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LARGE GENERATOR INTERCONNECTION AGREEMENT
 BETWEEN

ROCHESTER GAS AND ELECTRIC CORPORATION

AND

ALLEGANY GENERATING STATION LLC

TABLE OF CONTENTS

Page Number

ARTICLE 1. DEFINITIONS 1

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION 9

2.1 Effective Date 9

2.2 Term of Agreement 9

2.3 Termination 9

2.4 Termination Costs 10

2.5 Disconnection 11

2.6 Survival 11

ARTICLE 3. REGULATORY FILINGS 11

3.1 Filing 11

ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE 11

4.1 Provision of Service 11

4.2 No Transmission Delivery Service 12

4.3 No Other Services 12

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND

CONSTRUCTION 12

5.1 Options 12

5.2 General Conditions Applicable to Option to Build 14

5.3 Liquidated Damages 15

5.4 Power System Stabilizers 16

5.5 Equipment Procurement 17

5.6 Construction Commencement 17

5.7 Work Progress 18

5.8 Information Exchange 18

5.9 Limited Operation 18

5.10 Interconnection Customer’s Attachment Facilities (“DAF”) 18

5.11 Connecting Transmission Owner’s Attachment Facilities Construction 19

5.12 Access Rights 20

5.13 Lands of Other Property Owners 20

5.14 Permits 20

5.15 Early Construction of Base Case Facilities 21

5.16 Suspension 21

5.17 Taxes 22

5.18 Tax Status; Non-Jurisdictional Entities 26

5.19 Modification 27

ARTICLE 6. TESTING AND INSPECTION 28

6.1 Pre-Commercial Operation Date Testing and Modifications 28

6.2 Post-Commercial Operation Date Testing and Modifications 28

6.3 Right to Observe Testing 29

6.4 Right to Inspect 29

ARTICLE 7. METERING 29

7.1 General 29

7.2 Check Meters 30

7.3 Standards 30

7.4 Testing of Metering Equipment 30

7.5 Metering Data 30

ARTICLE 8. COMMUNICATIONS 31

8.1 Interconnection Customer Obligations 31

8.2 Remote Terminal Unit 31

8.3 No Annexation 31

ARTICLE 9. OPERATIONS 32

9.1 General 32

9.2 NYISO and Connecting Transmission Owner Obligations 32

9.3 Interconnection Customer Obligations 32

9.4 Start-Up and Synchronization 32

9.5 Real and Reactive Power Control 32

9.6 Outages and Interruptions 34

9.7 Switching and Tagging Rules 37

9.8 Use of Attachment Facilities by Third Parties 37

9.9 Disturbance Analysis Data Exchange 38

ARTICLE 10. MAINTENANCE 38

10.1 Connecting Transmission Owner Obligations 38

10.2 Interconnection Customer Obligations 38

10.3 Coordination 38

10.4 Secondary Systems 38

10.5 Operating and Maintenance Expenses 39

ARTICLE 11. PERFORMANCE OBLIGATION 39

11.1 Interconnection Customer Attachment Facilities 39

11.2 Connecting Transmission Owner’s Attachment Facilities 39

11.3 System Upgrade Facilities and System Deliverability Upgrades 39

11.4 Special Provisions for Affected Systems 39

11.5 Provision of Security 40

11.6 Interconnection Customer Compensation for Emergency Services 40

11.7 Line Outage Costs 40

ARTICLE 12. INVOICE 41

12.1 General 41

12.2 Final Invoice 41

12.3 Payment 41

12.4 Disputes 41

ARTICLE 13. EMERGENCIES 42

13.1 Obligations 42

13.2 Notice 42

13.3 Immediate Action 42

13.4 NYISO and Connecting Transmission Owner Authority 42

13.5 Interconnection Customer Authority 43

13.6 Limited Liability 44

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW 44

14.1 Regulatory Requirements 44

14.2 Governing Law 44

ARTICLE 15. NOTICES 44

15.1 General 44

15.2 Billings and Payments 45

15.3 Alternative Forms of Notice 45

15.4 Operations and Maintenance Notice 45

ARTICLE 16. FORCE MAJEURE 45

16.1 Force Majeure 45

ARTICLE 17. DEFAULT 45

17.1 Default 45

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE 46

18.1 Indemnity 46

18.2 No Consequential Damages 47

18.3 Insurance 48

ARTICLE 19. ASSIGNMENT 50

19.1 Assignment 50

ARTICLE 20. SEVERABILITY 51

20.1 Severability 51

ARTICLE 21. COMPARABILITY 51

21.1 Comparability 51

ARTICLE 22. CONFIDENTIALITY 51

22.1 Confidentiality 51

ARTICLE 23. ENVIRONMENTAL RELEASES 54

23.1 Interconnection Customer and Connecting Transmission Owner Notice 54

ARTICLE 24. INFORMATION REQUIREMENT 55

24.1 Information Acquisition 55

24.2 Information Submission by Connecting Transmission Owner 55

24.3 Updated Information Submission by Interconnection Customer 55

24.4 Information Supplementation 56

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS 57

25.1 Information Access 57

25.2 Reporting of Non-Force Majeure Events 57

25.3 Audit Rights 57

25.4 Audit Rights Periods 57

25.5 Audit Results 58

ARTICLE 26. SUBCONTRACTORS 58

26.1 General 58

26.2 Responsibility of Principal 58

26.3 No Limitation by Insurance 58

ARTICLE 27. DISPUTES 58

27.1 Submission 58

27.2 External Arbitration Procedures 59

27.3 Arbitration Decisions 59

27.4 Costs 59

27.5 Termination 60

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS 60

28.1 General 60

ARTICLE 29. MISCELLANEOUS 61

29.1 Binding Effect 61

29.2 Conflicts 61

29.3 Rules of Interpretation 61

29.4 Compliance 61

29.5 Joint and Several Obligations 62

29.6 Entire Agreement 62

29.7 No Third Party Beneficiaries 62

29.8 Waiver 62

29.9 Headings 62

29.10 Multiple Counterparts 62

29.11 Amendment 63

29.12 Modification by the Parties 63

29.13 Reservation of Rights 63

29.14 No Partnership 63

29.15 Other Transmission Rights 63

Appendices

LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

(“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_\_\_\_ 20\_\_, by and among

Allegany Generating Station, LLC, a limited liability company organized and existing under the
laws of the State of New York (“Interconnection Customer” with a Large Generating Facility),
and Rochester Gas and Electric Corporation, a corporation organized and existing under the
laws of the State of New York (“Connecting Transmission Owner”). Interconnection Customer,
or Connecting Transmission Owner each may be referred to as a “Party” or collectively referred
to as the “Parties.”

RECITALS

WHEREAS, New York Independent System Operator, Inc.,(“NYISO”) operates the New York State Transmission System and Connecting Transmission Owner owns certain facilities included in the New York State Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the

Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement;
and,

WHEREAS, Interconnection Customer, and Connecting Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the New York State Transmission System;

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

ARTICLE 1. DEFINITIONS

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

meanings specified in this Article 1. Terms used in this Agreement with initial capitalization that are not defined in this Article 1 shall have the meanings specified in Section 30.1.0 of
Attachment X or Section 25.1 of Attachment S of the NYISO OATT.

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

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

Affected Transmission Owner shall mean the New York public utility or authority (or its

designated agent) other than the Connecting Transmission Owner that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Deliverability Upgrades or System Upgrade Facilities are installed pursuant to Attachment X and Attachment S of the Tariff.

Affiliate shall mean, with respect to a person or entity, any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust or unincorporated organization,

directly or indirectly controlling, controlled by, or under common control with, such person or entity. The term “control” shall mean the possession, directly or indirectly, of the power to direct the management or policies of a person or an entity. A voting interest of ten percent or more shall create a rebuttable presumption of control.

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

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of the Applicable Reliability Councils, and the Transmission District to which the Interconnection Customer’s
Large Generating Facility is directly interconnected, as those requirements and guidelines are
amended and modified and in effect from time to time; provided that no Party shall waive its
right to challenge the applicability or validity of any requirement or guideline as applied to it in the context of this Agreement.

Attachment Facilities shall mean the Connecting Transmission Owner’s Attachment Facilities
and the Interconnection Customer’s Attachment Facilities. Collectively, Attachment Facilities
include all facilities and equipment between the Large Generating Facility and the Point of
Interconnection, including any modification, additions or upgrades that are necessary to
physically and electrically interconnect the Large Generating Facility to the New York State
Transmission System. Attachment Facilities are sole use facilities and shall not include Stand
Alone System Upgrade Facilities, Distribution Upgrades, or System Upgrade Facilities.

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.

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

Capacity Resource Interconnection Service (“CRIS”) shall mean the service provided by
RG&E to interconnect the Interconnection Customer’s Large Generating Facility to the New
York State Transmission System or to the Distribution System in accordance with the NYISO
Deliverability Interconnection Standard, to enable the New York State Transmission System to
deliver electric capacity from the Large Generating Facility, pursuant to the terms of the NYISO
OATT.

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

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

Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to this Agreement.

Confidential Information shall mean any information that is defined as confidential by Article 22 of this Agreement.

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

Connecting Transmission Owner’s Attachment Facilities shall mean all facilities and

equipment owned, controlled or operated by the Connecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the
Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Connecting Transmission Owner’s Attachment
Facilities are sole use facilities and shall not include Stand Alone System Upgrade Facilities or
System Upgrade Facilities.

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

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

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

Interconnection Customer shall mean Allegany Generating Station, LLC.

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

Dispute Resolution shall mean the procedure described in Article 27 of this Agreement for resolution of a dispute between the Parties.

Distribution System shall mean the Transmission Owner’s facilities and equipment used to

distribute electricity that are subject to FERC jurisdiction, and are subject to the NYISO’s LFIP or SGIP under FERC Order Nos. 2003 and/or 2006. The term Distribution System shall not include LIPA’s distribution facilities.

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

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

Emergency State shall mean the condition or state that the New York State Power System is in when an abnormal condition occurs that requires automatic or immediate manual action to
prevent or limit loss of the New York State Transmission System or Generators that could
adversely affect the reliability of the New York State Power System.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

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

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

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

Generating Facility shall mean Interconnection Customer’s device for the production of electricity, but shall not include the Interconnection Customer’s Attachment Facilities or Distribution Upgrades.

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

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

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

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

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

Initial Synchronization Date shall mean the date upon which the Large Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Connecting Transmission Owner’s Attachment Facilities to obtain back feed power.

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

consultant for the Interconnection Customer to determine a list of facilities (including

Connecting Transmission Owner’s Attachment Facilities, Distribution Upgrades, System

Upgrade Facilities as identified in the Interconnection System Reliability Impact Study), the cost
of those facilities, and the time required to interconnect the Large Generating Facility with the

New York State Transmission System or with the Distribution System. The scope of the study is defined in Section 30.8 of the Standard Large Facility Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Facility Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Large Generating Facility to the New York State Transmission System or to the Distribution System, the scope of which is described in Section 30.6 of the Standard Large Facility Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Facility Interconnection Procedures for conducting the
Interconnection Feasibility Study.

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

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

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

Interconnection System Reliability Impact Study Agreement shall mean the form of

agreement contained in Appendix 3 of the Standard Large Facility Interconnection Procedures for conducting the Interconnection System Reliability Impact Study.

IRS shall mean the Internal Revenue Service.

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

Loss shall mean any and all losses relating to injury to or death of any person or damage to

property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnified Party’s

performance or non-performance of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

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

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

Minimum Interconnection Standard shall mean the reliability standard that must be met by

any Large Generating Facility proposing to connect to the New York State Transmission System or to the Distribution System. The Standard is designed to ensure reliable access by the
proposed project to the New York State Transmission System. The Standard does not impose any deliverability test or deliverability requirement on the proposed interconnection.

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 electric

transmission system, which includes (i) the Transmission Facilities under ISO Operational Control; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.

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

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

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions

specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Facility Interconnection Procedures for conducting the Optional Interconnection Study.

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

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

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by NYISO.

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

Scoping Meeting shall mean the meeting between representatives of the Interconnection

Customer, NYISO and Connecting Transmission Owner conducted for the purpose of discussing
alternative interconnection options, to exchange information including any transmission data and
earlier study evaluations that would be reasonably expected to impact such interconnection
options, to analyze such information, and to determine the potential feasible Points of
Interconnection.

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

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold
interest in, or a right to develop a site for the purpose of constructing the Large Generating
Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an
exclusivity or other business relationship between Interconnection Customer and the entity
having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a
site for such purpose.

Stand Alone System Upgrade Facilities shall mean System Upgrade Facilities that a

Interconnection Customer may construct without affecting day-to-day operations of the New
York State Transmission System during their construction. NYISO, the Connecting
Transmission Owner and the Interconnection Customer must agree as to what constitutes Stand
Alone System Upgrade Facilities and identify them in Appendix A to this Agreement.

Standard Large Facility Interconnection Procedures (“LFIP”) shall mean the

interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in Attachment X of the NYISO OATT.

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

Agreement, the form of interconnection agreement applicable to an Interconnection Request

pertaining to a Large Generating Facility, that is included in Attachment X of the NYISO OATT.

System Protection Facilities shall mean the equipment, including necessary protection signal
communications equipment, required to (1) protect the New York State Transmission System

from faults or other electrical disturbances occurring at the Large Generating Facility and (2)
protect the Large Generating Facility from faults or other electrical system disturbances
occurring on the New York State Transmission System or on other delivery systems or other
generating systems to which the New York State Transmission System is directly connected.

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

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

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

Article 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date.

This Agreement shall become effective upon execution by the Parties, subject to

acceptance by FERC, or if filed unexecuted, upon the date specified by FERC. The NYISO and Connecting Transmission Owner shall promptly file this Agreement with FERC upon execution in accordance with Article 3.1.

2.2 Term of Agreement.

Subject to the provisions of Article 2.3, this Agreement shall remain in effect for a period
of ten (10) years from the Effective Date or such other longer period as the Interconnection
Customer may request and shall be automatically renewed for each successive one-year period
thereafter.

2.3 Termination.

2.3.1 Written Notice.

This Agreement may be terminated by the Interconnection Customer after giving the Connecting Transmission Owner ninety (90) Calendar Days advance written notice, or
Connecting Transmission Owner notifying FERC after the Large Generating Facility
permanently ceases Commercial Operations.

2.3.2 Default.

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

2.3.3 Compliance.

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

2.4 Termination Costs.

If a Party elects to terminate this Agreement pursuant to Article 2.3.1 above, the

terminating Party shall pay all costs incurred (including any cancellation costs relating to orders
or contracts for Attachment Facilities and equipment) or charges assessed by the other Parties, as
of the date of the other Parties’ receipt of such notice of termination, that are the responsibility of
the terminating Party under this Agreement. In the event of termination by a Party, all Parties
shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as
a consequence of termination. Upon termination of this Agreement, unless otherwise ordered or
approved by FERC:

2.4.1 With respect to any portion of the Connecting Transmission Owner’s Attachment
Facilities that have not yet been constructed or installed, the Connecting Transmission Owner
shall to the extent possible and with Interconnection Customer’s authorization cancel any
pending orders of, or return, any materials or equipment for, or contracts for construction of,
such facilities; provided that in the event Interconnection Customer elects not to authorize such
cancellation, Interconnection Customer shall assume all payment obligations with respect to such
materials, equipment, and contracts, and the Connecting Transmission Owner shall deliver such
material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as
soon as practicable, at Interconnection Customer’s expense. To the extent that Interconnection
Customer has already paid Connecting Transmission Owner for any or all such costs of materials
or equipment not taken by Interconnection Customer, Connecting Transmission Owner shall
promptly refund such amounts to Interconnection Customer, less any costs, including penalties
incurred by the Connecting Transmission Owner to cancel any pending orders of or return such
materials, equipment, or contracts.

If Interconnection Customer terminates this Agreement, it shall be responsible for all
costs incurred in association with Interconnection Customer’s interconnection, including any
cancellation costs relating to orders or contracts for Attachment Facilities and equipment, and
other expenses including any System Upgrade Facilities and System Deliverability Upgrades for which the Connecting Transmission Owner has incurred expenses and has not been reimbursed by the Interconnection Customer.

2.4.2 Connecting Transmission Owner may, at its option, retain any portion of such
materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery

of, in which case Connecting Transmission Owner shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

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

2.5 Disconnection.

Upon termination of this Agreement, Interconnection Customer and Connecting

Transmission Owner will take all appropriate steps to disconnect the Interconnection Customer’s Large Generating Facility from the New York State Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party’s Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

2.6 Survival.

This Agreement shall continue in effect after termination to the extent necessary to

provide for final billings and payments and for costs incurred hereunder; including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit Interconnection Customer and Connecting Transmission Owner each to have access to the lands of the other pursuant to this Agreement or other applicable
agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. REGULATORY FILINGS

3.1 Filing.

Connecting Transmission Owner shall file this Agreement (and any amendment hereto)
with the appropriate Governmental Authority, if required. Any information related to studies for
interconnection asserted by Interconnection Customer to contain Confidential Information shall
be treated in accordance with Article 22 of this Agreement and Attachment F to the NYISO
OATT. If the Interconnection Customer has executed this Agreement, or any amendment
thereto, the Interconnection Customer shall reasonably cooperate with Connecting Transmission
Owner with respect to such filing and to provide any information reasonably requested by
Connecting Transmission Owner needed to comply with Applicable Laws and Regulations.

ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE

4.1 Provision of Service.

RG&E will provide Interconnection Customer with interconnection service of the following type for the term of this Agreement.

4.1.1 Product.

RG&E will provide Capacity Resource Interconnection Service Interconnection Service to Interconnection Customer at the Point of Interconnection.

4.1.2 Interconnection Customer

is responsible for ensuring that its actual Large Generating Facility output matches the scheduled delivery from the Large Generating Facility to the New York State Transmission
System, consistent with the scheduling requirements of the NYISO’s FERC-approved market structure, including ramping into and out of such scheduled delivery, as measured at the Point of Interconnection, consistent with the scheduling requirements of the NYISO OATT and any
applicable FERC-approved market structure.

4.2 No Transmission Delivery Service.

The execution of this Agreement does not constitute a request for, nor agreement to

provide, any Transmission Service under the NYISO OATT, and does not convey any right to deliver electricity to any specific customer or Point of Delivery. If Interconnection Customer wishes to obtain Transmission Service on the New York State Transmission System, then
Interconnection Customer must request such Transmission Service in accordance with the
provisions of the NYISO OATT.

4.3 No Other Services.

The execution of this Agreement does not constitute a request for, nor agreement to

provide Energy, any Ancillary Services or Installed Capacity under the NYISO Market

Administration and Control Area Services Tariff (“Services Tariff”). If Interconnection

Customer wishes to supply Energy, Installed Capacity or Ancillary Services, then

Interconnection Customer will make application to do so in accordance with the NYISO Services
Tariff.

Article 5. Interconnection Facilities Engineering, Procurement, And Construction

5.1 Options.

Unless otherwise mutually agreed to by Interconnection Customer and Connecting

Transmission Owner, Interconnection Customer shall select the In-Service Date, Initial

Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate
Option set forth below for completion of the Connecting Transmission Owner’s Attachment
Facilities and System Upgrade Facilities and System Deliverability Upgrades as set forth in
Appendix A hereto, and such dates and selected option shall be set forth in Appendix B hereto.

5.1.1 Standard Option.

The Connecting Transmission Owner shall design, procure, and construct the Connecting
Transmission Owner’s Attachment Facilities and System Upgrade Facilities and System
Deliverability Upgrades, using Reasonable Efforts to complete the Connecting Transmission

Owner’s Attachment Facilities and System Upgrade Facilities and System Deliverability

Upgrades by the dates set forth in Appendix B hereto. The Connecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction
procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Connecting Transmission Owner reasonably expects that it will not be able to complete the Connecting Transmission Owner’s Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades by the specified dates, the Connecting Transmission Owner shall promptly provide written notice to the Interconnection Customer and NYISO, and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option.

If the dates designated by Interconnection Customer are acceptable to Connecting

Transmission Owner, the Connecting Transmission Owner shall so notify Interconnection

Customer and NYISO within thirty (30) Calendar Days, and shall assume responsibility for the
design, procurement and construction of the Connecting Transmission Owner’s Attachment
Facilities by the designated dates. If Connecting Transmission Owner subsequently fails to
complete Connecting Transmission Owner’s Attachment Facilities by the In-Service Date, to the
extent necessary to provide back feed power; or fails to complete System Upgrade Facilities or
System Deliverability Upgrades by the Initial Synchronization Date to the extent necessary to
allow for Trial Operation at full power output, unless other arrangements are made by the
Interconnection Customer and Connecting Transmission Owner for such Trial Operation; or fails
to complete the System Upgrade Facilities and System Deliverability Upgrades by the
Commercial Operation Date, as such dates are reflected in Appendix B hereto; Connecting
Transmission Owner shall pay Interconnection Customer liquidated damages in accordance with
Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection
Customer shall be extended day for day for each day that NYISO refuses to grant clearances to
install equipment.

5.1.3 Option to Build.

If the dates designated by Interconnection Customer are not acceptable to Connecting
Transmission Owner, the Connecting Transmission Owner shall so notify the Interconnection
Customer and NYISO within thirty (30) Calendar Days, and unless the Interconnection
Customer and Connecting Transmission Owner agree otherwise, Interconnection Customer shall
have the option to assume responsibility for the design, procurement and construction of
Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade
Facilities on the dates specified in Article 5.1.2; provided that if an Attachment Facility or Stand
Alone System Upgrade Facility is needed for more than one Interconnection Customer’s project,
Interconnection Customer’s option to build such Facility shall be contingent on the agreement of
all other affected Interconnection Customers. NYISO, Connecting Transmission Owner and
Interconnection Customer 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, Interconnection Customer shall have no right
to construct System Upgrade Facilities under this option.

5.1.4 Negotiated Option.

If the Interconnection Customer elects not to exercise its option under Article 5.1.3,

Option to Build, Interconnection Customer shall so notify Connecting Transmission Owner and
NYISO within thirty (30) Calendar Days, and the Interconnection Customer 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 a portion of the Connecting Transmission Owner’s Attachment
Facilities and Stand Alone System Upgrade Facilities by Interconnection Customer) pursuant to
which Connecting Transmission Owner is responsible for the design, procurement and
construction of the Connecting Transmission Owner’s Attachment Facilities and System
Upgrade Facilities and System Deliverability Upgrades. If the two Parties are unable to reach
agreement on such terms and conditions, Connecting Transmission Owner shall assume
responsibility for the design, procurement and construction of the Connecting Transmission
Owner’s Attachment Facilities and System Upgrades Facilities and System Deliverability
Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build.

If Interconnection Customer assumes responsibility for the design, procurement and construction of the Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities,

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

(2) Interconnection Customer’s engineering, procurement and construction of the
Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade
Facilities shall comply with all requirements of law to which Connecting Transmission Owner
would be subject in the engineering, procurement or construction of the Connecting
Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities;

(3) Connecting Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction of the Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities;

(4) Prior to commencement of construction, Interconnection Customer shall provide
to Connecting Transmission Owner and NYISO a schedule for construction of the Connecting
Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities, and
shall promptly respond to requests for information from Connecting Transmission Owner or
NYISO;

(5) At any time during construction, Connecting Transmission Owner shall have the

right to gain unrestricted access to the Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities and to conduct inspections of the same;

(6) At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities not meet the standards and specifications provided by Connecting Transmission Owner, the Interconnection Customer shall be obligated to remedy
deficiencies in that portion of the Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities;

(7) Interconnection Customer shall indemnify Connecting Transmission Owner and NYISO for claims arising from the Interconnection Customer’s construction of Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities under procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities to the Connecting Transmission Owner;

(9) Unless the Interconnection Customer and Connecting Transmission Owner

otherwise agree, Interconnection Customer shall transfer ownership of Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities to Connecting
Transmission Owner;

(10) Connecting Transmission Owner shall approve and accept for operation and maintenance the Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to NYISO and Connecting Transmission Owner “as built” drawings, information, and any other documents that are reasonably required by NYISO or Connecting Transmission Owner to assure that the Attachment Facilities and Stand Alone System Upgrade Facilities are built to the standards and specifications required by
Connecting Transmission Owner.

5.3 Liquidated Damages.

The actual damages to the Interconnection Customer, in the event the Connecting

Transmission Owner’s Attachment Facilities or System Upgrade Facilities or System

Deliverability Upgrades are not completed by the dates designated by the Interconnection

Customer and accepted by the Connecting Transmission Owner pursuant to subparagraphs 5.1.2
or 5.1.4, above, may include Interconnection Customer’s fixed operation and maintenance costs
and lost opportunity costs. Such actual damages are uncertain and impossible to determine at
this time. Because of such uncertainty, any liquidated damages paid by the Connecting
Transmission Owner to the Interconnection Customer in the event that Connecting Transmission
Owner does not complete any portion of the Connecting Transmission Owner’s Attachment

Facilities, System Upgrade Facilities or System Deliverability Upgrades by the applicable dates, shall be an amount equal to 1/2 of 1 percent per day of the actual cost of the Connecting
Transmission Owner’s Attachment Facilities and System Upgrade Facilities and System
Deliverability Upgrades, in the aggregate, for which Connecting Transmission Owner has
assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual

cost of the Connecting Transmission Owner Attachment Facilities and System Upgrade Facilities
and System Deliverability Upgrades for which the Connecting Transmission Owner has assumed
responsibility to design, procure, and construct. The foregoing payments will be made by the
Connecting Transmission Owner to the Interconnection Customer as just compensation for the
damages caused to the Interconnection Customer, which actual damages are uncertain and
impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty
or a method to secure performance of this Agreement. Liquidated damages, when the
Interconnection Customer and Connecting Transmission Owner agree to them, are the exclusive
remedy for the Connecting Transmission Owner’s failure to meet its schedule.

Further, Connecting Transmission Owner shall not pay liquidated damages to

Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of the
Connecting Transmission Owner’s Attachment Facilities or System Upgrade Facilities or System
Deliverability Upgrades to take the delivery of power for the Interconnection Customer’s Large
Generating Facility’s Trial Operation or to export power from the Interconnection Customer’s
Large Generating Facility on the specified dates, unless the Interconnection Customer 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
Interconnection Customer’s Large Generating Facility’s Trial Operation or to export power from
the Interconnection Customer’s Large Generating Facility, but for Connecting Transmission
Owner’s delay; (2) the Connecting Transmission Owner’s failure to meet the specified dates is
the result of the action or inaction of the Interconnection Customer or any other Interconnection
Customer who has entered into a Standard Large Generator Interconnection Agreement with the
Connecting Transmission Owner and NYISO, or action or inaction by any other Party, or any
other cause beyond Connecting Transmission Owner’s reasonable control or reasonable ability to
cure; (3) the Interconnection Customer 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
Interconnection Customer have otherwise agreed. In no event shall NYISO have any liability
whatever to Interconnection Customer 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 Interconnection Customer shall procure, install, maintain and operate Power System
Stabilizers in accordance with the requirements identified in the Interconnection Studies
conducted for Interconnection Customer’s Large Generating Facility. NYISO and Connecting
Transmission Owner reserve the right to reasonably establish minimum acceptable settings for
any installed Power System Stabilizers, subject to the design and operating limitations of the

Large Generating Facility. If the Large Generating Facility’s Power System Stabilizers are

removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the Connecting Transmission Owner and NYISO. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement.

If responsibility for construction of the Connecting Transmission Owner’s Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades is to be borne by the Connecting Transmission Owner, then the Connecting Transmission Owner shall commence design of the Connecting Transmission Owner’s Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades and procure necessary equipment as soon as
practicable after all of the following conditions are satisfied, unless the Interconnection
Customer and Connecting Transmission Owner otherwise agree in writing:

5.5.1 NYISO and Connecting Transmission Owner have completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

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

Interconnection Customer has accepted his share of the costs for necessary System Upgrade

Facilities and System Deliverability Upgrades in accordance with the provisions of Attachment S of the NYISO OATT;

5.5.3 The Connecting Transmission Owner has received written authorization to

proceed with design and procurement from the Interconnection Customer by the date specified in Appendix B hereto; and

5.5.4 The Interconnection Customer has provided security to the Connecting

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

5.6 Construction Commencement.

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

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

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent
required for the construction of a discrete aspect of the Connecting Transmission Owner’s
Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades;

5.6.3 The Connecting Transmission Owner has received written authorization to

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

5.6.4 The Interconnection Customer 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 Interconnection Customer and Connecting Transmission Owner will keep each other, and NYISO, advised periodically as to the progress of their respective design, procurement and
construction efforts. Any Party may, at any time, request a progress report from the
Interconnection Customer or Connecting Transmission Owner. If, at any time, the
Interconnection Customer determines that the completion of the Connecting Transmission
Owner’s Attachment Facilities will not be required until after the specified In-Service Date, the
Interconnection Customer will provide written notice to the Connecting Transmission Owner and NYISO of such later date upon which the completion of the Connecting Transmission Owner’s
Attachment Facilities will be required.

5.8 Information Exchange.

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

5.9 Limited Operation.

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

5.10 Interconnection Customer’s Attachment Facilities (“DAF”).

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

5.10.1 DAF Specifications.

Interconnection Customer shall submit initial specifications for the DAF, including

System Protection Facilities, to Connecting Transmission Owner and NYISO at least one

hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final

specifications for review and comment at least ninety (90) Calendar Days prior to the Initial

Synchronization Date. Connecting Transmission Owner and NYISO shall review such

specifications to ensure that the DAF are compatible with the technical specifications,

operational control, and safety requirements of the Connecting Transmission Owner and NYISO and comment on such specifications within thirty (30) Calendar Days of Interconnection
Customer’s submission. All specifications provided hereunder shall be deemed to be
Confidential Information.

5.10.2 No Warranty.

The review of Interconnection Customer’s final specifications by Connecting

Transmission Owner and NYISO shall not be construed as confirming, endorsing, or providing a
warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility,
or the DAF. Interconnection Customer shall make such changes to the DAF as may reasonably
be required by Connecting Transmission Owner or NYISO, in accordance with Good Utility
Practice, to ensure that the DAF are compatible with the technical specifications, operational
control, and safety requirements of the Connecting Transmission Owner and NYISO.

5.10.3 DAF Construction.

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

5.11 Connecting Transmission Owner’s Attachment Facilities Construction.

The Connecting Transmission Owner’s Attachment Facilities shall be designed and

constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty
(120) Calendar Days after the Commercial Operation Date, unless the Connecting Transmission

Owner and Interconnection Customer agree on another mutually acceptable deadline, the

Connecting Transmission Owner shall deliver to the Interconnection Customer “as-built”

drawings, relay diagrams, information and documents for the Connecting Transmission Owner’s Attachment Facilities set forth in Appendix A.

The Connecting Transmission Owner shall transfer operational control of the Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities to the NYISO upon completion of such facilities.

5.12 Access Rights.

Upon reasonable notice and supervision by the Granting Party, and subject to any

required or necessary regulatory approvals, either the Connecting Transmission Owner or

Interconnection Customer (“Granting Party”) shall furnish to the other of those two Parties

(“Access Party”) at no cost any rights of use, licenses, rights of way and easements with respect
to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable
agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain
ingress and egress at the Point of Interconnection to construct, operate, maintain, repair, test (or
witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large
Generating Facility with the New York State Transmission System; (ii) operate and maintain the
Large Generating Facility, the Attachment Facilities and the New York State Transmission
System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon
termination of this Agreement. In exercising such licenses, rights of way and easements, the
Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting
Party’s business and shall adhere to the safety rules and procedures established in advance, as
may be changed from time to time, by the Granting Party and provided to the Access Party. The
Access Party shall indemnify the Granting Party against all claims of injury or damage from
third parties resulting from the exercise of the access rights provided for herein.

5.13 Lands of Other Property Owners.

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

5.14 Permits.

NYISO, Connecting Transmission Owner and the Interconnection Customer shall

cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and

Regulations. With respect to this paragraph, Connecting Transmission Owner shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Connecting Transmission Owner’s own, or an Affiliate’s generation, if any.

5.15 Early Construction of Base Case Facilities.

Interconnection Customer may request Connecting Transmission Owner to construct, and Connecting Transmission Owner shall construct, subject to a binding cost allocation agreement reached in accordance with Attachment S to the NYISO OATT, including Section 25.8.7 thereof, using Reasonable Efforts to accommodate Interconnection Customer’s In-Service Date, all or
any portion of any System Upgrade Facilities or System Deliverability Upgrades required for
Interconnection Customer to be interconnected to the New York State Transmission System
which are included in the Base Case of the Class Year Interconnection Facilities Study for the
Interconnection Customer, and which also are required to be constructed for another
Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer’s In-Service Date.

5.16 Suspension.

Interconnection Customer reserves the right, upon written notice to Connecting

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

Connecting Transmission Owner shall invoice Interconnection Customer for such costs
pursuant to Article 12 and shall use due diligence to minimize its costs. In the event
Interconnection Customer suspends work by Connecting Transmission Owner required under
this Agreement pursuant to this Article 5.16, and has not requested Connecting Transmission
Owner to recommence the work required under this Agreement on or before the expiration of
three (3) years following commencement of such suspension, this Agreement shall be deemed
terminated. The three-year period shall begin on the date the suspension is requested, or the date
of the written notice to Connecting Transmission Owner and NYISO, if no effective date is
specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable.

The Interconnection Customer and Connecting Transmission Owner intend that all

payments or property transfers made by Interconnection Customer to Connecting Transmission
Owner for the installation of the Connecting Transmission Owner’s Attachment Facilities and
the System Upgrade Facilities and the System Deliverability Upgrades shall be non-taxable,
either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code
and any applicable state income tax laws and shall not be taxable as contributions in aid of
construction or otherwise under the Internal 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, Interconnection

Customer represents and covenants that (i) ownership of the electricity generated at the Large
Generating Facility will pass to another party prior to the transmission of the electricity on the
New York State Transmission System, (ii) for income tax purposes, the amount of any payments
and the cost of any property transferred to the Connecting Transmission Owner for the
Connecting Transmission Owner’s Attachment Facilities will be capitalized by Interconnection
Customer as an intangible asset and recovered using the straight-line method over a useful life of
twenty (20) years, and (iii) any portion of the Connecting Transmission Owner’s Attachment
Facilities that is a “dual-use intertie,” within the meaning of IRS Notice 88-129, is reasonably
expected to carry only a de minimis amount of electricity in the direction of the Large
Generating Facility. For this purpose, “de minimis amount” means no more than 5 percent of the
total power flows in both directions, calculated in accordance with the “5 percent test” set forth
in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that
must be met to conform to IRS requirements for non-taxable treatment.

At Connecting Transmission Owner’s request, Interconnection Customer shall provide
Connecting Transmission Owner with a report from an independent engineer confirming its
representation in clause (iii), above. Connecting Transmission Owner represents and covenants
that the cost of the Connecting Transmission Owner’s Attachment Facilities paid for by
Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed

Upon the Connecting Transmission Owner.

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Connecting Transmission Owner from the cost consequences of any current tax liability imposed against Connecting Transmission Owner as the result of payments or property transfers made by Interconnection Customer to Connecting Transmission Owner under this Agreement, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Connecting Transmission Owner.

Connecting Transmission Owner shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this

Agreement unless (i) Connecting Transmission Owner has determined, in good faith, that the
payments or property transfers made by Interconnection Customer to Connecting Transmission
Owner should be reported as income subject to taxation or (ii) any Governmental Authority
directs Connecting Transmission Owner to report payments or property as income subject to
taxation; provided, however, that Connecting Transmission Owner may require Interconnection
Customer to provide security, in a form reasonably acceptable to Connecting Transmission
Owner (such as a parental guarantee or a letter of credit), in an amount equal to the cost
consequences of any current tax liability under this Article 5.17. Interconnection Customer shall
reimburse Connecting Transmission Owner for such costs on a fully grossed-up basis, in
accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification
from Connecting Transmission Owner of the amount due, including detail about how the amount
was calculated.

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

5.17.4 Tax Gross-Up Amount.

Interconnection Customer’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 Interconnection Customer 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 Interconnection Customer 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 or property transfers (the “Present Value Depreciation Amount”), plus (2) an
additional amount sufficient to permit the Connecting Transmission Owner to receive and retain,
after the payment of 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 Transmission
Owner’s composite federal and state tax rates at the time the payments or property transfers are
received and Connecting Transmission Owner will be treated as being subject to tax at the
highest marginal rates in effect at that time (the “Current Tax Rate”), and (ii) the Present Value
Depreciation Amount shall be computed by discounting Connecting Transmission Owner’s
anticipated tax depreciation deductions as a result of such payments or property transfers by
Connecting Transmission Owner’s current weighted average cost of capital. Thus, the formula
for calculating Interconnection Customer’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 Value of Tax Depreciation))/(1 - Current Tax Rate). Interconnection Customer’s

estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law.

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

Connecting Transmission Owner shall keep Interconnection Customer fully informed of
the status of such request for a private letter ruling and shall execute either a privacy act waiver
or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection
Customer to participate in all discussions with the IRS regarding such request for a private letter
ruling. Connecting Transmission Owner shall allow Interconnection Customer to attend all
meetings with IRS officials about the request and shall permit Interconnection Customer to
prepare the initial drafts of any follow-up letters in connection 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) Interconnection Customer 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 the Attachment Facilities and System Upgrade Facilities and System Deliverability
Upgrades, the Interconnection Customer shall pay a tax gross-up for the cost consequences of
any current tax liability imposed on 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 Transmission

Owner’s receipt of payments or property constitutes income that is subject to taxation,

Connecting Transmission Owner shall notify Interconnection Customer, in writing, within thirty

(30) Calendar Days of receiving notification of such determination by a Governmental

Authority. Upon the timely written request by Interconnection Customer and at Interconnection
Customer’s sole expense, Connecting Transmission Owner may appeal, protest, seek abatement
of, or otherwise oppose such determination. Upon Interconnection Customer’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
Interconnection Customer informed, shall consider in good faith suggestions from
Interconnection Customer about the conduct of the contest, and shall reasonably permit
Interconnection Customer or an Interconnection Customer representative to attend contest
proceedings.

Interconnection Customer 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. At
any time during the contest, Connecting Transmission Owner may agree to a settlement either
with Interconnection Customer’s consent or after obtaining written advice from nationally-
recognized tax counsel, selected by Connecting Transmission Owner, but reasonably acceptable
to Interconnection Customer, that the proposed settlement represents a reasonable settlement
given the hazards of litigation. Interconnection Customer’s obligation shall be based on the
amount of the settlement agreed to by Interconnection Customer, 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. Any
settlement without Interconnection Customer’s consent or such written advice will relieve
Interconnection Customer from any obligation to indemnify Connecting Transmission Owner for
the tax at issue in the contest.

5.17.8 Refund.

In the event that (a) a private letter ruling is issued to Connecting Transmission Owner
which holds that any amount paid or the value of any property transferred by Interconnection
Customer to Connecting 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 Interconnection
Customer 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 Interconnection Customer 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 Interconnection Customer to Connecting Transmission
Owner pursuant to this Agreement, Connecting Transmission Owner shall promptly refund to
Interconnection Customer the following:

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

(ii) Interest on any amounts paid by Interconnection Customer to Connecting

Transmission Owner for 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 Interconnection Customer to

the date Connecting Transmission Owner refunds such payment to Interconnection Customer,
and

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

The intent of this provision is to leave both the Interconnection Customer and Connecting
Transmission Owner, to the extent practicable, in the event that no taxes are due with respect to
any payment for Attachment Facilities and System Upgrade Facilities and System Deliverability
Upgrades hereunder, 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 Interconnection Customer, and at Interconnection Customer’s
sole expense, Connecting Transmission Owner shall appeal, protest, seek abatement of, or
otherwise contest any tax (other than federal or state income tax) asserted or assessed against
Connecting Transmission Owner for which Interconnection Customer may be required to
reimburse Connecting Transmission Owner under the terms of this Agreement. Interconnection
Customer 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. Interconnection Customer
and Connecting Transmission Owner shall cooperate in good faith with respect to any such
contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot
be deferred, no amount shall be payable by Interconnection Customer to Connecting
Transmission Owner for such taxes until they are assessed by a final, non-appealable order by
any court or agency of competent jurisdiction. In the event that a tax payment is withheld and
ultimately due and payable after appeal, Interconnection Customer will be responsible for all
taxes, interest and penalties, other than 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 Parties’ tax status.
Nothing in this Agreement is intended to adversely affect the tax status of any Party including
the status of NYISO, or the status of any Connecting Transmission Owner with respect to the

issuance of bonds including, but not limited to, Local Furnishing Bonds. Notwithstanding any
other provisions of this Agreement, LIPA, NYPA and Consolidated Edison Company of New
York, Inc. shall not be required to comply with any provisions of this Agreement that would
result in the loss of tax-exempt status of any of their Tax-Exempt Bonds or impair their ability to
issue future tax-exempt obligations. For purposes of this provision, Tax-Exempt Bonds shall
include the obligations of the Long Island Power Authority, NYPA and Consolidated Edison
Company of New York, Inc., the interest on which is not included in gross income under the
Internal Revenue Code.

5.18.2 Non-Jurisdictional Entities.

LIPA and NYPA do not waive their exemptions, pursuant to Section 201(f) of the FPA,

from Commission jurisdiction with respect to the Commission’s exercise of the FPA’s general

ratemaking authority.

5.19 Modification.

5.19.1 General.

Either the Interconnection Customer or Connecting Transmission Owner may undertake
modifications to its facilities covered by this Agreement. If either the Interconnection Customer
or Connecting Transmission Owner plans to undertake a modification that reasonably may be
expected to affect the other Party’s facilities, that Party shall provide to the other Party, and to
NYISO, sufficient information regarding such modification so that the other Party and NYISO
may evaluate the potential impact of such modification prior to commencement of the work.

Such information shall be deemed to be Confidential Information hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party
desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party and NYISO at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection
Customer to submit an Interconnection Request, the NYISO shall provide, within sixty (60)
Calendar Days (or such other time as the Parties may agree), an estimate of any additional
modifications to the New York State Transmission System, Connecting Transmission Owner’s
Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades
necessitated by such Interconnection Customer modification and a good faith estimate of the
costs thereof. The Interconnection Customer shall be responsible for the cost of any such
additional modifications, including the cost of studying the impact of the Interconnection
Customer modification.

5.19.2 Standards.

Any additions, modifications, or replacements made to a Party’s facilities shall be

designed, constructed and operated in accordance with this Agreement, NYISO requirements and Good Utility Practice.

5.19.3 Modification Costs.

Interconnection Customer 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 NYISO OATT, except in accordance with the cost allocation procedures in Attachment
S of the NYISO OATT. Interconnection Customer shall be responsible for the costs of any
additions, modifications, or replacements to the Interconnection Customer Attachment Facilities
that may be necessary to maintain or upgrade such Interconnection Customer Attachment
Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or
Good Utility Practice.

Article 6. Testing And Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications.

Prior to the Commercial Operation Date, the Connecting Transmission Owner shall test
the Connecting Transmission Owner’s Attachment Facilities and System Upgrade Facilities and
System Deliverability Upgrades and Interconnection Customer shall test the Large Generating
Facility and the Interconnection Customer Attachment Facilities to ensure their safe and reliable
operation. Similar testing may be required after initial operation. Interconnection Customer and
Connecting Transmission Owner shall each make any modifications to its facilities that are

found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the injection of such test energy in
accordance with NYISO procedures.

6.2 Post-Commercial Operation Date Testing and Modifications.

Interconnection Customer and Connecting Transmission Owner shall each at its own

expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice and Applicable Reliability Standards as may be necessary to ensure the continued interconnection of the Large Generating Facility with the New York State
Transmission System in a safe and reliable manner. Interconnection Customer and Connecting Transmission Owner shall each have the right, upon advance written notice, to require
reasonable additional testing of the other Party’s facilities, at the requesting Party’s expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing.

Interconnection Customer and Connecting Transmission Owner shall each notify the

other Party, and the NYISO, in advance of its performance of tests of its Attachment Facilities.
The other Party, and the NYISO, shall each have the right, at its own expense, to observe such
testing.

6.4 Right to Inspect.

Interconnection Customer and Connecting Transmission Owner shall each have the right,
but shall have no obligation to: (i) observe the other Party’s tests and/or inspection of any of its
System Protection Facilities and other protective equipment, including Power System Stabilizers;
(ii) review the settings of the other Party’s System Protection Facilities and other protective
equipment; and (iii) review the other Party’s maintenance records relative to the Attachment
Facilities, the System Protection Facilities and other protective equipment. NYISO shall have
these same rights of inspection as to the facilities and equipment of Interconnection Customer
and Connecting Transmission Owner. A Party may exercise these rights from time to time as it
deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a
Party of any such rights shall not be construed as an endorsement or confirmation of any element
or condition of the Attachment Facilities or the System Protection Facilities or other protective
equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or
reliability of same. Any information that a Party obtains through the exercise of any of its rights
under this Article 6.4 shall be treated in accordance with Article 22 of this Agreement and
Attachment F to the NYISO OATT.

Article 7. Metering

7.1 General.

Interconnection Customer and Connecting Transmission Owner shall each comply with
applicable requirements of NYISO and the New York Public Service Commission when
exercising its rights and fulfilling its responsibilities under this Article 7. Unless otherwise
agreed by the Connecting Transmission Owner and NYISO approved meter service provider and
Interconnection Customer, the Connecting Transmission Owner shall install Metering Equipment
at the Point of Interconnection prior to any operation of the Large Generating Facility and shall
own, operate, test and maintain such Metering Equipment. Net power flows including MW and
MVAR, MWHR and loss profile data to and from the Large Generating Facility shall be
measured at the Point of Interconnection. Connecting Transmission Owner shall provide
metering quantities, in analog and/or digital form, as required, to Interconnection Customer or
NYISO upon request. Where the Point of Interconnection for the Large Generating Facility is
other than the generator terminal, the Interconnection Customer shall also provide gross MW and
MVAR quantities at the generator terminal. Interconnection Customer shall bear all reasonable
documented costs associated with the purchase, installation, operation, testing and maintenance
of the Metering Equipment.

7.2 Check Meters.

Interconnection Customer, at its option and expense, may install and operate, on its

premises and on its side of the Point of Interconnection, one or more check meters to check

Connecting Transmission Owner’s meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this Agreement, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to
inspection and examination by Connecting Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards.

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

7.4 Testing of Metering Equipment.

Connecting Transmission Owner shall inspect and test all of its Metering Equipment

upon installation and at least once every two (2) years thereafter. If requested to do so by

NYISO or Interconnection Customer, Connecting Transmission Owner shall, at Interconnection
Customer’s expense, inspect or test Metering Equipment more frequently than every two (2)
years. Connecting Transmission Owner shall give reasonable notice of the time when any
inspection or test shall take place, and Interconnection Customer and NYISO may have
representatives present at the test or inspection. If at any time Metering Equipment is found to
be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection
Customer’s expense, in order to provide accurate metering, unless the inaccuracy or defect is due
to Connecting Transmission Owner’s failure to maintain, then Connecting Transmission Owner
shall pay. If Metering Equipment fails to register, or if the measurement made by Metering
Equipment during a test varies by more than two percent from the measurement made by the
standard meter used in the test, Connecting Transmission Owner shall adjust the measurements
by correcting all measurements for the period during which Metering Equipment was in error by
using Interconnection Customer’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 Interconnection Customer’s or
Connecting Transmission Owner’s property at any time.

7.5 Metering Data.

At Interconnection Customer’s expense, the metered data shall be telemetered to one or
more locations designated by Connecting Transmission Owner, Interconnection Customer and
NYISO. Such telemetered data shall be used, under normal operating conditions, as the official

measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations.

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

8.2 Remote Terminal Unit.

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

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

8.3 No Annexation.

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

Article 9. OPERATIONS

9.1 General.

Each Party shall comply with Applicable Laws and Regulations and Applicable

Reliability Standards. Each Party shall provide to the other Parties all information that may

reasonably be required by the other Parties to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 NYISO and Connecting Transmission Owner Obligations.

Connecting Transmission Owner and NYISO shall cause the New York State

Transmission System and the Connecting Transmission Owner’s Attachment Facilities to be
operated, maintained and controlled in a safe and reliable manner in accordance with this
Agreement and the NYISO Tariffs. Connecting Transmission Owner and NYISO may provide
operating instructions to Interconnection Customer consistent with this Agreement, NYISO
procedures and Connecting Transmission Owner’s operating protocols and procedures as they
may change from time to time. Connecting Transmission Owner and NYISO will consider
changes to their respective operating protocols and procedures proposed by Interconnection
Customer.

9.3 Interconnection Customer Obligations.

Interconnection Customer shall at its own expense operate, maintain and control the

Large Generating Facility and the Interconnection Customer Attachment Facilities in a safe and reliable manner and in accordance with this Agreement. Interconnection Customer shall operate the Large Generating Facility and the Interconnection Customer Attachment Facilities in
accordance with NYISO and Connecting Transmission Owner requirements, as such
requirements are set forth or referenced in Appendix C hereto. Appendix C will be modified to reflect changes to the requirements as they may change from time to time. Any Party may
request that the appropriate other Party or Parties provide copies of the requirements set forth or referenced in Appendix C hereto.

9.4 Start-Up and Synchronization.

Consistent with the mutually acceptable procedures of the Interconnection Customer and
Connecting Transmission Owner, the Interconnection Customer is responsible for the proper
synchronization of the Large Generating Facility to the New York State Transmission System in
accordance with NYISO and Connecting Transmission Owner procedures and requirements.

9.5 Real and Reactive Power Control.

9.5.1 Power Factor Design Criteria.

Interconnection Customer shall design the Large Generating Facility to maintain an

effective power delivery at demonstrated maximum net capability at the Point of Interconnection at a power factor within the range established by the Connecting Transmission Owner on a

comparable basis, until NYISO has established different requirements that apply to all generators in the New York Control Area on a comparable basis.

The Interconnection Customer shall design and maintain the plant auxiliary systems to operate safely throughout the entire real and reactive power design range.

The Connecting Transmission Owner shall not unreasonably restrict or condition the reactive power production or absorption of the Large Generating Facility in accordance with Good Utility Practice.

9.5.2 Voltage Schedules.

Once the Interconnection Customer has synchronized the Large Generating Facility with
the New York State Transmission System, NYISO shall require Interconnection Customer to
operate the Large Generating Facility to produce or absorb reactive power within the design
capability of the Large Generating Facility set forth in Article 9.5.1 (Power Factor Design
Criteria). NYISO’s voltage schedules shall treat all sources of reactive power in the New York
Control Area in an equitable and not unduly discriminatory manner. NYISO shall exercise
Reasonable Efforts to provide Interconnection Customer with such schedules in accordance with
NYISO procedures, and may make changes to such schedules as necessary to maintain the
reliability of the New York State Transmission System. Interconnection Customer shall operate
the Large Generating Facility to maintain the specified output voltage or power factor at the
Point of Interconnection within the design capability of the Large Generating Facility set forth in
Article 9.5.1 (Power Factor Design Criteria) as directed by the Connecting Transmission
Owner’s System Operator or the NYISO. If Interconnection Customer is unable to maintain the
specified voltage or power factor, it shall promptly notify NYISO.

9.5.3 Payment for Reactive Power.

NYISO shall pay Interconnection Customer for reactive power or voltage support service that Interconnection Customer provides from the Large Generating Facility in accordance with the provisions of Rate Schedule 2 of the NYISO Services Tariff.

9.5.4 Governors and Regulators.

Whenever the Large Generating Facility is operated in parallel with the New York State
Transmission System, the turbine speed governors and automatic voltage regulators shall be in
automatic operation at all times. If the Large Generating Facility’s speed governors or automatic
voltage regulators are not capable of such automatic operation, the Interconnection Customer
shall immediately notify NYISO, or its designated representative, and ensure that such Large
Generating Facility’s real and reactive power are within the design capability of the Large
Generating Facility’s generating unit(s) and steady state stability limits and NYISO system
operating (thermal, voltage and transient stability) limits. Interconnection Customer shall not
cause its Large Generating Facility to disconnect automatically or instantaneously from the New
York State Transmission System or trip any generating unit comprising the Large Generating
Facility for an under or over frequency condition unless the abnormal frequency condition

persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such
other standard as applied to other generators in the New York Control Area on a comparable
basis.

9.6 Outages and Interruptions.

9.6.1 Outages.

9.6.1.1 Outage Authority and Coordination. Interconnection Customer and

Connecting Transmission Owner may each, in accordance with NYISO procedures and Good
Utility Practice and in coordination with the other Party, remove from service any of its
respective Attachment Facilities or System Upgrade Facilities and System Deliverability
Upgrades that may impact the other Party’s facilities as necessary to perform maintenance or
testing or to install or replace equipment. Absent an Emergency State, the Party scheduling a
removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal
on a date and time mutually acceptable to both the Interconnection Customer and the Connecting
Transmission Owner. In all circumstances either Party planning to remove such facility(ies)
from service shall use Reasonable Efforts to minimize the effect on the other Party of such
removal.

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

9.6.1.3 Outage Restoration. If an outage on the Attachment Facilities or System

Upgrade Facilities or System Deliverability Upgrades of the Connecting Transmission Owner or Interconnection Customer adversely affects the other Party’s operations or facilities, the Party that owns the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns the facility that is out of service shall provide the other Party and NYISO, to the extent such information is known, information on the nature of the Emergency State, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.6.2 Interruption of Service. If required by Good Utility Practice or Applicable Reliability Standards to do so, the NYISO or Connecting Transmission Owner may require
Interconnection Customer to interrupt or reduce production of electricity if such production of electricity could adversely affect the ability of NYISO and Connecting Transmission Owner to perform such activities as are necessary to safely and reliably operate and maintain the New York State Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.6.2:

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

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

discriminatory basis with respect to all generating facilities directly connected to the New York State Transmission System;

9.6.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, NYISO or Connecting Transmission Owner shall notify
Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.6.2.4 Except during the existence of an Emergency State, when the interruption or

reduction can be scheduled without advance notice, NYISO or Connecting Transmission Owner
shall notify Interconnection Customer in advance regarding the timing of such scheduling and
further notify Interconnection Customer of the expected duration. NYISO or Connecting
Transmission Owner shall coordinate with each other and the Interconnection Customer using
Good Utility Practice to schedule the interruption or reduction during periods of least impact to
the Interconnection Customer, the Connecting Transmission Owner and the New York State
Transmission System;

9.6.2.5 The Parties shall cooperate and coordinate with each other to the extent

necessary in order to restore the Large Generating Facility, Attachment Facilities, and the New York State Transmission System to their normal operating state, consistent with system
conditions and Good Utility Practice.

9.6.3 Under-Frequency and Over Frequency Conditions.

The New York State Transmission System is designed to automatically activate a load-
shed program as required by the NPCC in the event of an under-frequency system disturbance.
Interconnection Customer shall implement under-frequency and over-frequency relay set points
for the Large Generating Facility as required by the NPCC to ensure “ride through” capability of
the New York State Transmission System. Large Generating Facility response to frequency
deviations of predetermined magnitudes, both under-frequency and over-frequency deviations,
shall be studied and coordinated with the NYISO and Connecting Transmission Owner in
accordance with Good 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 overfrequency conditions, in accordance with Good Utility Practice and with NPCC Regional Reliability Reference Directory # 12.

9.6.4 System Protection and Other Control Requirements.

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

9.6.4.2 The protection facilities of both the Interconnection Customer and Connecting Transmission Owner shall be designed and coordinated with other systems in accordance with Good Utility Practice and Applicable Reliability Standards.

9.6.4.3 The Interconnection Customer and Connecting Transmission Owner shall each be responsible for protection of its respective facilities consistent with Good Utility Practice and Applicable Reliability Standards.

9.6.4.4 The protective relay design of the Interconnection Customer and Connecting
Transmission Owner shall each incorporate the necessary test switches to perform the tests
required in Article 6 of this Agreement. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and
causing unnecessary breaker operations and/or the tripping of the Interconnection Customer’s
Large Generating Facility.

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

9.6.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date,
the Interconnection Customer and Connecting Transmission Owner shall each perform, or their
agents shall perform, a complete calibration test and functional trip test of the System Protection
Facilities. At intervals suggested by Good Utility Practice and following any apparent
malfunction of the System Protection Facilities, the Interconnection Customer 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, Interconnection

Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices
necessary to remove any fault contribution of the Large Generating Facility to any short circuit

occurring on the New York State Transmission System not otherwise isolated by Connecting

Transmission Owner’s equipment, such that the removal of the fault contribution shall be

coordinated with the protective requirements of the New York State Transmission System. Such
protective equipment shall include, without limitation, a disconnecting device or switch with
load-interrupting capability located between the Large Generating Facility and the New York
State Transmission System at a site selected upon mutual agreement (not to be unreasonably
withheld, conditioned or delayed) of the Interconnection Customer and Connecting Transmission
Owner. Interconnection Customer shall be responsible for protection of the Large Generating
Facility and Interconnection Customer’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. Interconnection Customer shall be solely responsible to disconnect the
Large Generating Facility and Interconnection Customer’s other equipment if conditions on the
New York State Transmission System could adversely affect the Large Generating Facility.

9.6.6 Power Quality.

Neither the facilities of Interconnection Customer nor the facilities of Connecting

Transmission Owner shall cause excessive voltage flicker nor introduce excessive distortion to
the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance
with IEEE Standard 519, or any applicable superseding electric industry standard. In the event
of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry
standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard,
shall control.

9.7 Switching and Tagging Rules.

The Interconnection Customer and Connecting Transmission Owner shall each provide the other Party a copy of its switching and tagging rules that are applicable to the other Party’s activities. Such switching and tagging rules shall be developed on a nondiscriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.8 Use of Attachment Facilities by Third Parties.

9.8.1 Purpose of Attachment Facilities.

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Attachment Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the New York State Transmission System and shall be used for no other purpose.

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, Interconnection
Customer 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 Interconnection Customer, in accordance with
Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In
addition, cost responsibility for ongoing costs, including operation and maintenance costs
associated with the Attachment Facilities, will be allocated between Interconnection Customer
and any third party users based upon the pro rata use of the Attachment Facilities by Connecting
Transmission Owner, all third party users, and Interconnection Customer, in accordance with
Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the
issue of such compensation or allocation cannot be resolved through such negotiations, it shall be
submitted to FERC for resolution.

9.9 Disturbance Analysis Data Exchange.

The Parties will cooperate with one another and the NYISO in the analysis of

disturbances to either the Large Generating Facility or the New York State Transmission System
by gathering and providing access to any information relating to any disturbance, including
information from disturbance recording equipment, protective relay targets, breaker operations
and sequence of events records, and any disturbance information required by Good Utility
Practice.

Article 10. Maintenance

10.1 Connecting Transmission Owner Obligations.

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

10.2 Interconnection Customer Obligations.

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

10.3 Coordination.

The Interconnection Customer and Connecting Transmission Owner shall confer

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

10.4 Secondary Systems.

The Interconnection Customer and Connecting Transmission Owner shall each cooperate
with the other in the inspection, maintenance, and testing of control or power circuits that operate
below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective
devices, cables, conductors, electric raceways, secondary equipment panels, transducers,
batteries, chargers, and voltage and current transformers that directly affect the operation of

Interconnection Customer or Connecting Transmission Owner’s facilities and equipment which
may reasonably be expected to impact the other Party. The Interconnection Customer and
Connecting Transmission Owner shall each provide advance notice to the other Party, and to
NYISO, before undertaking any work on such circuits, especially on electrical circuits involving
circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except for
operations and maintenance expenses associated with modifications made for providing
interconnection or transmission service to a third party and such third party pays for such
expenses, Interconnection Customer shall be responsible for all reasonable expenses including
overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing
Interconnection Customer Attachment Facilities; and (2) operation, maintenance, repair and
replacement of Connecting Transmission Owner’s Attachment Facilities. The Connecting
Transmission Owner shall be entitled to the recovery of incremental operating and maintenance
expenses that it incurs associated with System Upgrade Facilities and System Deliverability
Upgrades if and to the extent provided for under Attachment S to the NYISO OATT.

Article 11. Performance Obligation

11.1 Interconnection Customer Attachment Facilities.

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

11.2 Connecting Transmission Owner’s Attachment Facilities.

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

11.3 System Upgrade Facilities and System Deliverability Upgrades.

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

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

11.4 Special Provisions for Affected Systems.

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

Upgrade Facilities or System Deliverability Upgrades, the Interconnection Customer and

Affected System Operator shall enter into an agreement that provides for such re-payment, but
only if responsibility for the cost of such System Upgrade Facilities or System Deliverability
Upgrades is not to be allocated in accordance with Attachment S to the NYISO OATT. The

agreement shall specify the terms governing payments to be made by the Interconnection

Customer to the Affected System Operator as well as the re-payment by the Affected System Operator.

11.5 Provision of Security.

At least thirty (30) Calendar Days prior to the commencement of the procurement,

installation, or construction of a discrete portion of a Connecting Transmission Owner’s

Attachment Facilities, Interconnection Customer shall provide Connecting Transmission Owner,
at Interconnection Customer’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
Interconnection Customer’s share of constructing, procuring and installing the applicable portion
of Connecting Transmission Owner’s Attachment Facilities, and shall be reduced on a dollar-for-
dollar basis for payments made to Connecting Transmission Owner for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the commercially

reasonable creditworthiness requirements of Connecting Transmission Owner, and contains terms and conditions that guarantee payment of any amount that may be due from
Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably

acceptable to Connecting Transmission Owner and must specify a reasonable expiration date.

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

11.5.4 Attachment S to the NYISO OATT shall govern the Security that

Interconnection Customer provides for System Upgrade Facilities and System Deliverability Upgrades.

11.6 Interconnection Customer Compensation for Emergency Services.

If, during an Emergency State, the Interconnection Customer provides services at the

request or direction of the NYISO or Connecting Transmission Owner, the Interconnection

Customer will be compensated for such services in accordance with the NYISO Services Tariff.

11.7 Line Outage Costs.

Notwithstanding anything in the NYISO OATT to the contrary, the Connecting

Transmission Owner may propose to recover line outage costs associated with the installation of Connecting Transmission Owner’s Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades on a case-by-case basis.

ARTICLE 12. INVOICE

12.1 General.

The Interconnection Customer 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 state the month to which the invoice applies and fully describe the services and
equipment provided. The Interconnection Customer and Connecting Transmission Owner may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts one Party owes to the other Party under this
Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice.

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

12.3 Payment.

Invoices shall be rendered to the paying Party at the address specified in Appendix F

hereto. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of
receipt. All payments shall be made in immediately available funds payable to the other Party,
or by wire transfer to a bank named and account designated by the invoicing Party. Payment of
invoices will not constitute a waiver of any rights or claims the paying Party may have under this
Agreement.

12.4 Disputes.

In the event of a billing dispute between Connecting Transmission Owner and

Interconnection Customer, Connecting Transmission Owner shall continue to perform under this
Agreement as long as Interconnection Customer: (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 Interconnection
Customer fails to meet these two requirements for continuation of service, then Connecting
Transmission Owner may provide notice to Interconnection Customer of a Default pursuant to
Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that
owes money to the other Party shall pay the amount due with interest calculated in accord with
the methodology set forth in FERC’s Regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

ARTICLE 13. EMERGENCIES

13.1 Obligations.

Each Party shall comply with the Emergency State procedures of NYISO, the applicable Reliability Councils, Applicable Laws and Regulations, and any emergency procedures agreed to by the NYISO Operating Committee.

13.2 Notice.

NYISO or, as applicable, Connecting Transmission Owner shall notify Interconnection
Customer 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 affect Interconnection Customer’s operation of the Large
Generating Facility or the Interconnection Customer’s Attachment Facilities. Interconnection
Customer shall notify NYISO and Connecting Transmission Owner promptly when it becomes
aware of an Emergency State that affects the Large Generating Facility or the Interconnection
Customer Attachment Facilities that may reasonably be expected to affect the New York State
Transmission System or the Connecting Transmission Owner’s Attachment Facilities. To the
extent information is known, the notification shall describe the Emergency State, the extent of
the damage or deficiency, the expected effect on the operation of Interconnection Customer’s or
Connecting Transmission Owner’s facilities and operations, its anticipated duration and the
corrective action taken and/or to be taken. The initial notice shall be followed as soon as
practicable with written notice.

13.3 Immediate Action.

Unless, in Interconnection Customer’s reasonable judgment, immediate action is

required, Interconnection Customer shall obtain the consent of Connecting Transmission Owner, such consent to not be unreasonably withheld, prior to performing any manual switching
operations at the Large Generating Facility or the Interconnection Customer Attachment
Facilities in response to an Emergency State either declared by NYISO, Connecting
Transmission Owner or otherwise regarding New York State Transmission System.

13.4 NYISO and Connecting Transmission Owner Authority.

13.4.1 General.

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

NYISO and Connecting Transmission Owner shall use Reasonable Efforts to minimize
the effect of such actions or inactions on the Large Generating Facility or the Interconnection
Customer Attachment Facilities. NYISO or Connecting Transmission Owner may, on the basis

of technical considerations, require the Large Generating Facility to mitigate an Emergency State
by taking actions necessary and limited in scope to remedy the Emergency State, including, but
not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease
the real or reactive power output of the Large Generating Facility; implementing a reduction or
disconnection pursuant to Article 13.4.2; directing the Interconnection Customer to assist with
blackstart (if available) or restoration efforts; or altering the outage schedules of the Large

Generating Facility and the Interconnection Customer Attachment Facilities. Interconnection
Customer shall comply with all of the NYISO and Connecting Transmission Owner’s operating
instructions concerning Large Generating Facility real power and reactive power output within
the manufacturer’s design limitations of the Large Generating Facility’s equipment that is in
service and physically available for operation at the time, in compliance with Applicable Laws
and Regulations.

13.4.2 Reduction and Disconnection.

NYISO or Connecting Transmission Owner may reduce [Network Access]

Interconnection Service or disconnect the Large Generating Facility or the Interconnection

Customer Attachment Facilities, when such reduction or disconnection is necessary under Good
Utility Practice due to an Emergency State. These rights are separate and distinct from any right
of Curtailment of NYISO pursuant to the NYISO OATT. When NYISO or Connecting
Transmission Owner can schedule the reduction or disconnection in advance, NYISO or
Connecting Transmission Owner shall notify Interconnection Customer of the reasons, timing
and expected duration of the reduction or disconnection. NYISO or Connecting Transmission
Owner shall coordinate with the Interconnection Customer using Good Utility Practice to
schedule the reduction or disconnection during periods of least impact to the Interconnection
Customer and the New York State Transmission System. Any reduction or disconnection shall
continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall
cooperate with each other to restore the Large Generating Facility, the Attachment Facilities, and
the New York State Transmission System to their normal operating state as soon as practicable
consistent with Good Utility Practice.

13.5 Interconnection Customer Authority.

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

13.6 Limited Liability.

Except as otherwise provided in Article 11.6 of this Agreement, no Party shall be liable
to another Party for any action it takes in responding to an Emergency State so long as such
action is made in good faith and is consistent with Good Utility Practice and the NYISO Tariffs.

Article 14. Regulatory Requirements And Governing Law

14.1 Regulatory Requirements.

Each Party’s obligations under this Agreement shall be subject to its receipt of any

required approval or certificate from one or more Governmental Authorities in the form and

substance satisfactory to the applying Party, or the Party making any required filings with, or

providing notice to, such Governmental Authorities, and the expiration of any time period

associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this Agreement shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 2005 or the Public Utility
Regulatory Policies Act of 1978, as amended.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this Agreement and each of its

provisions shall be governed by the laws of the state of New York, without regard to its conflicts of law principles.

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

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

Article 15. NOTICES

15.1 General.

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

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

15.2 Billings and Payments.

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

15.3 Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F hereto.

15.4 Operations and Maintenance Notice.

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

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 A Party shall not be responsible or liable, or deemed, in Default with respect to
any obligation hereunder, (including obligations under Article 4 of this Agreement) , other than
the obligation to pay money when due, to the extent the Party is prevented from fulfilling such
obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an
obligation to pay money when due) by reason of Force Majeure shall give notice and the full
particulars of such Force Majeure to the other Parties in writing or by telephone as soon as

reasonably possible after the occurrence of the cause relied upon. Telephone notices given

pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall

specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be
required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. DEFAULT

17.1 Default.

17.1.1 General.

No Breach shall exist where such failure to discharge an obligation (other than the

payment of money) is the result of Force Majeure as defined in this Agreement or the result of an
act or omission of the other Parties. Upon a Breach, the non-Breaching Parties shall give written
notice of such to the Breaching Party. The Breaching Party shall have thirty (30) Calendar Days
from receipt of the Breach notice within which to cure such Breach; provided however, if such
Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall

commence such cure within thirty (30) Calendar Days after notice and continuously and
diligently complete such cure within ninety (90) Calendar Days from receipt of the Breach
notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate.

If a Breach is not cured as provided in this Article 17, or if a Breach is not capable of

being cured within the period provided for herein, the non-Breaching Parties acting together shall thereafter have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which they are entitled at law or in equity. The provisions of this Article will survive termination of this Agreement.

Article 18. Indemnity, Consequential Damages And Insurance

18.1 Indemnity.

Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and save

harmless, as applicable, the other Parties (each an “Indemnified Party”) from, any and all

damages, losses, claims, including claims and actions relating to injury to or death of any person
or damage to property, the alleged violation of any Environmental Law, or the release or
threatened release of any Hazardous Substance, demand, suits, recoveries, costs and expenses,
court costs, attorney fees, and all other obligations by or to third parties, arising out of or
resulting from (i) the Indemnified Party’s performance of its obligations under this Agreement
on behalf of the Indemnifying Party, except in cases where the Indemnifying Party can
demonstrate that the Loss of the Indemnified Party was caused by the gross negligence or
intentional wrongdoing of the Indemnified Party or (ii) the violation by the Indemnifying Party
of any Environmental Law or the release by the Indemnifying Party of any Hazardous Substance.

18.1.1 Indemnified Party.

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

18.1.2 Indemnifying Party.

If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party

harmless under this Article 18, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures.

Promptly after receipt by an Indemnified Party of any claim or notice of the

commencement of any action or administrative or legal proceeding or investigation as to which
the indemnity provided for in Article 18.1 may apply, the Indemnified Party shall notify the
Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a
Party’s indemnification obligation unless such failure or delay is materially prejudicial to the
Indemnifying Party.

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

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

18.2 No Consequential Damages.

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

18.3 Insurance.

Interconnection Customer and Connecting Transmission Owner shall each, at its own expense, maintain in force throughout the period of this Agreement, and until released by the other Parties, the following minimum insurance coverages, with insurers authorized to do business in the state of New York:

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 Insurance including premises and operations,

personal injury, broad form property damage, broad form blanket contractual liability coverage
(including coverage for the contractual indemnification) products and completed operations
coverage, coverage for explosion, collapse and underground hazards, independent contractors
coverage, coverage for pollution to the extent normally available and punitive damages to the
extent normally available and a cross liability endorsement, with minimum limits of One Million
Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined
single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and nonowned 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 Excess Public Liability Insurance over and above the Employers’ Liability

Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per
occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile

Insurance and Excess Public Liability Insurance policies of Interconnection Customer and

Connecting Transmission Owner shall name the other Party, its parent, associated and Affiliate
companies and their respective directors, officers, agents, servants and employees (“Other Party
Group”) as additional insured. All policies shall contain provisions whereby the insurers waive
all rights of subrogation in accordance with the provisions of this Agreement against the Other
Party Group and provide thirty (30) Calendar days advance written notice to the Other Party
Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile

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

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile

Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First

Made Basis, shall be maintained in full force and effect for two (2) years after termination of this
Agreement, which coverage may be in the form of tail coverage or extended reporting period
coverage if agreed by the Interconnection Customer and Connecting Transmission Owner.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Interconnection Customer and Connecting Transmission Owner are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by those Parties under this Agreement.

18.3.9 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, Interconnection Customer and Connecting Transmission Owner shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, Interconnection Customer and Connecting

Transmission Owner may each self-insure to meet the minimum insurance requirements of

Articles 18.3.2 through 18.3.8 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 18.3.2 through

18.3.8. For any period of time that a Party’s senior debt is unrated by Standard & Poor’s or is
rated at less than investment grade by Standard & Poor’s, such Party shall comply with the
insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a
Party is permitted to self-insure pursuant to this Article 18.3.10, it shall notify the other Party
that it meets the requirements to self-insure and that its self-insurance program meets the
minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 Interconnection Customer and Connecting Transmission Owner agree to

report to each other in writing as soon as practical all accidents or occurrences resulting in

injuries to any person, including death, and any property damage arising out of this Agreement.

Article 19. Assignment

19.1 Assignment.

This Agreement may be assigned by a Party only with the written consent of the other

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

Article 20. Severability

20.1 Severability.

If any provision in this Agreement is finally determined to be invalid, void or

unenforceable by any court or other Governmental Authority having jurisdiction, such

determination shall not invalidate, void or make unenforceable any other provision, agreement or
covenant of this Agreement; provided that if the Interconnection Customer (or any third party,
but only if such third party is not acting at the direction of the Connecting Transmission Owner)
seeks and obtains such a final determination with respect to any provision of the Alternate
Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions
shall thereafter have any force or effect and the rights and obligations of Interconnection
Customer and Connecting Transmission Owner shall be governed solely by the Standard Option
(Article 5.1.1).

Article 21. Comparability

21.1 Comparability.

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

Article 22. Confidentiality

22.1 Confidentiality.

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

If requested by a Party receiving information, the Party supplying the information shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term.

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

22.1.2 Confidential Information.

The following shall constitute Confidential Information: (1) any non-public information
that is treated as confidential by the disclosing Party and which the disclosing Party identifies as
Confidential Information in writing at the time, or promptly after the time, of disclosure; or (2)

information designated as Confidential Information by the NYISO Code of Conduct contained in Attachment F to the NYISO OATT.

22.1.3 Scope.

Confidential Information shall not include information that the receiving Party can

demonstrate: (1) is generally available to the public other than as a result of a disclosure by the
receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential
basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party
without restriction by a third party, who, to the knowledge of the receiving Party after due
inquiry, was under no obligation to the disclosing Party to keep such information confidential;

(4) was independently developed by the receiving Party without reference to Confidential

Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act
or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance
with Article 22.1.8 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.

22.1.4 Release of Confidential Information.

No Party shall release or disclose Confidential Information to any other person, except to
its Affiliates (limited by FERC Standards of Conduct requirements), subcontractors, employees,
consultants, or to parties who may be considering providing financing to or equity participation
with Interconnection Customer, or to potential purchasers or assignees of a Party, on a need-to-
know basis in connection with this Agreement, unless such person has first been advised of the
confidentiality provisions of this Article 22 and has agreed to comply with such provisions.

Notwithstanding the foregoing, a Party providing Confidential Information to any person shall
remain primarily responsible for any release of Confidential Information in contravention of this
Article 22.

22.1.5 Rights.

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

22.1.6 No Warranties.

By providing Confidential Information, no Party makes any warranties or representations
as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party
obligates itself to provide any particular information or Confidential Information to the other

Parties nor to enter into any further agreements or proceed with any other relationship or joint
venture.

22.1.7 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 its
obligations to the other Party under this Agreement or its regulatory requirements, including the
NYISO OATT and NYISO Services Tariff. The NYISO shall, in all cases, treat the information
it receives in accordance with the requirements of Attachment F to the NYISO OATT.

22.1.8 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent

authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories,

requests for production of documents, administrative order, or otherwise, to disclose Confidential
Information, that Party shall provide the other Parties with prompt notice of such request(s) or
requirement(s) so that the other Parties may seek an appropriate protective order or waive
compliance with the terms of this Agreement. Notwithstanding the absence of a protective order
or waiver, the Party may disclose such Confidential Information which, in the opinion of its
counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to
obtain reliable assurance that confidential treatment will be accorded any Confidential
Information so furnished.

22.1.9 Termination of Agreement.

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

22.1.10 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for
another Party’s Breach of its obligations under this Article 22. Each Party accordingly agrees
that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the
first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable
relief shall be granted without bond or proof of damages, and the receiving Party shall not plead
in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an
exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies
available at law or in equity. The Parties further acknowledge and agree that the covenants

contained herein are necessary for the protection of legitimate business interests and are

reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential

or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

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

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R.
section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests
information from one of the Parties that is otherwise required to be maintained in confidence
pursuant to this Agreement or the NYISO OATT, the Party shall provide the requested
information to FERC or its staff, within the time provided for in the request for information. In
providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section
388.112, request that the information be treated as confidential and non-public by FERC and its
staff and that the information be withheld from public disclosure. Parties are prohibited from
notifying the other Parties to this Agreement prior to the release of the Confidential Information
to the Commission or its staff. The Party shall notify the other Parties to the Agreement when it
is notified by FERC or its staff that a request to release Confidential Information has been
received by FERC, at which time the Parties may respond before such information would be
made public, pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body
conducting a confidential investigation shall be treated in a similar manner if consistent with the
applicable state rules and regulations. A Party shall not be liable for any losses, consequential or
otherwise, resulting from that Party divulging Confidential Information pursuant to a FERC or
state regulatory body request under this paragraph.

22.1.12

Except as otherwise expressly provided herein, no Party shall disclose Confidential

Information to any person not employed or retained by the Party possessing the Confidential

Information, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the
disclosing Party to be required to be disclosed in connection with a dispute between or among
the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the
other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its
obligations under this Agreement, the NYISO OATT or the NYISO Services Tariff. Prior to any
disclosures of a Party’s Confidential Information under this subparagraph, or if any third party or
Governmental Authority makes any request or demand for any of the information described in
this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and
agrees to assert confidentiality and cooperate with the other Party in seeking to protect the
Confidential Information from public disclosure by confidentiality agreement, protective order or
other reasonable measures.

Article 23. Environmental Releases

23.1 Interconnection Customer and Connecting Transmission Owner Notice.

Interconnection Customer and Connecting Transmission Owner shall each notify the
other Party, first orally and then in writing, of the release of any Hazardous Substances, any
asbestos or lead abatement activities, or any type of remediation activities related to the Large
Generating Facility or the Attachment Facilities, each of which may reasonably be expected to

affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable,

provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities
addressing such events.

Article 24. Information Requirement

24.1 Information Acquisition.

Connecting Transmission Owner and Interconnection Customer shall each submit

specific information regarding the electrical characteristics of their respective facilities to the
other, and to NYISO, as described below and in accordance with Applicable Reliability
Standards.

24.2 Information Submission by Connecting Transmission Owner.

The initial information submission by Connecting Transmission Owner shall occur no
later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include
New York State Transmission System information necessary to allow the Interconnection
Customer to select equipment and meet any system protection and stability requirements, unless
otherwise mutually agreed to by the Interconnection Customer and Connecting Transmission
Owner. On a monthly basis Connecting Transmission Owner shall provide Interconnection
Customer and NYISO a status report on the construction and installation of Connecting
Transmission Owner’s Attachment Facilities and System Upgrade Facilities and System
Deliverability Upgrades, including, but not limited to, the following information: (1) progress to
date; (2) a description of the activities since the last report; (3) a description of the action items
for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer.

The updated information submission by the Interconnection Customer, including

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

If the Interconnection Customer’s data is different from what was originally provided to
Connecting Transmission Owner and NYISO pursuant to an Interconnection Study Agreement
among Connecting Transmission Owner, NYISO and Interconnection Customer and this
difference may be reasonably expected to affect the other Parties’ facilities or the New York

State Transmission System, but does not require the submission of a new Interconnection

Request, then NYISO will conduct appropriate studies to determine the impact on the New York
State Transmission System based on the actual data submitted pursuant to this Article 24.3.
Such studies will provide an estimate of any additional modifications to the New York State
Transmission System, Connecting Transmission Owner’s Attachment Facilities or System
Upgrade Facilities or System Deliverability Upgrades based on the actual data and a good faith
estimate of the costs thereof. The Interconnection Customer shall not begin Trial Operation until
such studies are completed. The Interconnection Customer shall be responsible for the cost of
any modifications required by the actual data, including the cost of any required studies.

24.4 Information Supplementation.

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

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility
at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a
five percent change in Large Generating Facility terminal voltage initiated by a change in the
voltage regulators reference voltage. Interconnection Customer shall provide validated test
recordings showing the responses of Large Generating Facility terminal and field voltages. In
the event that direct recordings of these voltages is impractical, recordings of other voltages or
currents that mirror the response of the Large Generating Facility’s terminal or field voltage are
acceptable if information necessary to translate these alternate quantities to actual Large
Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall
be conducted and results provided to the Connecting Transmission Owner and NYISO for each
individual generating unit in a station.

Subsequent to the Commercial Operation Date, the Interconnection Customer shall

provide Connecting Transmission Owner and NYISO any information changes due to equipment
replacement, repair, or adjustment. Connecting Transmission Owner shall provide the
Interconnection Customer and NYISO any information changes due to equipment replacement,
repair or adjustment in the directly connected substation or any adjacent Connecting
Transmission Owner substation that may affect the Interconnection Customer Attachment
Facilities equipment ratings, protection or operating requirements. The Interconnection
Customer and Connecting Transmission Owner shall provide such information no later than
thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access.

Each Party (“Disclosing Party”) shall make available to another Party (“Requesting

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

25.2 Reporting of Non-Force Majeure Events.

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

25.3 Audit Rights.

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

25.4 Audit Rights Periods.

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

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

25.4.2 Audit Rights Period for All Other Accounts and Records.

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

25.5 Audit Results.

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with
those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General.

Nothing in this Agreement shall prevent a Party from utilizing the services of any

subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

26.2 Responsibility of Principal.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its
obligations under this Agreement. The hiring Party shall be fully responsible to the other Parties
for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been
made; provided, however, that in no event shall the NYISO or Connecting Transmission Owner
be liable for the actions or inactions of the Interconnection Customer or its subcontractors with
respect to obligations of the Interconnection Customer under Article 5 of this Agreement. Any
applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding
upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance.

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

Article 27. Disputes

27.1 Submission.

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection
with this Agreement or its performance (a “Dispute”), such Party shall provide the other Parties

with written notice of the Dispute (“Notice of Dispute”). Such Dispute shall be referred to a

designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Parties. In the event the designated representatives are unable to resolve the Dispute through unassisted or assisted negotiations
within thirty (30) Calendar Days of the other Parties’ receipt of the Notice of Dispute, such
Dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such Dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.

27.2 External Arbitration Procedures.

Any arbitration initiated under this Agreement shall be conducted before a single neutral
arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten

(10) Calendar Days of the submission of the Dispute to arbitration, each Party shall choose one
arbitrator who shall sit on a three-member arbitration panel. In each case, the arbitrator(s) shall
be knowledgeable in electric utility matters, including electric transmission and bulk power
issues, and shall not have any current or past substantial business or financial relationships with
any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the
Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the
arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration
Association (“Arbitration Rules”) and any applicable FERC regulations or RTO rules; provided,
however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27,
the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within

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

27.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process
and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit
on the three member panel; or (2) one-half the cost of the single arbitrator jointly chosen by the
Parties.

27.5 Termination.

Notwithstanding the provisions of this Article 27, any Party may terminate this

Agreement in accordance with its provisions or pursuant to an action at law or equity. The issue of whether such a termination is proper shall not be considered a Dispute hereunder.

Article 28. Representations, Warranties And Covenants

28.1 General.

Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing.

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

28.1.2 Authority.

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

28.1.3 No Conflict.

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

28.1.4 Consent and Approval.

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

Article 29. Miscellaneous

29.1 Binding Effect.

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

29.2 Conflicts.

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

29.3 Rules of Interpretation.

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

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

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

29.4 Compliance.

Each Party shall perform its obligations under this Agreement in accordance with

Applicable Laws and Regulations, Applicable Reliability Standards, the NYISO OATT and Good Utility Practice. To the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its compliance therewith. When any Party becomes aware of such a situation, it shall notify the other Parties promptly so that the Parties can discuss the amendment to this Agreement that is appropriate under the circumstances.

29.5 Joint and Several Obligations.

Except as otherwise stated herein, the obligations of NYISO, Interconnection Customer
and Connecting Transmission Owner are several, and are neither joint nor joint and several.

29.6 Entire Agreement.

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

29.7 No Third Party Beneficiaries.

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

29.8 Waiver.

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

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

obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either
Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a
waiver with respect to any other failure to comply with any other obligation, right, duty of this
Agreement. Termination or Default of this Agreement for any reason by the Interconnection
Customer shall not constitute a waiver of the Interconnection Customer’s legal rights to obtain
[Network Access] Interconnection Service and Energy Resource Interconnection Service from
the NYISO and Connecting Transmission Owner in accordance with the provisions of the

NYISO OATT. Any waiver of this Agreement shall, if requested, be provided in writing.

29.9 Headings.

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

29.10 Multiple Counterparts.

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

29.11 Amendment.

The Parties may by mutual agreement amend this Agreement, by a written instrument duly executed by all three of the Parties.

29.12 Modification by the Parties.

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

29.13 Reservation of Rights.

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

29.14 No Partnership.

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

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

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

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

29.15 Other Transmission Rights.

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

APPENDICES

Appendix A

Attachment Facilities and System Upgrade Facilities

Appendix B

Milestones

Appendix C

Interconnection Details

Appendix D

Security Arrangements Details

Appendix E

Commercial Operation Date

Appendix F

Addresses for Delivery of Notices and Billings

Appendix G

NYSEG/RGE Bulletin 86-01

Appendix H

Data Circuit(s) Necessary to Provide Interconnection Customer Data to Transmission Owner

Appendix I

Non-Applicable Pro-Forma LGIA Provisions

APPENDIX A

Attachment Facilities and System Upgrade Facilities

1. Attachment Facilities:

(a) Interconnection Customer’s Attachment Facilities:

All equipment located in the Station 1185 Substation:

2 - Motor Operator Switches 115kV, 1600, 70kA MOM.

1 - Circuit Switcher 115kV 1200 Cont., 40kA IC

3 - Surge Arrestors 88Kv Class

1 - Voltage Transformers (relay accuracy) 69kV

2 - Voltage Transformers (relay accuracy) 115kV

1- Fiber Optic Communications Cable Between Station 1185 and the Plant \*All associate protective relaying, controls and monitoring devices

(b) Connecting Transmission Owner’s Attachment Facilities:

The Points of Change of Ownership shall be the jaw end of Motor Operating Switch #93303 and Points of Interconnection shall be the 115 kV line tap on the 907 Line, as referenced on the oneline diagram to this Appendix A.

1 - Telvent-Remote Terminal Unit (RTU) located in the Station 1185 Substation Control Building

3 - Current Transformers (meter accuracy) 115kV class located in the Station 1185 Substation

3 - Voltage Transformers (meter accuracy) 115kV class located in the Station 1185 Substation

1 - Transdata MarkV- Revenue Meter located in the Station 1185 Substation Control Building

(c) Cost Estimates

Description Installation Cost

Connecting Transmission Owner Attachment Facilities $281,300.00

2. System Upgrade Facilities:

None

3. Operation and Maintenance

In accordance with Article 10.5 of this Agreement, Interconnection Customer 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 are detailed in Appendix A.b

The Connecting Transmission Owner will invoice the Interconnection Customer for all O&M payments due to be made by the Interconnection Customer on a monthly basis in accordance with Article 12 of this Agreement.

Interconnection Customer shall have the option to pay such O&M Expenses either under the procedure described in Option 1 or in Option 2 below.

Option 1: Fixed On-Going Charge Payment:

As of the Effective Date, the total cost of the Transmission Owner Attachment Facilities is
$281,300.00. Accordingly, Interconnection Customer’s monthly O&M Expenses shall be as
follows:

The Interconnection Customer shall pay to Connecting Transmission Owner for O&M Expenses
each month during the term of this Agreement based Connecting Transmission Owner’s service
tariff on an amount equal to 1/12 of the product of 9% and the total cost of such Connecting
Transmission Owner Attachment Facilities as listed at Appendix A. b of this Attachment.

Estimated Monthly O&M calculation = 1/12 x 0.09 x $281,300.00

Estimated Monthly O&M payment = $2,109.75

Option 2: Annual Actual O&M Expenses

The Developer shall pay for all reasonable and verifiable O&M Expenses incurred by

Connecting Transmission Owner, which expenses shall be billed by Connecting Transmission Owner annually as accumulated during the year for which they were incurred.

B. O&M Expenses

O&M Expenses shall include (but are not limited to):

• Operation & Maintenance

• Equipment Replacement

• Administrative & General

• Applicable Property and Other Taxes

Selection by Interconnection Customer

Interconnection Customer 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 Connecting Transmission Owner’s Attachment
Facilities Plant installed cost. If Interconnection Customer 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&M Expenses.

APPENDIX B
Milestones

APPENDIX C

Interconnection Details

1. Owner: Allegany Generating Station, LLC

2. Project and Point of Interconnection: The Alliance Energy, New York LLC Allegany
Station is a 82 MW gas fired power plant that will consist of two (2) gas fired turbine generators.
The Large Generating Facility is a 82 MW gas fired power plant that will consist of two (2) gas
fired turbine generators. The Large Generating Facility will connect between RG&E’s station
180 and station 162 via 115 kV line #907. The Point change of ownership shall be the jaw end
of Motor Operating Switch #93303 located in station 1185 and Point of Interconnection shall be
the 115 kV line tap on the 907 Line, as referenced on the one-line diagram in Figure A-2 in
Appendix A. The generating facility contains a 13.8kV-115 kV 45/60/75 MVA wye grounded
HV / delta LV GSU step up transformer interconnecting to station 1185 via approximately 1 mile
of 115kv overhead circuit.

3. Electrical Equipment Requirements:

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

Interconnection Customer agrees to operate the Allegany Station in conformance with
Connection Transmission Owner’s Electric System Bulletin No. 86-01 in Appendix G. Nothing
in this agreement requires Interconnection Customer to modify the existing production facility,
Attachment Facilities, or related equipment or facilities to meet requirements other than those
specified in Electric System Bulletin No. 86-01 in Appendix G, or to operate existing equipment
outside of what Interconnection Customer deems to be safe operating limitations of the existing
equipment. Notwithstanding the foregoing, Interconnection Customer agrees to endeavor, in
good faith, to meet the standards in subsequent revisions to Connection Transmission Owner’s
Electric System Bulletin No.86-01

In the event Interconnection Customer installs additions, modifications or replacements to the
Allegany Station such that output of the facility exceeds the maximum capacity stated above,
then Interconnection Customer agrees to comply with all applicable requirements of the NYISO
interconnection process related to such an increase in capacity and to operate said additions,
modifications or replacements to in conformance with Connection Transmission Owner’s
Electric System Bulletin No. 86-01 in effect at the time such additions, modifications or

replacements is installed.

Nothing in this Section 3 shall limit the obligation of Interconnection Customer to operate the Allegany Station and the Interconnection Customer’s Attachment Facilities in accordance with Applicable Reliability Standards and any applicable NYISO requirements, and Interconnection Customer shall take all appropriate steps to remain in compliance with Applicable Reliability Standards and any applicable NYISO requirements.

APPENDIX D

Security Arrangements Details

Infrastructure security of New York State Transmission System equipment and

operations and control hardware and software is essential to ensure day-to-day New York State
Transmission System reliability and operational security. The Commission will expect the
NYISO, all Transmission Owners, all Interconnection Customers and all other Market
Participants to comply with the recommendations offered by the President’s Critical
Infrastructure Protection Board and, eventually, best practice recommendations from the electric
reliability authority. All public utilities will be expected to meet basic standards for system
infrastructure and operational security, including physical, operational, and cyber-security
practices.

APPENDIX E

Commercial Operation Date

For purposes of this Agreement, the Commercial Operation Date shall be treated as December 1994.

APPENDIX F

Addresses for Delivery of Notices and Billings

Notices:

Connecting Transmission Owner:

New York State Electric & Gas Corporation Attn: Manager - Programs/Projects
Electric Transmission Services

18 Link Drive

Binghamton, NY 13902-5224 Phone: (607) 762-7606
Fax: (607) 762-8666

Interconnection Customer:

Allegany Generating Station, LLC Attn: Greg Sharland

Billings and Payments:

Connecting Transmission Owner:

New York State Electric & Gas Corporation Attn: Manager - Programs/Projects
Electric Transmission Services

18 Link Drive

Binghamton, NY 13902-5224 Phone: (607) 762-7606
Fax: (607) 762-8666

Interconnection Customer:

Alliance Energy Group, LLC P.O. Box 876

East Aurora, New York 14052 Attention: J Matt Grubka

with a copy to:

Greg Sharland

Alliance Energy, New York LLC 110 E. Seneca Street

Sherrill, New York 13461
Tel No.: 315-363-7791

gsharland@aeny.us

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

Connecting Transmission Owner:

New York State Electric & Gas Corporation Attn: Manager - Programs/Projects
Electric Transmission Services

18 Link Drive

Binghamton, NY 13902-5224 Phone: (607) 762-7606
Fax: (607) 762-8666

Interconnection Customer:

Alliance Energy Group, LLC P.O. Box 876

East Aurora, New York 14052
Attention: J Matt Grubka
Phone: (716) 805-1469
Fax: (716) 805-1473

with a copy to:

Greg Sharland

Alliance Energy, New York LLC 110 E. Seneca Street

Sherrill, New York 13461
Tel No.: 315-363-7791

gsharland@aeny.us

APPENDIX G

NYSEG/RGE Bulletin 86-01
 (to be provided)

APPENDIX H

Data Circuit(s) Necessary to Provide Interconnection Customer Data to Transmission
 Owner Circuits

• Remote Terminal Unit (RTU) 4 wire leased phone line (analog circuit) from

interconnection RTU (located at the Station 1185 substation site) to the RG&E Energy Control Center

Dial-up line dedicated for the Revenue Meter for remote access voice communications line

APPENDIX I

List of Non-Applicable Pro-Forma LGIA Provisions

Transmission Owner and Interconnection Customer are already interconnected, therefore, certain terms of the pro-forma New York ISO LGIA are not applicable to this LGIA, because they relate solely to new interconnections. The parties to this LGIA have nevertheless agreed to use the proforma New York ISO LGIA with almost no modifications, in accordance with FERC policy
promoting the use of pro-forma interconnection agreements wherever possible. The parties,
intend, however, that provisions relating solely to new interconnection facilities, shall not be
applicable to this Agreement and, believe that the following provisions of the pro-forma New York ISO LGIA are not applicable to this Agreement:

Section 5.1 (Option), including all subsections thereof

Section 5.2 (General Conditions Applicable to Option to Build), including all subsections thereof

Section 5.3 (Liquidated Damages)

Section 5.5 (Equipment Procurement), including all subsections thereof

Section 5.6 (Construction Commencement), including all subsections thereof

Section 5.7 (Work Progress)

Section 5.8 (Information Exchange)

Section 5.9 (Limited Operation)

Section 5.10 (Developer Attachment Facilities), including all subsections thereof

Section 5.11 (Transmission Owner Attachment Facilities), including all subsections thereof

Section 5.15 (Early Construction of Base Case Facilities)

Section 11.4 (Special Provisions for Affected Systems)

Section 11.5 (Provision of Security), including all subsections thereof

Section 12.2 (Final Invoice)

Section 24.1 (Information Acquisition)

Section 24.2 (Information Submission by Transmission Owner)

Section 24.3 (Updated Information Submission by Developer)

Section 24.4 (Information Supplementation)

Section 25.4.1 (Audit Rights Period for Construction Related Accounts) Appendix B (Milestones)