityfor an under or over frequency condition unless the abnormal frequency condition persists for atime period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standardas applied to other generators in the New York Control Area on a comparable basis.

9.5.5 Primary Frequency Response.

Developer shall ensure the primary frequency response capability of each GeneratingFacility by installing, maintaining, and operating a functioning governor or equivalent controls.The term “functioning governor or equivalent controls” as used herein shall mean the requiredhardware and/or software that provides frequency responsive real power control with the abilityto sense changes in system frequency and autonomously adjust the Generating Facility’s realpower output in accordance with the droop and deadband parameters and in the direction neededto correct frequency deviations. Developer is required to install a governor or equivalentcontrols with the capability of operating: (1) with a maximum 5 percent droop ± 0.036 Hzdeadband; or (2) in accordance with the relevant droop, deadband, and timely and sustainedresponse settings from an approved Applicable Reliability Standard providing for equivalent ormore stringent parameters. The droop characteristic shall be: (1) based on the nameplatecapacity of the Generating Facility, and shall be linear in the range of frequencies between 59and 61 Hz that are outside of the deadband parameter; or (2) based on an approved ApplicableReliability Standard providing for an equivalent or more stringent parameter. The deadbandparameter shall be: the range of frequencies above and below nominal (60 Hz) in which thegovernor or equivalent controls is not expected to adjust the Generating Facility’s real poweroutput in response to frequency deviations. The deadband shall be implemented: (1) without astep to the droop curve, that is, once the frequency deviation exceeds the deadband parameter,the expected change in the Generating Facility’s real power output in response to frequencydeviations shall start from zero and then increase (for under-frequency deviations) or decrease(for over-frequency deviations) linearly in proportion to the magnitude of the frequencydeviation; or (2) in accordance with an approved Applicable Reliability Standard providing foran equivalent or more stringent parameter. Developer shall notify NYISO that the primaryfrequency response capability of the Generating Facility has been tested and confirmed duringcommissioning. Once Developer has synchronized the Generating Facility with the New YorkState Transmission System, Developer shall operate the Generating Facility consistent with theprovisions specified in Articles 9.5.5.1 and 9.5.5.2 of this Agreement. The primary frequency

response requirements contained herein shall apply to both synchronous and non-synchronousGenerating Facilities.

9.5.5.1 Governor or Equivalent Controls.

Whenever a Generating Facility is operated in parallel with the New York State Transmission System, Developer shall operate the Generating Facility with its governor or equivalent controls in service and responsive to frequency. Developer shall: (1) in coordination with NYISO, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Applicable Reliability Standard that provides for equivalent or more stringent parameters. Developer shall be required to provide the status and settings of the governor and equivalent controls to NYISO and/or the Connecting Transmission Owner upon request. If Developer needs to operate the Generating Facility with its governor or equivalent controls not inservice, Developer shall immediately notify NYISO and the Connecting Transmission Owner,and provide both with the following information: (1) the operating status of the governor orequivalent controls (i.e., whether it is currently out of service or when it will be taken out ofservice); (2) the reasons for removing the governor or equivalent controls from service; and (3) areasonable estimate of when the governor or equivalent controls will be returned to service.Developer shall make Reasonable Efforts to return its governor or equivalent controls intoservice as soon as practicable. Developer shall make Reasonable Efforts to keep outages of theGenerating Facility’s governor or equivalent controls to a minimum whenever the GeneratingFacility is operated in parallel with the New York State Transmission System.

9.5.5.2 Timely and Sustained Response.

Developer shall ensure that each Generating Facility’s real power response to sustainedfrequency deviations outside of the deadband setting is automatically provided and shall beginimmediately after frequency deviates outside of the deadband, and to the extent the GeneratingFacility has operating capability in the direction needed to correct the frequency deviation.Developer shall not block or otherwise inhibit the ability of the governor or equivalent controlsto respond and shall ensure that the response is not inhibited, except under certain operationalconstraints including, but not limited to, ambient temperature limitations, physical energylimitations, outages of mechanical equipment, or regulatory requirements. The GeneratingFacility shall sustain the real power response at least until system frequency returns to a valuewithin the deadband setting of the governor or equivalent controls. An Applicable ReliabilityStandard with equivalent or more stringent requirements shall supersede the above requirements.

9.5.5.3 Exemptions.

Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 9.5.5, 9.5.5.1, and 9.5.5.2 of this Agreement. Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarilycontrolled to maintain the unique thermal, chemical, or mechanical output necessary for theoperating requirements of its host facility) shall be required to install primary frequency responsecapability requirements in accordance with the droop and deadband capability requirements

specified in Article 9.5.5, but shall be otherwise exempt from the operating requirements inArticles 9.5.5, 9.5.5.1, 9.5.5.2, and 9.5.5.4 of this Agreement.

9.5.5.4 Electric Storage Resources.

Developer interconnecting an electric storage resource shall establish an operating rangein Appendix C of its LGIA that specifies a minimum state of charge and a maximum state ofcharge between which the electric storage resource will be required to provide primary frequencyresponse consistent with the conditions set forth in Articles 9.5.5, 9.5.5.1, 9.5.5.2, and 9.5.5.3 ofthis Agreement. Appendix C shall specify whether the operating range is static or dynamic, andshall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) theexpected duration that system frequency will remain outside of the deadband parameter in theinterconnection; (3) the expected incidence of frequency deviations outside of the deadbandparameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5)operational limitations of the electric storage resources due to manufacturer specification; and (6)any other relevant factors agreed to by the NYISO, Connecting Transmission Owner, andDeveloper. If the operating range is dynamic, then Appendix C must establish how frequentlythe operating range will be reevaluated and the factors that may be considered during itsreevaluation.

Developer’s electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 9.5.5.2 of this Agreement when it is online and dispatched to inject electricity to the New York State Transmission System and/or receive electricity from the New York State Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the New York State Transmission System and/or dispatched to receive electricity from the New York State Transmission System. If Developer’s electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequencydeviations) or decrease (for under-frequency deviations) the rate at which it is charging inaccordance with its droop parameter. Developer’s electric storage resource is not required tochange from charging to discharging, or vice versa, unless the response necessitated by the droopand deadband settings requires it to do so and it is technically capable of making such atransition.

9.6 Outages and Interruptions.

9.6.1 Outages.

9.6.1.1 Outage Authority and Coordination.

Developer and Connecting Transmission Owner may each, in accordance with NYISOprocedures and Good Utility Practice and in coordination with the other Party, remove fromservice any of its respective Attachment Facilities or System Upgrade Facilities and SystemDeliverability Upgrades that may impact the other Party’s facilities as necessary to performmaintenance or testing or to install or replace equipment. Absent an Emergency State, the Partyscheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule

such removal on a date and time mutually acceptable to both the Developer and the ConnectingTransmission Owner. In all circumstances either Party planning to remove such facility(ies)from service shall use Reasonable Efforts to minimize the effect on the other Party of suchremoval.

9.6.1.2 Outage Schedules.

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

9.6.1.3 Outage Restoration.

If an outage on the Attachment Facilities or System Upgrade Facilities or SystemDeliverability Upgrades of the Connecting Transmission Owner or Developer adversely affectsthe other Party’s operations or facilities, the Party that owns the facility that is out of serviceshall use Reasonable Efforts to promptly restore such facility(ies) to a normal operatingcondition consistent with the nature of the outage. The Party that owns the facility that is out ofservice shall provide the other Party and NYISO, to the extent such information is known,information on the nature of the Emergency State, an estimated time of restoration, and anycorrective actions required. Initial verbal notice shall be followed up as soon as practicable withwritten notice explaining the nature of the outage.

9.6.2 Interruption of Service. If required by Good Utility Practice orApplicable Reliability Standards to do so, the NYISO or Connecting Transmission Owner mayrequire Developer to interrupt or reduce production of electricity if such production of electricitycould adversely affect the ability of NYISO and Connecting Transmission Owner to performsuch activities as are necessary to safely and reliably operate and maintain the New York StateTransmission System. The following provisions shall apply to any interruption or reductionpermitted under this Article 9.6.2:

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

9.6.2.2 Any such interruption or reduction shall be made on an equitable,

non-discriminatory basis with respect to all generating facilities directly connected to the NewYork State Transmission System;

9.6.2.3 When the interruption or reduction must be made undercircumstances which do not allow for advance notice, NYISO or Connecting TransmissionOwner shall notify Developer by telephone as soon as practicable of the reasons for thecurtailment, interruption, or reduction, and, if known, its expected duration. Telephonenotification shall be followed by written notification as soon as practicable;

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

9.6.2.5 The Parties shall cooperate and coordinate with each other to theextent necessary in order to restore either Large Generating Facility, Attachment Facilities, andthe New York State Transmission System to their normal operating state, consistent with systemconditions and Good Utility Practice.

9.6.3 Under-Frequency and Over-Frequency Conditions.

The New York State Transmission System is designed to automatically activate a load-shed program as required by the NPCC in the event of an under-frequency system disturbance.Developer shall implement under-frequency and over-frequency relay set points for each Generating Facility as required by the NPCC to ensure “ride through” capability of the New York State Transmission System. Generating Facility response to frequency deviations of pre- determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the NYISO and Connecting Transmission Owner in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the New York State Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, inaccordance with Good Utility Practice and with NPCC Regional Reliability Reference Directory# 12, or its successor.

9.6.4 System Protection and Other Control Requirements.

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

9.6.4.2 The protection facilities of both the Developer and Connecting

Transmission Owner shall be designed and coordinated with other systems in accordance withGood Utility Practice and Applicable Reliability Standards.

9.6.4.3 The Developer and Connecting Transmission Owner shall each beresponsible for protection of its respective facilities consistent with Good Utility Practice andApplicable Reliability Standards.

9.6.4.4 The protective relay design of the Developer and ConnectingTransmission Owner shall each incorporate the necessary test switches to perform the testsrequired in Article 6 of this Agreement. The required test switches will be placed such that theyallow operation of lockout relays while preventing breaker failure schemes from operating andcausing unnecessary breaker operations and/or the tripping of either Generating Facility.

9.6.4.5 The Developer and Connecting Transmission Owner will each test,operate and maintain System Protection Facilities in accordance with Good Utility Practice,NERC and NPCC criteria.

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

9.6.5 Requirements for Protection.

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

9.6.6 Power Quality.

Neither the facilities of Developer nor the facilities of Connecting Transmission Owner

shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltageor current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard519, or any applicable superseding electric industry standard. In the event of a conflict betweenANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSIStandard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.7 Switching and Tagging Rules.

The Developer and Connecting Transmission Owner shall each provide the other Party acopy of its switching and tagging rules that are applicable to the other Party’s activities. Suchswitching and tagging rules shall be developed on a nondiscriminatory basis. The Parties shallcomply with applicable switching and tagging rules, as amended from time to time, in obtainingclearances for work or for switching operations on equipment.

9.8 Use of Attachment Facilities by Third Parties.

9.8.1 Purpose of Attachment Facilities.

Except as may be required by Applicable Laws and Regulations, or as otherwise agreedto between the Parties, the Attachment Facilities shall be constructed for the sole purpose ofinterconnecting a Generating Facility to the New York State Transmission System and shall beused for no other purpose.

9.8.2 Third Party Users.

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

9.9 Disturbance Analysis Data Exchange.

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

9.10 Phasor Measurement Units

Developer shall install and maintain, at its expense, phasor measurement units (“PMUs”)if it meets the following criteria: (1) completed a Class Year after Class Year 2017; and (2)proposes a new Large Facility that either (a) has a maximum net output equal to or greater than100 MW or (b) requires, as Attachment Facilities or System Upgrade Facilities, a new substationof 230kV or above.

PMUs shall be installed on the Large Facility on the low side of the generator step-uptransformer, unless it is a non-synchronous generation facility, in which case the PMUs shall beinstalled on the Developer side of the Point of Interconnection. The PMUs must be capable ofperforming phasor measurements at a minimum of 60 samples per second which aresynchronized via a high-accuracy satellite clock. To the extent Developer installs similarquality equipment, such as relays or digital fault recorders, that can collect data at least at thesame rate as PMUs and which data is synchronized via a high-accuracy satellite clock, suchequipment would satisfy this requirement.

Developer shall be required to install and maintain, at its expense, PMU equipment whichincludes the communication circuit capable of carrying the PMU data to a local dataconcentrator, and then transporting the information continuously to the Connecting TransmissionOwner and the NYISO; as well as store the PMU data locally for thirty days. Developer shallprovide to Connecting Transmission Owner and the NYISO all necessary and requestedinformation through the Connecting Transmission Owner’s and the NYISO’s synchrophasorsystem, including the following: (a) gross MW and MVAR measured at the Developer side ofthe generator step-up transformer (or, for a non-synchronous generation facility, to be measured at the Developer side of the Point of Interconnection); (b) generator terminal voltage and current magnitudes and angles; (c) generator terminal frequency and frequency rate of change; and (d) generator field voltage and current, where available; and (e) breaker status, if available. The Connecting Transmission Owner will provide for the ongoing support and maintenance of the network communications linking the data concentrator to the Connecting Transmission Owner and the NYISO, consistent with ISO Procedures detailing the obligations related to SCADA data.

ARTICLE 10. MAINTENANCE

10.1 Connecting Transmission Owner Obligations.

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

10.2 Developer Obligations.

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

10.3 Coordination.

The Developer and Connecting Transmission Owner shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facilities and the Attachment Facilities. The Developer and ConnectingTransmission Owner shall keep NYISO fully informed of the preventive and correctivemaintenance that is planned, and shall schedule all such maintenance in accordance with NYISOprocedures.

10.4 Secondary Systems.

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

10.5 Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except foroperations and maintenance expenses associated with modifications made for providinginterconnection or transmission service to a third party and such third party pays for suchexpenses, Developer shall be responsible for all reasonable expenses including overheads,associated with: (1) owning, operating, maintaining, repairing, and replacing Developer’sAttachment Facilities; and (2) operation, maintenance, repair and replacement of ConnectingTransmission Owner’s Attachment Facilities. The Connecting Transmission Owner shall beentitled to the recovery of incremental operating and maintenance expenses that it incursassociated with System Upgrade Facilities and System Deliverability Upgrades if and to theextent provided for under Attachment S to the ISO OATT.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Developer’s Attachment Facilities.

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

11.2 Connecting Transmission Owner’s Attachment Facilities.

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

11.3 System Upgrade Facilities and System Deliverability Upgrades.

Connecting Transmission Owner shall design, procure, construct, install, and own theSystem Upgrade Facilities and System Deliverability Upgrades described in Appendix A hereto.The responsibility of the Developer for costs related to System Upgrade Facilities and SystemDeliverability Upgrades shall be determined in accordance with the provisions of Attachment Sto the ISO OATT.

11.4 Special Provisions for Affected Systems.

For the re-payment of amounts advanced to Affected System Operator for SystemUpgrade Facilities or System Deliverability Upgrades, the Developer and Affected SystemOperator shall enter into an agreement that provides for such re-payment, but only ifresponsibility for the cost of such System Upgrade Facilities or System Deliverability Upgradesis not to be allocated in accordance with Attachment S to the ISO OATT. The agreement shallspecify the terms governing payments to be made by the Developer to the Affected SystemOperator as well as the re-payment by the Affected System Operator.

11.5 Provision of Security.

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

In addition:

11.5.1 The guarantee must be made by an entity that meets the commerciallyreasonable creditworthiness requirements of Connecting Transmission Owner, and containsterms and conditions that guarantee payment of any amount that may be due from Developer, upto an agreed-to maximum amount.

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

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

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

11.6 Developer Compensation for Emergency Services.

If, during an Emergency State, the Developer provides services at the request or directionof the NYISO or Connecting Transmission Owner, the Developer will be compensated for suchservices in accordance with the NYISO Services Tariff.

11.7 Line Outage Costs.

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

ARTICLE 12. INVOICE

12.1 General.

The Developer and Connecting Transmission Owner shall each submit to the other Party,on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall statethe month to which the invoice applies and fully describe the services and equipment provided.The Developer and Connecting Transmission Owner may discharge mutual debts and paymentobligations due and owing to each other on the same date through netting, in which case allamounts one Party owes to the other Party under this Agreement, including interest payments orcredits, shall be netted so that only the net amount remaining due shall be paid by the owingParty.

12.2 Final Invoice.

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

12.3 Payment.

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

12.4 Disputes.

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

35.19a(a)(2)(iii).

ARTICLE 13. EMERGENCIES

13.1 Obligations.

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

13.2 Notice.

Connecting Transmission Owner shall notify Developer promptly when it becomes aware of an Emergency State that affects the Connecting Transmission Owner’s Attachment Facilities or the New York State Transmission System that may reasonably be expected to affectDeveloper’s operation of a Generating Facility or the Developer’s Attachment Facilities.Developer shall notify NYISO and Connecting Transmission Owner promptly when it becomesaware of an Emergency State that affects a Generating Facility or the Developer’s AttachmentFacilities that may reasonably be expected to affect the New York State Transmission System orthe Connecting Transmission Owner’s Attachment Facilities. To the extent information isknown, the notification shall describe the Emergency State, the extent of the damage ordeficiency, the expected effect on the operation of Developer’s or Connecting TransmissionOwner’s facilities and operations, its anticipated duration and the corrective action taken and/orto be taken. The initial notice shall be followed as soon as practicable with written notice.

13.3 Immediate Action.

Unless, in Developer’s reasonable judgment, immediate action is required, Developershall obtain the consent of Connecting Transmission Owner, such consent to not be unreasonablywithheld, prior to performing any manual switching operations at a Generating Facility or theDeveloper’s Attachment Facilities in response to an Emergency State either declared by NYISO,Connecting Transmission Owner or otherwise regarding New York State Transmission System.

13.4 NYISO and Connecting Transmission Owner Authority.

13.4.1 General.

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

Connecting Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on a Generating Facility or the Developer’s Attachment Facilities. The Parties understand that any actions that NYISO is authorized to take under this Article 13.4.1 are conditioned upon NYISO’s use of Reasonable Efforts to minimize the effect of such actions orinactions on the Generating Facility or the Developer’s Attachment Facilities. NYISO or Connecting Transmission Owner may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency State by taking actions necessary and limited in scope to remedy the Emergency State, including, but not limited to, directing Developer to shut- down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Article 13.4.2; directing the Developer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and the Developer’s Attachment Facilities. Developer shall comply with all of the NYISO and Connecting Transmission Owner’s operating instructions concerning Generating Facility real power and reactive power output within the manufacturer’s design limitations of the Generating Facility’s equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection.

NYISO or Connecting Transmission Owner may reduce Energy Resource Interconnection Service or disconnect a Generating Facility or the Developer’s AttachmentFacilities, when such reduction or disconnection is necessary under Good Utility Practice due toan Emergency State. These rights are separate and distinct from any right of Curtailment ofNYISO pursuant to the ISO OATT. When Connecting Transmission Owner can schedule thereduction or disconnection in advance, Connecting Transmission Owner shall notify Developerof the reasons, timing and expected duration of the reduction or disconnection. ConnectingTransmission Owner shall coordinate with the Developer using Good Utility Practice to schedulethe reduction or disconnection during periods of least impact to the Developer and the New YorkState Transmission System. The Parties understand that any actions that NYISO is authorizedto take under this Article 13.4.2 are conditioned upon NYISO’s: (i) notification to theDeveloper of the reasons, timing and expected duration of the reduction or disconnection whenNYISO can schedule the reduction or disconnection in advance, and (ii) coordination with theDeveloper using Good Utility Practice to schedule the reduction or disconnection during periodsof least impact to the Developer and the New York State Transmission System. Any reductionor disconnection shall continue only for so long as reasonably necessary under Good Utility

Practice. The Parties shall cooperate with each other to restore a Generating Facility, theAttachment Facilities, and the New York State Transmission System to their normal operatingstate as soon as practicable consistent with Good Utility Practice.

13.5 Developer Authority.

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

13.6 Limited Liability.

Except as otherwise provided in Article 11.6 of this Agreement, neither Party shall be liable to the other Party for any action it takes in responding to an Emergency State so long as such action is made in good faith and is consistent with Good Utility Practice and the NYISOTariffs.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements.

Each Party’s obligations under this Agreement shall be subject to its receipt of anyrequired approval or certificate from one or more Governmental Authorities in the form andsubstance satisfactory to the applying Party, or the Party making any required filings with, orproviding notice to, such Governmental Authorities, and the expiration of any time periodassociated therewith. Each Party shall in good faith seek and use its Reasonable Efforts toobtain such other approvals. Nothing in this Agreement shall require Developer to take anyaction that could result in its inability to obtain, or its loss of, status or exemption under theFederal Power Act or the Public Utility Holding Company Act of 2005 or the Public UtilityRegulatory Policies Act of 1978, as amended.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this Agreement and eachof its provisions shall be governed by the laws of the state of New York, without regard to itsconflicts of law principles.

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

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

ARTICLE 15. NOTICES

15.1 General.

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

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

15.2 Billings and Payments.

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

15.3 Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other Party andnot required by this Agreement to be given in writing may be so given by telephone, facsimile oremail to the telephone numbers and email addresses set out in Appendix F hereto.

15.4 Operations and Maintenance Notice.

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

ARTICLE 16. FORCE MAJEURE

16.1 Economic hardship is not considered a Force Majeure event.

16.2 A Party shall not be responsible or liable, or deemed, in Default with respect to any obligation hereunder, (including obligations under Article 4 of this Agreement) , other than the obligation to pay money when due, to the extent the Party is prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the ForceMajeure occurred and when the Force Majeure is reasonably expected to cease. The Partyaffected shall exercise due diligence to remove such disability with reasonable dispatch, but shall

not be required to accede or agree to any provision not satisfactory to it in order to settle andterminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 General.

No Breach shall exist where such failure to discharge an obligation (other than thepayment of money) is the result of Force Majeure as defined in this Agreement or the result of anact or omission of the other Party. Upon a Breach, the non-Breaching Party shall give written notice of such to the Breaching Party. The Breaching Party shall have thirty (30) Calendar Days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 Right to Terminate.

If a Breach is not cured as provided in this Article 17, or if a Breach is not capable ofbeing cured within the period provided for herein, the non-Breaching Party shall thereafter havethe right to declare a Default and terminate this Agreement by written notice at any time untilcure occurs, and be relieved of any further obligation hereunder and, whether or not that Partyterminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plusall other damages and remedies to which they are entitled at law or in equity. The provisions ofthis Article will survive termination of this Agreement.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnity.

Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and save harmless, as applicable, the other Party (the “Indemnified Party”) from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, the alleged violation of any Environmental Law, or the release or threatened release of any Hazardous Substance, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties (any and all of these a “Loss”),arising out of or resulting from (i) the Indemnified Party’s performance of its obligations underthis Agreement on behalf of the Indemnifying Party, except in cases where the IndemnifyingParty can demonstrate that the Loss of the Indemnified Party was caused by the gross negligenceor intentional wrongdoing of the Indemnified Party or (ii) the violation by the IndemnifyingParty of any Environmental Law or the release by the Indemnifying Party of any HazardousSubstance.

18.1.1 Indemnified Party.

If a Party is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceedunder Article 18.1.3, to assume the defense of such claim, such Indemnified Party may at theexpense of the Indemnifying Party contest, settle or consent to the entry of any judgment withrespect to, or pay in full, such claim.

18.1.2 Indemnifying Party.

If the Indemnifying Party is obligated to indemnify and hold the Indemnified Partyharmless under this Article 18, the amount owing to the Indemnified Party shall be the amount ofsuch Indemnified Party’s actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures.

Promptly after receipt by the Indemnified Party of any claim or notice of thecommencement of any action or administrative or legal proceeding or investigation as to whichthe indemnity provided for in Article 18.1 may apply, the Indemnified Party shall notify theIndemnifying Party of such fact. Any failure of or delay in such notification shall not affect aParty’s indemnification obligation unless such failure or delay is materially prejudicial to theIndemnifying Party.

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

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

18.2 No Consequential Damages.

Other than the liquidated damages heretofore described and the indemnity obligations setforth in Article 18.1, in no event shall either Party be liable under any provision of thisAgreement for any losses, damages, costs or expenses for any special, indirect, incidental,consequential, or punitive damages, including but not limited to loss of profit or revenue, loss ofthe use of equipment, cost of capital, cost of temporary equipment or services, whether based inwhole or in part in contract, in tort, including negligence, strict liability, or any other theory ofliability; provided, however, that damages for which a Party may be liable to the other Partyunder separate agreement will not be considered to be special, indirect, incidental, orconsequential damages hereunder.

18.3 Insurance.

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

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

18.3.2 Commercial General Liability (“CGL”) Insurance including premises andoperations, personal injury, broad form property damage, broad form blanket contractual liabilitycoverage, products and completed operations coverage, coverage for explosion, collapse andunderground hazards, independent contractors coverage, coverage for pollution to the extentnormally available and punitive damages to the extent normally available using InsuranceServices Office, Inc. Commercial General Liability Coverage (“ISO CG”) Form CG 00 01 04 13or a form equivalent to or better than CG 00 01 04 13, with minimum limits of Two MillionDollars ($2,000,000) per occurrence and Two Million Dollars ($2,000,000) aggregate combinedsingle limit for personal injury, bodily injury, including death and property damage. This limitrequirement may be satisfied with a combination of primary and excess liability.

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

18.3.4 If applicable, the Commercial General Liability and ComprehensiveAutomobile Liability Insurance policies should include contractual liability for work inconnection with construction or demolition work on or within 50 feet of a railroad, or a separateRailroad Protective Liability Policy should be provided.

18.3.5 Excess Liability Insurance over and above the Employers’ Liability,Commercial General Liability and Comprehensive Automobile Liability Insurance coverages,with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence

and Twenty Million Dollars ($20,000,000) aggregate. The Excess policies should contain thesame extensions listed under the Primary policies.

18.3.6 The Commercial General Liability Insurance, Comprehensive AutomobileInsurance and Excess Liability Insurance policies of Developer and Connecting TransmissionOwner shall name the other Party, its parent, associated and Affiliate companies and theirrespective directors, officers, agents, servants and employees (“Other Party Group”) as additionalinsureds using ISO CG Endorsements: CG 20 33 04 13, and CG 20 37 04 13 or CG 20 10 04 13and CG 20 37 04 13 or equivalent to or better forms. All policies shall contain provisionswhereby the insurers waive all rights of subrogation in accordance with the provisions of thisAgreement against the Other Party Group and provide thirty (30) Calendar days advance writtennotice to the Other Party Group prior to anniversary date of cancellation or any material changein coverage or condition.

18.3.7 The Commercial General Liability Insurance, Comprehensive AutomobileLiability Insurance and Excess Liability Insurance policies shall contain provisions that specifythat the policies are primary and non-contributory. Developer and Connecting TransmissionOwner shall each be responsible for its respective deductibles or retentions.

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

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

18.3.10 The requirements contained herein as to the types and limits of allinsurance to be maintained by the Developer and Connecting Transmission Owner are notintended to and shall not in any manner, limit or qualify the liabilities and obligations assumedby those Parties under this Agreement.

18.3.11 Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, Developer and Connecting Transmission Owner shall provide certificates of insurance for all insurance required in this Agreement, executed byeach insurer or by an authorized representative of each insurer.

18.3.12 Notwithstanding the foregoing, Developer and Connecting Transmission Owner may each self-insure to meet the minimum insurance requirements of Articles 18.3.1

through 18.3.9 to the extent it maintains a self-insurance program; provided that, such Party’s senior debt is rated at investment grade, or better, by Standard & Poor’s and that its self- insurance program meets the minimum insurance requirements of Articles 18.3.1 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article 18.3.12, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance programmeets the minimum insurance requirements in a manner consistent with that specified in Articles

18.3.1 through 18.3.9 and provide evidence of such coverages. For any period of time that aParty’s senior debt is unrated by Standard & Poor’s or is rated at less than investment grade byStandard & Poor’s, such Party shall comply with the insurance requirements applicable to itunder Articles 18.3.1 through 18.3.9.

18.3.13 Developer and Connecting Transmission Owner agree to report to eachother in writing as soon as practical all accidents or occurrences resulting in injuries to anyperson, including death, and any property damage arising out of this Agreement.

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

ARTICLE 19. ASSIGNMENT

This Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; provided further that a Party may assign this Agreement without the consent of the other Party in connection with the sale, merger, restructuring, or transfer of a substantial portion or all of its assets, including the Attachment Facilities it owns, so long as the assignee in such a transaction directly assumes in writing all rights, duties and obligations arising under this Agreement; and provided further that the Developer shall have the right to assign this Agreement, without the consent of the NYISO or Connecting Transmission Owner, for collateral security purposes to aid in providing financing for a Generating Facility, provided that theDeveloper will promptly notify the NYISO and Connecting Transmission Owner of any suchassignment. Any financing arrangement entered into by the Developer pursuant to this Articlewill provide that prior to or upon the exercise of the secured party’s, trustee’s or mortgagee’sassignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgageewill notify the NYISO and Connecting Transmission Owner of the date and particulars of anysuch exercise of assignment right(s) and will provide the NYISO and Connecting TransmissionOwner with proof that it meets the requirements of Articles 11.5 and 18.3. Any attemptedassignment that violates this Article is void and ineffective. Any assignment under thisAgreement shall not relieve a Party of its obligations, nor shall a Party’s obligations be enlarged,in whole or in part, by reason thereof. Where required, consent to assignment will not beunreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

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

5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafterhave any force or effect and the rights and obligations of Developer and ConnectingTransmission Owner shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

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

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality.

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

If requested by a Party receiving information, the Party supplying the information shallprovide in writing, the basis for asserting that the information referred to in this Article warrantsconfidential treatment, and the requesting Party may disclose such writing to the appropriateGovernmental Authority. Each Party shall be responsible for the costs associated with affordingconfidential treatment to its information.

22.2 Term.

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

22.3 Confidential Information.

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

22.4 Scope.

Confidential Information shall not include information that the receiving Party candemonstrate: (1) is generally available to the public other than as a result of a disclosure by thereceiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 22.9 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.5 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person,except to its Affiliates (limited by FERC Standards of Conduct requirements), subcontractors,employees, consultants, or to parties who may be considering providing financing to or equityparticipation with Developer, or to potential purchasers or assignees of a Party, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of theconfidentiality provisions of this Article 22 and has agreed to comply with such provisions.Notwithstanding the foregoing, a Party providing Confidential Information to any person shallremain primarily responsible for any release of Confidential Information in contravention of thisArticle 22.

22.6 Rights.

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

22.7 No Warranties.

By providing Confidential Information, neither Party makes any warranties orrepresentations as to its accuracy or completeness. In addition, by supplying ConfidentialInformation, neither Party obligates itself to provide any particular information or ConfidentialInformation to the other Party nor to enter into any further agreements or proceed with any otherrelationship or joint venture.

22.8 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information

it receives as it uses to protect its own Confidential Information from unauthorized disclosure,publication or dissemination. Each Party may use Confidential Information solely to fulfill itsobligations to the other Party under this Agreement or its regulatory requirements, including theISO OATT and NYISO Services Tariff. The Parties understand that the NYISO shall, in allcases, treat the information it receives in accordance with the requirements of Attachment F tothe ISO OATT.

22.9 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protectiveorder or waiver, the Party may disclose such Confidential Information which, in the opinion ofits counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts toobtain reliable assurance that confidential treatment will be accorded any ConfidentialInformation so furnished.

22.10 Termination of Agreement.

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

22.11 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party forthe other Party’s Breach of its obligations under this Article 22. Each Party accordingly agreesthat the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if thefirst Party Breaches or threatens to Breach its obligations under this Article 22, which equitablerelief shall be granted without bond or proof of damages, and the receiving Party shall not pleadin defense that there would be an adequate remedy at law. Such remedy shall not be deemed anexclusive remedy for the Breach of this Article 22, but shall be in addition to all other remediesavailable at law or in equity. The Parties further acknowledge and agree that the covenantscontained herein are necessary for the protection of legitimate business interests and arereasonable in scope. Neither Party, however, shall be liable for indirect, incidental, orconsequential or punitive damages of any nature or kind resulting from or arising in connectionwith this Article 22.

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

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R.section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requestsinformation from one of the Parties that is otherwise required to be maintained in confidence

pursuant to this Agreement or the ISO OATT, the Party shall provide the requested informationto FERC or its staff, within the time provided for in the request for information. In providingthe information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112,request that the information be treated as confidential and non-public by FERC and its staff andthat the information be withheld from public disclosure. Each Party is prohibited from notifyingthe other Party to this Agreement prior to the release of the Confidential Information to theCommission or its staff. The Party shall notify the other Party to the Agreement when it isnotified by FERC or its staff that a request to release Confidential Information has been receivedby FERC, at which time the Parties may respond before such information would be made public,pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body conducting aconfidential investigation shall be treated in a similar manner if consistent with the applicablestate rules and regulations. A Party shall not be liable for any losses, consequential orotherwise, resulting from that Party divulging Confidential Information pursuant to a FERC orstate regulatory body request under this paragraph.

22.13 Required Notices Upon Requests or Demands for ConfidentialInformation

Except as otherwise expressly provided herein, neither Party shall disclose Confidential Information to any person not employed or retained by the Party possessing the Confidential Information, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by thedisclosing Party to be required to be disclosed in connection with a dispute between the Parties,or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party,such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations underthis Agreement, the ISO OATT or the NYISO Services Tariff. Prior to any disclosures of aParty’s Confidential Information under this subparagraph, or if any third party or GovernmentalAuthority makes any request or demand for any of the information described in thissubparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agreesto assert confidentiality and cooperate with the other Party in seeking to protect the ConfidentialInformation from public disclosure by confidentiality agreement, protective order or otherreasonable measures.

ARTICLE 23. DEVELOPER AND CONNECTING TRANSMISSION OWNER NOTICES OF ENVIRONMENTAL RELEASES

Developer and Connecting Transmission Owner shall each notify the other Party, firstorally and then in writing, of the release of any Hazardous Substances, any asbestos or leadabatement activities, or any type of remediation activities related to a Generating Facility or theAttachment Facilities, each of which may reasonably be expected to affect the other Party. Thenotifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes agood faith effort to provide the notice no later than twenty-four hours after such Party becomesaware of the occurrence; and (ii) promptly furnish to the other Party copies of any publiclyavailable reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENT

24.1 Information Acquisition.

Connecting Transmission Owner and Developer shall each submit specific informationregarding the electrical characteristics of their respective facilities to the other, and to NYISO, asdescribed below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Connecting Transmission Owner.

The initial information submission by Connecting Transmission Owner shall occur nolater than one hundred eighty (180) Calendar Days prior to Trial Operation and shall includeNew York State Transmission System information necessary to allow the Developer to selectequipment and meet any system protection and stability requirements, unless otherwise mutuallyagreed to by the Developer and Connecting Transmission Owner. On a monthly basisConnecting Transmission Owner shall provide Developer and NYISO a status report on theconstruction and installation of Connecting Transmission Owner’s Attachment Facilities andSystem Upgrade Facilities and System Deliverability Upgrades, including, but not limited to, thefollowing information: (1) progress to date; (2) a description of the activities since the lastreport; (3) a description of the action items for the next period; and (4) the delivery status ofequipment ordered.

24.3 Updated Information Submission by Developer.

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

If the Developer’s data is different from what was originally provided to ConnectingTransmission Owner and NYISO pursuant to an Interconnection Study Agreement amongConnecting Transmission Owner, NYISO and Developer and this difference may be reasonablyexpected to affect the other Party’s facilities or the New York State Transmission System, butdoes not require the submission of a new Interconnection Request, then NYISO may conductappropriate studies to determine the impact on the New York State Transmission System based on the actual data submitted pursuant to this Article 24.3. Such studies will provide an estimate of any additional modifications to the New York State Transmission System, Connecting Transmission Owner’s Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades based on the actual data and a good faith estimate of the costs thereof. The Developer shall not begin Trial Operation until such studies are completed. The Developer

shall be responsible for the cost of any modifications required by the actual data, including thecost of any required studies.

24.4 Information Supplementation.

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

Unless otherwise agreed, the test conditions shall include: (1) the Generating Facility atsynchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) afive percent change in Generating Facility terminal voltage initiated by a change in the voltageregulators reference voltage. Developer shall provide validated test recordings showing theresponses of Generating Facility terminal and field voltages. In the event that direct recordingsof these voltages is impractical, recordings of other voltages or currents that mirror the responseof the Generating Facility’s terminal or field voltage are acceptable if information necessary totranslate these alternate quantities to actual Generating Facility terminal or field voltages isprovided. Generating Facility testing shall be conducted and results provided to the ConnectingTransmission Owner and NYISO for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, the Developer shall provide ConnectingTransmission Owner and NYISO any information changes due to equipment replacement, repair,or adjustment. Connecting Transmission Owner shall provide the Developer and NYISO anyinformation changes due to equipment replacement, repair or adjustment in the directlyconnected substation or any adjacent Connecting Transmission Owner substation that may affectthe Developer Attachment Facilities equipment ratings, protection or operating requirements.The Developer and Connecting Transmission Owner shall provide such information no later thanthirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access.

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

25.2 Reporting of Non-Force Majeure Events.

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

25.3 Audit Rights.

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

25.4 Audit Rights Periods.

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

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

25.4.2 Audit Rights Period for All Other Accounts and Records.

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

25.5 Audit Results.

If an audit by a Party determines that an overpayment or an underpayment has occurred, anotice of such overpayment or underpayment shall be given to the other Party together with

those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

26.1 General.

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

26.2 Responsibility of Principal.

The creation of any subcontract relationship shall not relieve the hiring Party of any of itsobligations under this Agreement. The hiring Party shall be fully responsible to the other Partyfor the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had beenmade; provided, however, that in no event shall the NYISO or Connecting Transmission Ownerbe liable for the actions or inactions of the Developer or its subcontractors with respect toobligations of the Developer under Article 5 of this Agreement. Any applicable obligationimposed by this Agreement upon the hiring Party shall be equally binding upon, and shall beconstrued as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance.

The obligations under this Article 26 will not be limited in any way by any limitation ofsubcontractor’s insurance.

ARTICLE 27. DISPUTES

27.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or inconnection with this Agreement or its performance (a “Dispute”), such Party shall provide theother Party with written notice of the Dispute (“Notice of Dispute”). Such Dispute shall bereferred to a designated senior representative of each Party for resolution on an informal basis aspromptly as practicable after receipt of the Notice of Dispute by the other Party. In the event thedesignated representatives are unable to resolve the Dispute through unassisted or assistednegotiations within thirty (30) Calendar Days of the other Party’s receipt of the Notice ofDispute, such Dispute may, upon mutual agreement of the Parties, be submitted to arbitrationand resolved in accordance with the arbitration procedures set forth below. In the event theParties do not agree to submit such Dispute to arbitration, each Party may exercise whateverrights and remedies it may have in equity or at law consistent with the terms of this Agreement.

27.2 External Arbitration Procedures.

Any arbitration initiated under this Agreement shall be conducted before a single neutralarbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten(10) Calendar Days of the submission of the Dispute to arbitration, then the arbitration shall beconducted by a three-member arbitration panel. For purposes of the three-member arbitration panel, one arbitrator shall be selected by Connecting Transmission Owner and another arbitrator shall be selected by Developer, in each case within twenty (20) Calendar Days of the submission of the Dispute to arbitration. A third arbitrator shall be selected by the first two arbitrators within ten (10) Calendar Days after the later of: (a) the date Connecting Transmission Owner selected an arbitrator; and (b) the date Developer selected an arbitrator. If either Connecting Transmission Owner or Developer fails to select an arbitrator, then the arbitrator selected shall select the remaining two arbitrators. If arbitrators selected by Connecting Transmission Owner and Developer have not agreed on the selection of the third arbitrator within such ten (10) Calendar Day period, the third arbitrator shall be expeditiously selected in accordance with the rules of the American Arbitration Association.

In each case, the arbitrator(s) shall be knowledgeable in electric utility matters, includingelectric transmission and bulk power issues, and shall not have any current or past substantialbusiness or financial relationships with any party to the arbitration (except prior arbitration).The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except asotherwise provided herein, shall conduct the arbitration in accordance with the CommercialArbitration Rules of the American Arbitration Association (“Arbitration Rules”) and anyapplicable FERC regulations or RTO rules; provided, however, in the event of a conflict betweenthe Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions.

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

27.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration processand for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to siton the three-member panel; (2) one-half of the cost of the third arbitrator jointly chosen by the two selected arbitrators or chosen in accordance with the rules of the American Arbitration Association; and/or (3) one-half of the cost of the two arbitrators chosen by the sole arbitrator

selected by one Party in the absence of the selection of an arbitrator by the other Party.

27.5 Termination.

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

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General.

Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing.

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

28.1.2 Authority.

Such Party has the right, power and authority to enter into this Agreement, to become aParty hereto and to perform its obligations hereunder. This Agreement is a legal, valid andbinding obligation of such Party, enforceable against such Party in accordance with its terms,except as the enforceability thereof may be limited by applicable bankruptcy, insolvency,reorganization or other similar laws affecting creditors’ rights generally and by general equitableprinciples (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict.

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

28.1.4 Consent and Approval.

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

required by Applicable Laws and Regulations.

ARTICLE 29. MISCELLANEOUS

29.1 Binding Effect.

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

29.2 Conflicts.

If there is a discrepancy or conflict between or among the terms and conditions of thiscover agreement and the Appendices hereto, the terms and conditions of this cover agreementshall be given precedence over the Appendices, except as otherwise expressly agreed to inwriting by the Parties.

29.3 Rules of Interpretation.

This Agreement, unless a clear contrary intention appears, shall be construed andinterpreted 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 ina particular capacity excludes such person in any other capacity or individually; (3) reference toany agreement (including this Agreement), document, instrument or tariff means suchagreement, document, instrument, or tariff as amended or modified and in effect from time totime in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference toany Applicable Laws and Regulations means such Applicable Laws and Regulations asamended, 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 statedotherwise, reference to any Article, Section or Appendix means such Article of this Agreementor such Appendix to this Agreement, or such Section to the Standard Large Facility Interconnection Procedures or such Appendix to the Standard Large Facility InterconnectionProcedures, as the case may be; (6) “hereunder”, “hereof’, “herein”, “hereto” and words ofsimilar import shall be deemed references to this Agreement as a whole and not to any particularArticle or other provision hereof or thereof; (7) “including” (and with correlative meaning“include”) means including without limiting the generality of any description preceding suchterm; and (8) relative to the determination of any period of time, “from” means “from andincluding”, “to” means “to but excluding” and “through” means “through and including”.

29.4 Compliance.

Each Party shall perform its obligations under this Agreement in accordance withApplicable Laws and Regulations, Applicable Reliability Standards, the ISO OATT and GoodUtility Practice. To the extent a Party is required or prevented or limited in taking any action bysuch regulations and standards, such Party shall not be deemed to be in Breach of this Agreementfor its compliance therewith. When either Party becomes aware of such a situation, it shallnotify the other Party promptly so that the Parties can discuss the amendment to this Agreement

that is appropriate under the circumstances.

29.5 Joint and Several Obligations.

Except as otherwise stated herein, the obligations of Developer and ConnectingTransmission Owner are several, and are neither joint nor joint and several.

29.6 Entire Agreement.

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

29.7 No Third Party Beneficiaries.

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

29.8 Waiver.

The failure of a Party to this Agreement to insist, on any occasion, upon strictperformance of any provision of this Agreement will not be considered a waiver of anyobligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by eitherParty of its rights with respect to this Agreement shall not be deemed a continuing waiver or awaiver with respect to any other failure to comply with any other obligation, right, duty of thisAgreement. Termination or Default of this Agreement for any reason by the Developer shallnot constitute a waiver of the Developer’s legal rights to obtain Capacity ResourceInterconnection Service and Energy Resource Interconnection Service from the NYISO andConnecting Transmission Owner in accordance with the provisions of the ISO OATT. Anywaiver of this Agreement shall, if requested, be provided in writing.

29.9 Headings.

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

29.10 Multiple Counterparts.

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

29.11 Amendment.

The Parties may by mutual agreement amend this Agreement, by a written instrumentduly executed by both of the Parties.

29.12 Modification by the Parties.

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

29.13 Reservation of Rights.

Connecting Transmission Owner shall have the right to make unilateral filings withFERC to modify this Agreement with respect to any rates, terms and conditions, charges,classifications of service, rule or regulation under section 205 or any other applicable provisionof the Federal Power Act and FERC’s rules and regulations thereunder, and Developer shall havethe right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206or any other applicable provision of the Federal Power Act and FERC’s rules and regulationsthereunder; provided that each Party shall have the right to protest any such filing by the otherParty and to participate fully in any proceeding before FERC in which such modifications maybe considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC undersections 205 or 206 of the Federal Power Act and FERC’s rules and regulations thereunder,except to the extent that the Parties otherwise mutually agree as provided herein.

29.14 No Partnership.

This Agreement shall not be interpreted or construed to create an association, jointventure, agency relationship, or partnership between the Parties or to impose any partnershipobligation or partnership liability upon either Party. Neither Party shall have any right, power orauthority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be anagent or representative of, or to otherwise bind, the other Party.

29.15 Other Transmission Rights.

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

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



Niagara Mohawk Power Corporation d/b/a National Grid

By:

Name: \_\_\_\_\_\_\_\_\_Vishal Ahirrao\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: Director, Customer Energy Integration and Commercial Services, NY

Date:

Curtis/Palmer Hydroelectric Company L.P.

By:

Name: \_\_ Pascale Tremblay \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: Chief Asset Officer

Date:

APPENDICES

Appendix A

Attachment Facilities and System Upgrade Facilities

Appendix B

Milestones

Appendix C

Interconnection Details

Appendix C-1

Requirements to Operate

Appendix D

Security Arrangements Details

Appendix E-1

Initial Synchronization Date

Appendix E-2

Commercial Operation Date

Appendix F

Addresses for Delivery of Notices and Billings

Appendix G

Operation and Maintenance

Appendix H

List of Non-Applicable Pro-Forma LGIA Provisions

APPENDIX A - ATTACHMENT FACILITIES AND SYSTEM UPGRADE FACILITIES

1. Attachment Facilities:

a.) Interconnecting Customer’s (Developer’s) Attachment Facilities

The Developer receives 115kV service from the Company’s local 115kV transmission system via a single circuit tap from the Company’s Spier-West #9 line. The Developer’s facility includes a receiving structure, a line trap and Capacitor Coupled Voltage Transformer (CCVT), main 115kV service isolation disconnect switch (988), an automatic means of overcurrent protection (circuit breaker R9), surge arresters, voltage sensing transformers, structural supports for the Company’s billing meters, two (2) transformers identified as #2 bank and #3 bank which are rated for 35.0/46.7MVA each, two (2) hydro generator units rated at 29.3MVA each, and five (5) generators with a combined rating of 12.3MVA. The circuit breaker R9 is asserted by a relay system having various protection features in addition to overcurrent protection. The Company’s billing meters are supported by the Developer’s structures within the substation fence.b.)

The Developer’s facility is presently served by the Company’s transmission system via asingle circuit tap from the Company’s 115kV Spier -West #9 line from pole T55, also designated as the Point of Interconnection. This single circuit tap continues to theDeveloper’s facility and is terminated to the Developer’s receiving structure.

c.) Point of Interconnection

The point of the Developer’s interconnection to the Company’s EPS is identified asDeveloper’s receiving structure.

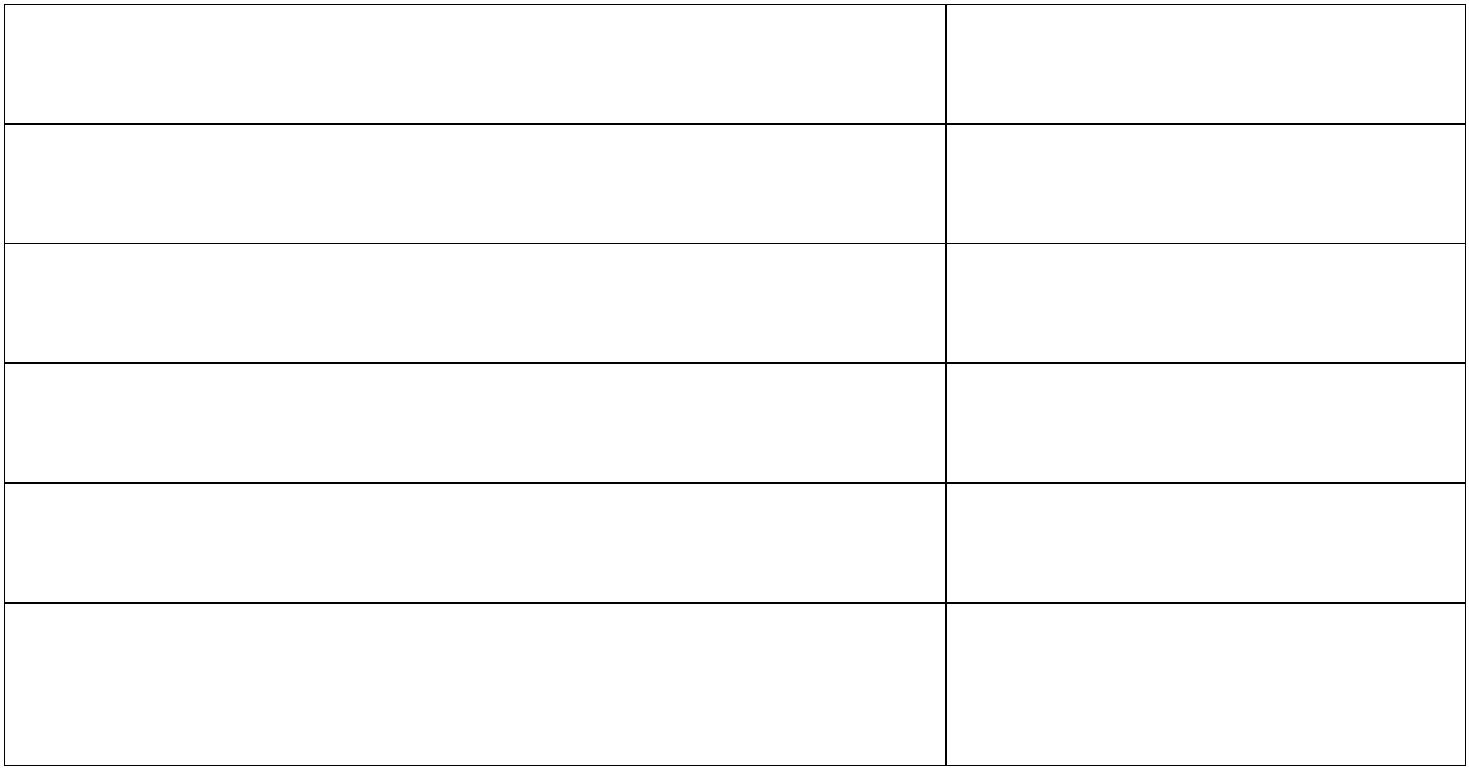
d.) Point of Change of Ownership

The point of change of ownership between the Company and the Developer is at theDeveloper’s receiving structure. The Developer owns, operates and maintains a singleline trap and single capacitor coupled voltage transformer (CCVT) which are tappedahead of the Point of Change of Ownership on one of the tap conductors. Furthermore,the Company owns billing metering transformers which are beyond (electricallydownstream of) the point of change of ownership.

2. System Upgrade Facilities:

(a) The Developer’s facilities are connected to the Company’s transmission system, The Company requires the Developer to install a remote monitoring system for the Company’s use. This project addresses this requirement by the installation of a Company Remote Telemetry Unit (RTU) , furnished by the Company and installed by the Developer. The Company will collect and monitor data points within the Developer’s facility, including, but not limited to, the status of disconnect switch 988, circuit breaker R9, and power quantity values such as MVA imported/exported, voltage levels, and current values, or other quantities as deemed necessary by the Company.

(b) The monitoring capability achieved through the installation of an RTU requires the Developer to join the Company’s private and secure communications network. The physical attachment of the appropriate communications media is the responsibility of the Developer, including the recurring cost imposed by the communications service provider(s) and associated costs.



(c) The RTU will be furnished by the Company and installed by the Developer per the Company’s direction. The Company will provide commissioning of the unit to test functionality and accuracy of the installation. The Company will recover costs associated with the RTU in accordance with our regulatory obligations.

3. System Deliverability Upgrades:

4. Estimate Costs of Interconnection Facilities

Description Estimated Cost

Engineering and Review of Customer Submittals $33,000.00

RTU $65,000.00

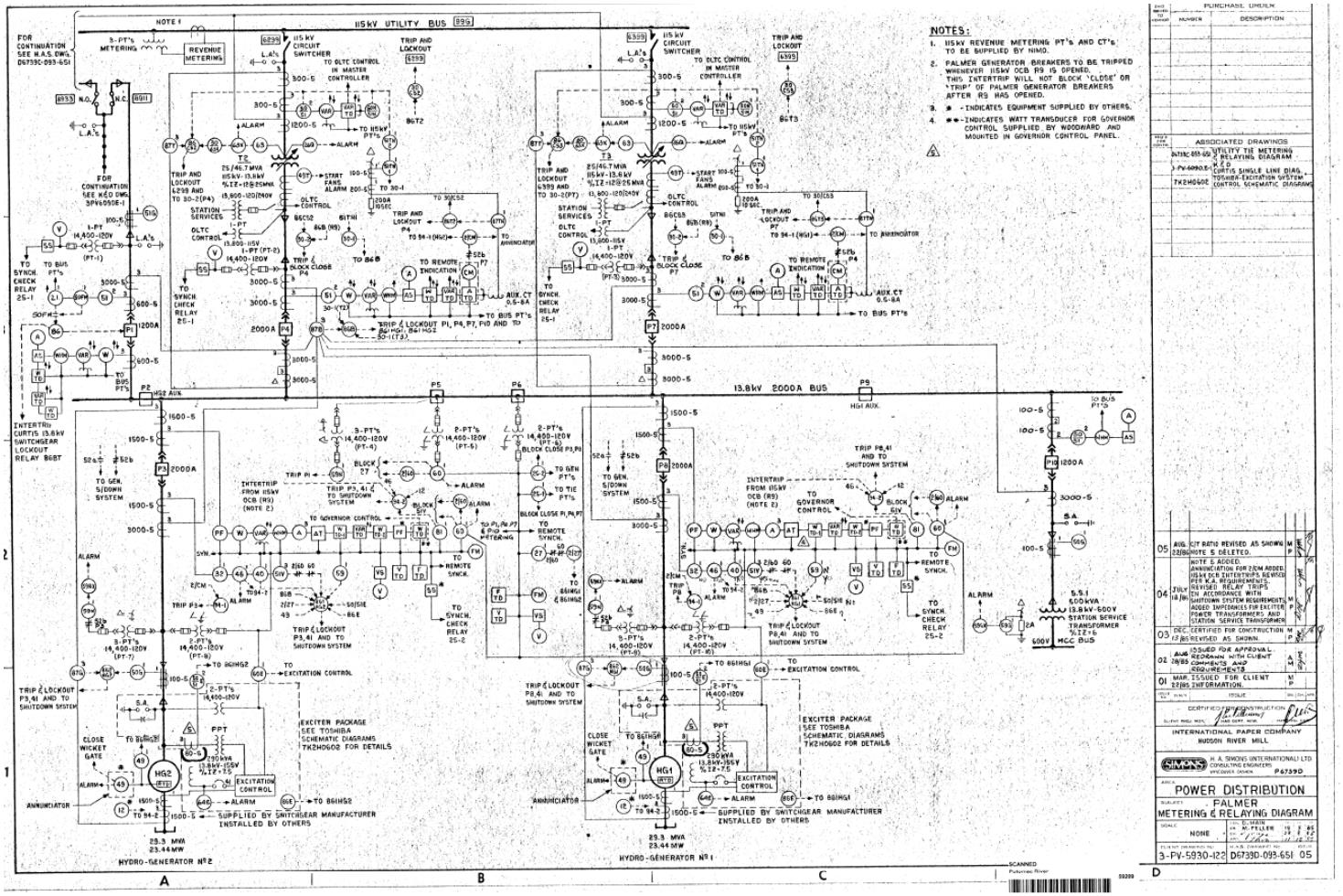
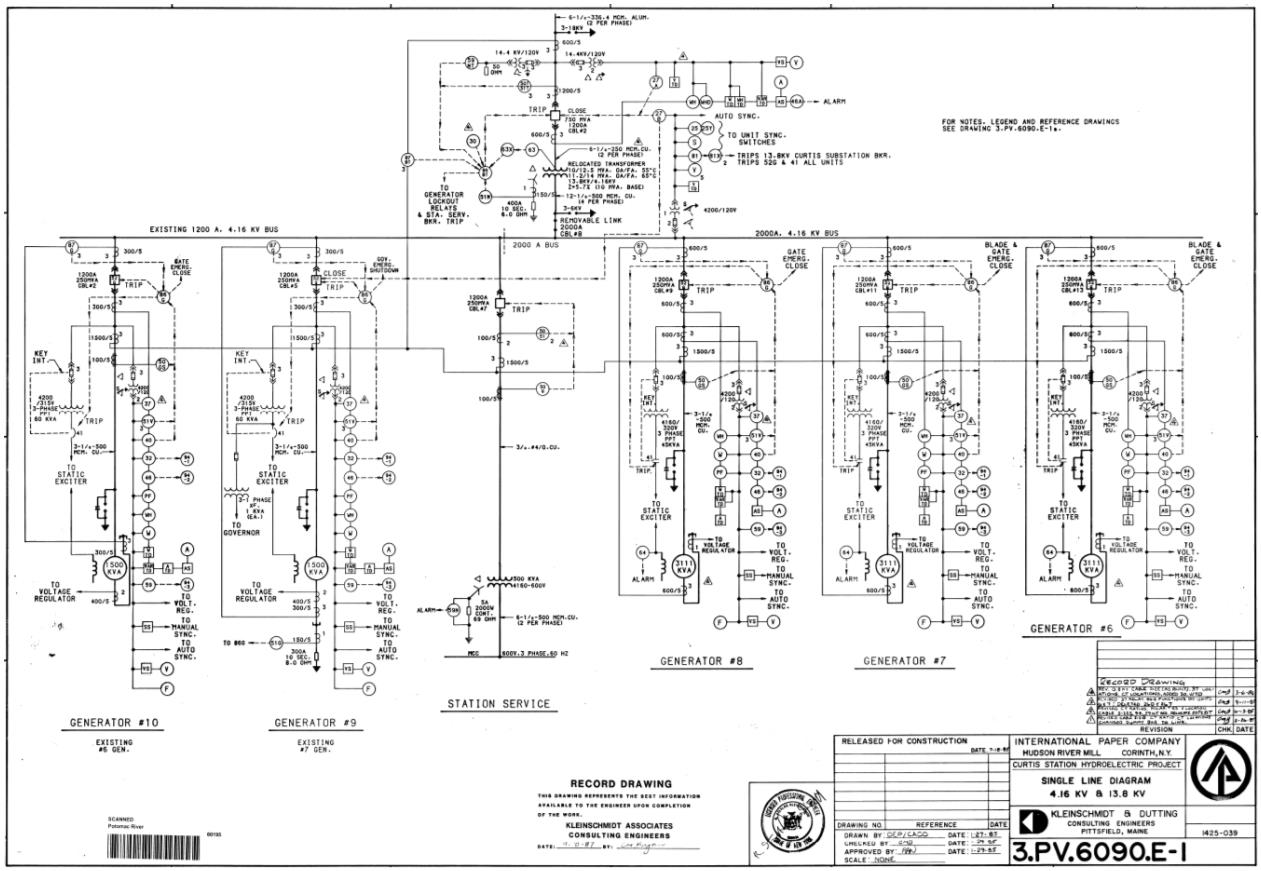
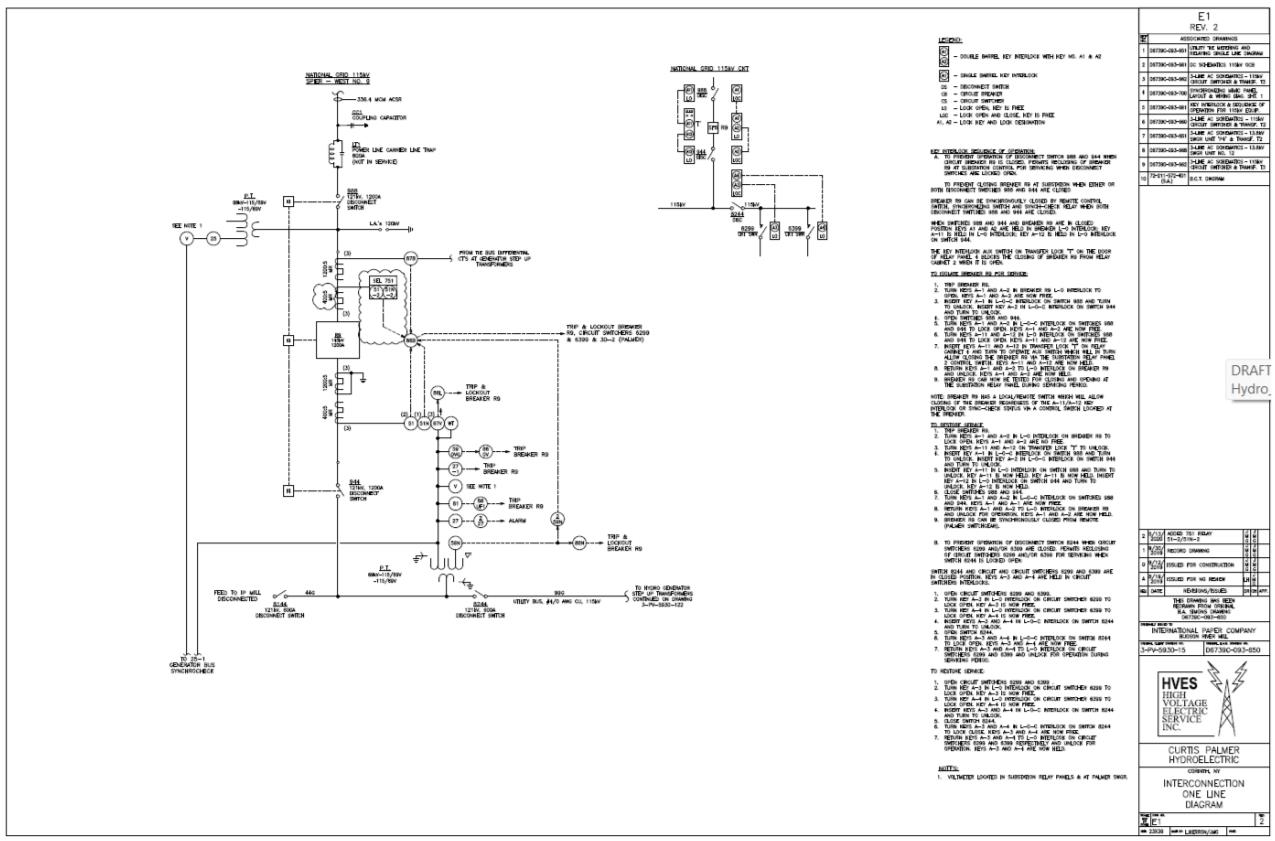
Testing and Commissioning-Relay/Protection $3,200.00

Company’s walkthrough of installation $2,200.00

|  |  |  |  |
| --- | --- | --- | --- |
|  | Estimated Project Total Costs owed to Connecting  Transmission Owner |  | $103,400.00 |

APPENDIX B - MILESTONES

APPENDIX C - INTERCONNECTION DETAILS



APPENDIX C-1 – OPERATING REQUIREMENTS

1) Interconnection Customer Operating Requirements

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

a. The Interconnection Customer must comply with all applicable NYISO tariffs and procedures, as amended from time to time.

b. To the extent not inconsistent with the terms of this Agreement, the ISO OATT, or applicable NYISO procedures, Interconnection Customer must comply with Connecting Transmission Owner’s operating instructions and

requirements as referenced in Article 9.3 of this Agreement, which requirements shall include the dedicated data circuits, including system protection circuits, to be maintained by Interconnection Customer in accordance with Article 8.1 of this Agreement. Interconnection Customer must also comply with the applicable requirements as set out in the Connecting Transmission Owner’s ESBs, which have been identified and provided to the Interconnection Customer as amended from time to time to the extent not inconsistent with the terms of this Agreement or applicable NYISO tariffs and procedures. Upon the Connecting Transmission Owner’s notice to the Interconnection Customer of amendments to the ESBs, the Interconnection Customer has 30 days to comply with such amendments.c. Specific outage requirements shall be identified, and detailed outage plans developed, during final engineering. For purposes of coordinating the outages required to perform the work under this Agreement, the Connecting Transmission Owner provides the following information:

d. Connecting Transmission Owner’s Power Control Order (PCO) 7.3, Coordination of Transmission Outages and In-Service Work requires thirty (30) days advance lead time for Transmission Outage Application (TOA) submission for any line outage with a duration longer than three (3) days, and ten (10) days’ notice for outages less than or equal to three (3) days. Summer scheduling criteria will prohibit any outages on the transmission lines between June 1 and August 31. However, if high grid loading occurs (due to hot weather) or severe storms are forecasted in late in September, as has happened historically, outages in September can be cancelled by the NYISO.

APPENDIX D - SECURITY ARRANGEMENTS DETAILS

Infrastructure security of New York State Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day New York StateTransmission System reliability and operational security. The Commission will expect theNYISO, all Transmission Owners, all Developers and all other Market Participants to complywith the recommendations offered by the President’s Critical Infrastructure Protection Boardand, eventually, best practice recommendations from the electric reliability authority. All publicutilities will be expected to meet basic standards for system infrastructure and operationalsecurity, including physical, operational, and cyber-security practices.

APPENDIX E-1 – INITIAL SYNCHRONIZATION DATE

August 12th, 2025

2 Hanson Place 12th FloorBrooklyn, NY 11217

Re: Curtis/Palmer Hydroelectric Generating Facilities

Dear Vishal Ahirrao:

On October 16, 1986, Curtis/Palmer Hydroelectric Company L.P. initially synchronized the Generating Facilities Palmer unit #1 & #2 and Curtis units 1-5. This letter confirms thatCurtis/Palmer Hydro Electric Company L.P.’s Initial Synchronization Date was October 16,

1986.

Thank you.

[Signature]

Pascale Tremblay

Chief Asset Officer

Curtis/Palmer Hydroelectric Company L.P.

APPENDIX E-2 – COMMERCIAL OPERATION DATE

August 12th, 2025

2 Hanson Place 12th FloorBrooklyn, NY 11217

Re: Curtis/Palmer Hydroelectric Generating Facilities

Dear Vishal Ahirrao:

On October 16, 1986, Curtis/Palmer Hydroelectric Company L.P. has completed Trial Operationof Unit Nos. Palmer unit #1 & #2 and Curtis units 1-5. This letter confirms that Curtis/Palmer Hydroelectric Company L.P. commenced Commercial Operation of Unit Nos. Palmer unit #1 & #2 and Curtis units 1-5 at the Generating Facilities, effective as of October 17, 1986..

Thank you.

[Signature]

Pascale Tremblay

Chief Asset Officer

Curtis/Palmer Hydroelectric Company L.P.

APPENDIX F - ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS



Notices:

Connecting Transmission Owner:

Vishal Ahirrao – Director, Customer Energy Integration and Commercial Services2 Hanson Place 12th Floor Brooklyn, NY 11217

Developer:

Attention – Transmission3636 Nobel Drive, Suite 260San Diego, CA 92122

Billings and Payments:

Connecting Transmission Owner:

Vishal Ahirrao

2 Hanson Place 12th FloorBrooklyn, NY 11217

Developer:

Attention – Transmission3636 Nobel Drive, Suite 260San Diego, CA 92122

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

Connecting Transmission Owner:

Vishal Ahirrao – Director, Customer Energy Integration and Commercial Services2 Hanson Place 12th Floor Brooklyn, NY 11217 Phone: (781) 907-3002



E-mail: Vishal.Ahirrao@nationalgrid.com

Developer:

Attention – Transmission legal@innergex.com

APPENDIX G – OPERATION AND MAINTENANCE



In accordance with Article 10.5 of this Agreement, Developer shall be responsible for all reasonable expenses (“O&M Expenses”) associated with the operation, maintenance, repair and replacement of Connecting Transmission Owner’s Attachment Facilities, as such facilities aredetailed in Appendix A.

Developer shall have the option to pay such O&M Expenses either under the proceduredescribed in Option 1 or in Option 2 below.

Option 1: Fixed On-Going Charge Payment

Connecting Transmission Owner will invoice and Developer shall pay an annualpayment to the Connecting Transmission Owner equal to the product of the GrossPlant Investment associated with the Connecting Transmission Owner AttachmentFacility and the Annual Transmission Ongoing Charge Factor, for the term of this Agreement.

All payments due to be made by Developer shall be made within thirty (30) daysafter receiving an invoice from Connecting Transmission Owner.

The Project’s Gross Connecting Transmission Owner’s Attachment FacilitiesPlant Investment cost shall be established in writing by Connecting TransmissionOwner no later than 90 days following the effective date of the agreement.

The Annual On-Going Charge Factor shall be calculated annually each July basedon the Connecting Transmission Owner’s most recently filed FERC Form 1 dataand will equal the sum of the Revenue Requirement Components as identified onO&M Attachment 1 divided by the Total Gross Plant of the ConnectingTransmission Owner. Total Gross Plant shall equal the sum of Item Nos. A(1)(a)(b) and (c) in O&M Attachment 1.

Option 2: Annual Actual O&M Expenses

Developer shall pay for all actual O&M Expenses incurred by ConnectingTransmission Owner, which expenses shall be billed by Connecting TransmissionOwner quarterly as accumulated during the calendar quarter for which they wereincurred.

All payments due to be made by Developer shall be made within thirty (30) daysafter receiving an invoice from Connecting Transmission Owner, which invoiceshall be issued after the end of each calendar quarter for the most recent quarter.

Selection by Developer

Developer shall select which option for paying O&M Expenses by providing

written notice to the Connecting Transmission Owner within thirty (30) days after receiving from the Connecting Transmission Owner the Gross Connecting Transmission Owner’s Attachment Facilities Plant Investment cost and the most recent Annual Transmission Ongoing Charge Factor. If Developer fails to provide timely notice to Connecting Transmission Owner of the option selected, Developer will be deemed to have selected Option 2: Annual Actual O&MExpenses.

O&M ATTACHMENT 1



Capitalized terms used in this calculation will have the following definitions:

Allocation Factors

1. General Plant Allocation Factor shall equal Electric General Plant divided by the sum of Electric General Plant plus gas general plant as reported in the Annual Report filed with the New York State Public Service Commission.

2. Gross Transmission Plant Allocation Factor shall equal the total investment in Transmission Plant in Service divided by the sum of the total Transmission Plant in Service plus the total Distribution Plant in Service, excluding Intangible Plant, General Plant and Common Plant.

3. Transmission Wages and Salaries Allocation Factor shall equal the ratio of Connecting Transmission Owner’s Transmission-related direct electric wages and salaries including any direct wages or salaries charged to Connecting Transmission Owner by a National Grid Affiliate to Connecting Transmission Owner’s total electric direct wages and salaries including any wages charged to Connecting Transmission Owner by a National Grid Affiliate excluding any electric administrative and general wages and salaries.

Ratebase and Expense items

1. Administrative and General Expense shall equal electric expenses as recorded in FERC Account Nos. 920-935.

2. Amortization of Investment Tax Credits shall equal electric credits as recorded in FERC Account No. 411.4.

3. Distribution Plant in Service shall equal the gross plant balance as recorded in FERC Account Nos. 360 – 374.

4. Electric Common Plant shall equal the balance of Common Plant recorded in FERC Account Nos. 389-399 multiplied by the General Plant Allocation Factor.

5. General Plant shall equal electric gross general plant balance recorded in FERC Account Nos. 389-399.

6. Materials and Supplies shall equal electric materials and supplies balance as recorded in FERC Account No. 154.

7. Payroll Taxes shall equal those electric payroll tax expenses as recorded in FERC Account Nos. 408.100, 408.110, and 408.130.

8. Prepayments shall equal electric prepayment balance as recorded in FERC Account No. 165.

9. Real Estate Tax Expenses shall equal electric transmission-related real estate tax expense as recorded in FERC Account No. 408.140 and 408.180.



10. Transmission Operation and Maintenance Expense shall equal electric expenses as recorded in FERC Account Nos. 560, 562-573.

11. Transmission Plant in Service shall equal the gross plant balance as recorded in FERC Account Nos. 350-359.

12. Transmission Revenue Credits shall equal the revenue reported in Account 456.

13. Transmission Related Bad Debt Expense shall equal Bad Debt Expense as reported in Account 904 related to transmission billing.

14. Wholesale Metering Cost shall equal any costs associated with any Revenue or Remote Terminal Unit (RTU) meters and associated equipment located at an internal or external tie at voltages equal to or greater than 23V. The cost shall be determined by multiplying the number of wholesale meters in FERC Account No. 370.3 by the average cost of the meters plus the average costs of installation.

In the event that the above-referenced FERC accounts are renumbered, renamed, orotherwise modified, the above sections shall be deemed amended to incorporate suchrenumbered, renamed, modified or additional accounts.

Revenue Requirement Components

The Revenue Requirement Component shall be the sum of Connecting TransmissionOwner’s (A) Return and Associated Income Taxes, (B) Transmission Related Real Estate TaxExpense, (C) Transmission Related Amortization of Investment Tax Credits, (D) TransmissionRelated Payroll Tax Expense, (E) Transmission Operation and Maintenance Expense, (F)Transmission Related Administrative and General Expenses, less (G) Revenue Credits, plus (H)Bad Debt Expense.

A. Return and Associated Income Taxes shall equal the product of the Transmission Investment Base as identified in A(1) below and the Cost of Capital Rate.

1. Transmission Investment Base shall be defined as:

Transmission Related General Plant plus Transmission Related Common Plantplus Transmission Related Regulatory Assets plus Transmission RelatedPrepayments plus Transmission Related Materials and Supplies plus TransmissionRelated Cash Working Capital.

(a) Transmission Plant in Service shall equal the balance of Total investment in Transmission Plant plus Wholesale Metering Cost.

(b) Transmission Related General Plant shall equal the balance of investment in General Plant multiplied by the Transmission Wages and Salaries Allocation Factor.

(c) Transmission Related Common Plant shall equal Electric Common Plant multiplied by the Gross Transmission Plant Allocation Factor and multiplied by the Transmission Wages and Salaries Allocation Factor.

(d) Transmission Related Regulatory Assets shall equal balances in FERC Account Nos. 182.3 and 254 for state and federal regulatory assets and liabilities related to FAS109, and excess AFUDC multiplied by the Gross Transmission Plant Allocation Factor.

(e) Transmission Related Prepayments shall equal the electric balance of Prepayments multiplied by the Gross Transmission Plant Allocation Factor.

(f) Transmission Related Materials and Supplies shall equal the balance of Materials and Supplies assigned to Transmission added to the remainder of Material and Supplies not directly assigned to either Transmission or Distribution multiplied by the Gross Transmission Plant Allocation Factor.

(g) Transmission Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of the Transmission Operation and Maintenance Expense (less FERC Account 565: Transmission of Electricity by Others) and Transmission-Related Administrative and General Expense.

2. Cost of Capital Rate

The Cost of Capital Rate shall equal the proposed Weighted Costs of Capital plusFederal Income Taxes and State Income Taxes.

(a) The Weighted Costs of Capital will be calculated for the Transmission Investment Base using Connecting Transmission Owner’s actual capital structure and will equal the sum of (i), (ii), and (iii) below:

(i) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity of Connecting Transmission Owner’s long-term debt then outstanding and the actual long-term debt capitalization ratio;

(ii) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of Connecting Transmission Owner’s preferred stock then outstanding and the actual preferred stock capitalization ratio; and

(iii) the return on equity component, shall be the product of the allowed ROE of 11.9% plus a 50 basis point adder (per FERC Order 697

and 697A) and Connecting Transmission Owner’s actual commonequity capitalization ratio.



(b) Federal Income Tax shall equal

A x Federal Income Tax Rate(1 - Federal Income Tax Rate)

where A is the sum of the preferred stock component and the return onequity component, each as determined in Sections 2.(a)(ii) and for theROE set forth in 2.(a)(iii) above

(c) State Income Tax shall equal

(A + Federal Income Tax) x State Income Tax Rate (1 – State Income Tax Rate)

Where A is the sum of the preferred stock component and the return onequity component as determined in A.2.(a)(ii) and A.2.(a)(iii) above andFederal income Tax is determined in 2.(b) above.

B. Transmission Related Real Estate Tax Expense shall equal the Real Estate Tax Expenses multiplied by the Gross Plant Allocation Factor.

C. Transmission Related Amortization of Investment Tax Credits shall equal the electric Amortization of Investment Tax Credits multiplied by the Gross Transmission Plant Allocation Factor.

D. Transmission Related Payroll Tax Expense shall equal Payroll Taxes multiplied by the Transmission Wages and Salaries Allocation Factor.

E. Transmission Operation and Maintenance Expense shall equal the Transmission Operation and Maintenance Expense as previously defined.

F. Transmission Related Administrative and General Expenses shall equal the sum of the electric Administrative and General Expenses multiplied by the Transmission Wages and Salaries Allocation Factor.

G. Revenue Credits shall equal all Transmission revenue recorded in FERC account 456.

H. Transmission Related Bad Debt Expense shall equal Transmission Related Bad Debt Expense as previously defined.