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SERVICE AGREEMENT NO. 1668

SERVICE AGREEMENT NO. 1668

AMENDED AND RESTATED

LARGE GENERATOR INTERCONNECTION AGREEMENT

BY AND AMONG

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.

AND

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

AND

BAYONNE ENERGY CENTER, LLC

Dated as of October 16, 2013

SERVICE AGREEMENT NO. 1668

TABLE OF CONTENTS

Page Number

ARTICLE 1. DEFINITIONS 1
ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION 10
2.1 Effective Date 10
2.2 Term of Agreement 11
2.3 Termination 11
2.4 Termination Costs 12
2.5 Disconnection 13
2.6 Survival 13
ARTICLE 3. REGULATORY FILINGS 13
3.1 Filing 13
ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE 13
4.1 Provision of Service 13
4.2 No Transmission Delivery Service 14
4.3 No Other Services 14
ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION 14
5.1 Options 14
5.2 General Conditions Applicable to Option to Build 16
5.3 Liquidated Damages 17
5.4 Power System Stabilizers 18
5.5 Equipment Procurement 18
5.6 Construction Commencement 19
5.7 Work Progress 19
5.8 Information Exchange 20
5.9 Limited Operation 20
5.10 Developer's Attachment Facilities ("DAF") 20
5.11 Connecting Transmission Owner's Attachment Facilities Construction 21
5.12 Access Rights 21
5.13 Lands of Other Property Owners 22
5.14 Permits 22
5.15 Early Construction of Base Case Facilities 22
5.16 Suspension 22
5.17 Taxes 23
5.18 Tax Status; Non-Jurisdictional Entities 28
5.19 Modification 28
ARTICLE 6. TESTING AND INSPECTION 29
6.1 Pre-Commercial Operation Date Testing and Modifications 29
6.2 Post-Commercial Operation Date Testing and Modifications 29
6.3 Right to Observe Testing 30
6.4 Right to Inspect 30
ARTICLE 7. METERING 30

7.1 General 30
7.2 Check Meters 30

SERVICE AGREEMENT NO. 1668

7.3 Standards 31
7.4 Testing of Metering Equipment 31
7.5 Metering Data 31
ARTICLE 8. COMMUNICATIONS 31
8.1 Developer Obligations 31
8.2 Remote Terminal Unit 32
8.3 No Annexation 32
ARTICLE 9. OPERATIONS 32
9.1 General 32
9.2 NYISO and Connecting Transmission Owner Obligations 33
9.3 Developer Obligations 33
9.4 Start-Up and Synchronization 33
9.5 Real and Reactive Power Control 33
9.6 Outages and Interruptions 34
9.7 Switching and Tagging Rules 38
9.8 Use of Attachment Facilities by Third Parties 38
9.9 Disturbance Analysis Data Exchange 38
ARTICLE 10. MAINTENANCE 39
10.1 Connecting Transmission Owner Obligations 39
10.2 Developer Obligations 39
10.3 Coordination 39
10.4 Secondary Systems 39
10.5 Operating and Maintenance Expenses 39
ARTICLE 11. PERFORMANCE OBLIGATION 40
11.1 Developer Attachment Facilities 40
11.2 Connecting Transmission Owner's Attachment Facilities 40
11.3 System Upgrade Facilities and System Deliverability Upgrades 40
11.4 Special Provisions for Affected Systems 40
11.5 Provision of Security 40
11.6 Developer Compensation for Emergency Services 41
11.7 Line Outage Costs 41
ARTICLE 12. INVOICE 41
12.1 General 41
12.2 Final Invoice 41
12.3 Payment 42
12.4 Disputes 42
ARTICLE 13. EMERGENCIES 42
13.1 Obligations 42
13.2 Notice 42
13.3 Immediate Action 43
13.4 NYISO and Connecting Transmission Owner Authority 43
13.5 Developer Authority 44
13.6 Limited Liability 44
ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW 44
14.1 Regulatory Requirements 44

14.2 Governing Law 44

SERVICE AGREEMENT NO. 1668

ARTICLE 15. NOTICES 45
15.1 General 45
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 46
17.1 Default 46
ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE 46
18.1 Indemnity 46
18.2 No Consequential Damages 48
18.3 Insurance 48
ARTICLE 19. ASSIGNMENT 50
19.1 Assignment 50
ARTICLE 20. SEVERABILITY 50
20.1 Severability 50
ARTICLE 21. COMPARABILITY 50
21.1 Comparability 50
ARTICLE 22. CONFIDENTIALITY 51
22.1 Confidentiality 51
ARTICLE 23. ENVIRONMENTAL RELEASES 54
23.1 Developer and Connecting Transmission Owner Notice 54
ARTICLE 24. INFORMATION REQUIREMENT 54
24.1 Information Acquisition 54
24.2 Information Submission by Connecting Transmission Owner 54
24.3 Updated Information Submission by Developer 55
24.4 Information Supplementation 55
ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS 56
25.1 Information Access 56
25.2 Reporting of Non-Force Majeure Events 56
25.3 Audit Rights 56
25.4 Audit Rights Periods 57
25.5 Audit Results 57
ARTICLE 26. SUBCONTRACTORS 57
26.1 General 57
26.2 Responsibility of Principal 57
26.3 No Limitation by Insurance 58
ARTICLE 27. DISPUTES 58
27.1 Submission 58
27.2 External Arbitration Procedures 58
27.3 Arbitration Decisions 58
27.4 Costs 59
27.5 Termination 59
ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS 59

28.1 General 59

SERVICE AGREEMENT NO. 1668

ARTICLE 29. MISCELLANEOUS....60
29.1 Binding Effect.... 60
29.2 Conflicts.... 60
29.3 Rules of Interpretation.... 60
29.4 Compliance.... 61
29.5 Joint and Several Obligations.... 61
29.6 Entire Agreement.... 61
29.7 No Third Party Beneficiaries.... 61
29.8 Waiver.... 62
29.9 Headings.... 62
29.10 Multiple Counterparts.... 62
29.11 Amendment.... 62
29.12 Modification by the Parties.... 62
29.13 Reservation of Rights.... 62
29.14 No Partnership.... 63
29.15 Other Transmission Rights.... 63

Appendices

SERVICE AGREEMENT NO. 1668

AMENDED AND RESTATED LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS AMENDED AND RESTATED LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this 16th day of October 2013, by and among Bayonne Energy Center, LLC, a limited liability corporation organized and existing under the laws of the State/Commonwealth of Delaware ("Developer" with a Large Generating Facility), the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York ("NYISO"), and Consolidated Edison Company of New York, Inc., a transportation corporation organized and existing under the laws of the State of New York ("Connecting Transmission Owner"). Developer, the NYISO, or Connecting Transmission Owner each may be referred to as a "Party" or collectively referred to as the "Parties."

RECITALS

WHEREAS, 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, Developer 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, Developer, NYISO, 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

SERVICE AGREEMENT NO. 1668

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 Developer'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 Developer'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, System Upgrade Facilities or System Deliverability Upgrades.

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

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

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

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

SERVICE AGREEMENT NO. 1668

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

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

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

Capacity Resource Interconnection Service ("CRIS") shall mean the service provided by NYISO to interconnect the Developer'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.

Class Year Deliverability Study shall mean an assessment, conducted by the NYISO staff in cooperation with Market Participants, to determine the System Deliverability Upgrades required for each generation and merchant transmission project included in the Class Year Interconnection Facilities Study to interconnect to the New York State Transmission System or to the Distribution System in compliance with the NYISO Deliverability Interconnection Standard.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Reliability Impact Study.

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.

SERVICE AGREEMENT NO. 1668

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.

Deliverability Interconnection Standard shall mean the standard that must be met by any Large Generating Facility proposing to interconnect to the New York State Transmission System or to the Distribution System and become a qualified Installed Capacity Supplier. To meet the NYISO Deliverability Interconnection Standard, the Developer of the proposed Large Generating Facility must, in accordance with the rules in Attachment S to the NYISO OATT, fund or commit to fund the System Deliverability Upgrades identified for its project in the Class Year Deliverability Study.

Developer shall mean an Eligible Customer developing a Large Generating Facility, proposing to connect to the New York State Transmission System, in compliance with the NYISO Minimum Interconnection Standard.

Developer'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. Developer'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.

SERVICE AGREEMENT NO. 1668

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 Developer'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.

Energy Resource Interconnection Service ("ERIS") shall mean the service provided by NYISO to interconnect the Developer's Large Generating Facility to the New York State Transmission System or to the Distribution System in accordance with the NYISO Minimum Interconnection Standard, to enable the New York State Transmission System to receive Energy and Ancillary Services from the Large Generating Facility, pursuant to the terms of the NYISO OATT.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes Connecting Transmission Owner to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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 Developer's device for the production of electricity identified in the Interconnection Request, but shall not include the Developer's Attachment Facilities or Distribution Upgrades.

SERVICE AGREEMENT NO. 1668

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 Developer, NYISO, Affected Transmission Owner, Connecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" 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.

Highway shall mean 115 kV and higher transmission facilities that comprise the following NYCA interfaces: Dysinger East, West Central, Volney East, Moses South, Central East/Total East, and UPNY-ConEd, and their immediately connected, in series, Bulk Power System facilities in New York State. Each interface shall be evaluated to determine additional "in series" facilities, defined as any transmission facility higher than 115 kV that (a) is located in an upstream or downstream zone adjacent to the interface and (b) has a power transfer distribution factor (DFAX) equal to or greater than five percent when the aggregate of generation in zones or systems adjacent to the upstream zone or zones which define the interface is shifted to the aggregate of generation in zones or systems adjacent to the downstream zone or zones which define the interface. In determining "in series" facilities for Dysinger East and West Central interfaces, the 115 kV and 230 kV tie lines between NYCA and PJM located in LBMP Zones A and B shall not participate in the transfer. Highway transmission facilities are listed in ISO Procedures.

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

6

SERVICE AGREEMENT NO. 1668

In-Service Date shall mean the date upon which the Developer 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 Developer to determine a list of facilities (including Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades as identified in the Interconnection System Reliability Impact Study), the cost of those facilities, and the time required to interconnect 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.

SERVICE AGREEMENT NO. 1668

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 Developer 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.

8

SERVICE AGREEMENT NO. 1668

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

Party or Parties shall mean NYISO, Connecting Transmission Owner, or Developer 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 Developer'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 Developer, 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 Developer and the entity having the right to sell, lease or grant Developer the right to possess or occupy a site for such purpose.

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

Developer must agree as to what constitutes Stand Alone System Upgrade Facilities and identify them in Appendix A to this Agreement.

SERVICE AGREEMENT NO. 1668

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 Deliverability Upgrades 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 or additions to Byways and Highways and Other Interfaces on the existing New York State Transmission System and Distribution System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Deliverability Interconnection Standard at the requested level of Capacity Resource Interconnection Service.

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 Developer 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. Upon its

effectiveness, this Agreement will supersede and replace the November 10, 2010 Large Generator Interconnection Agreement among the Developer, NYISO and Connecting

Transmission Owner, without prejudice to any rights, claims, or obligation under the November 2010 LGIA that have accrued as of the date of effectiveness of this Agreement. 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 thirty (30) years from November 10, 2010 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 Developer after giving the NYISO and Connecting Transmission Owner ninety (90) Calendar Days advance written notice, or by the NYISO and Connecting Transmission Owner notifying FERC after the Large Generating Facility permanently ceases Commercial Operations.

2.3.1.1 Non-Acceptance of Project Cost Allocation

Developer's election not to accept its Project Cost Allocation for Class Year 2009 shall be deemed a termination of this Agreement by Developer under Article 2.3.1. Developer may effect such election not to accept its Project Cost Allocation for Class Year 2009 by (i) providing Notice of Non-Acceptance of the Project Cost Allocation, or (ii) failing to post Security for SUFs for which it is responsible in accordance with Attachment S. Developer's Notice of Non-Acceptance of the Project Cost Allocation shall be delivered to both NYISO and CTO concurrently and shall be deemed Developer's notice of termination for purposes of Article 2.3.1. No notice of termination under Article 2.3.1 shall be required if Developer accepts its Project Cost Allocation for Class Year 2009 but fails to post Security in accordance with Attachment S. In such case, the 90-day period for termination shall commence to run from the last day on which Developer could have posted Security under Attachment S.

2.3.1.2 Post Termination Responsibilities

Once Developer elects not to accept its Project Cost Allocation for Class Year 2009, it shall promptly (i) demobilize and cease further construction at the Gowanus Substation site, and (ii) remove or cause the removal of all equipment, tools and materials of Developer, its contractors and vendors from the Gowanus Substation site. CTO shall take such steps as reasonably necessary to return the Gowanus Substation location to a safe and reliable condition in accordance with Article 5.16 of this Agreement and bill Developer for the reasonable costs of same under Article 12 of this Agreement.

2.3.2 Default.

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

SERVICE AGREEMENT NO. 1668

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 Developer'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 Developer elects not to authorize such cancellation, Developer 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 Developer as soon as practicable, at Developer's expense. To the extent that Developer has already paid Connecting Transmission Owner for any or all such costs of materials or equipment not taken by Developer, Connecting Transmission Owner shall promptly refund such amounts to Developer, 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 Developer terminates this Agreement, it shall be responsible for all costs incurred in association with Developer'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 Developer.

2.4.2 Connecting Transmission Owner may, at its option, retain any portion of such materials, equipment, or facilities that Developer 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.

12

SERVICE AGREEMENT NO. 1668

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, Developer 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, Developer and Connecting Transmission Owner will take all appropriate steps to disconnect the Developer'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 Developer 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.

NYISO and 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 Developer to contain Confidential Information shall be treated in accordance with Article 22 of this Agreement and Attachment F to the NYISO OATT. If the Developer has executed this Agreement, or any amendment thereto, the Developer shall reasonably cooperate with NYISO and Connecting Transmission Owner with respect to such filing and to provide any information reasonably requested by NYISO and Connecting Transmission Owner needed to comply with Applicable Laws and Regulations.

ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE

4.1 Provision of Service.

NYISO will provide Developer with interconnection service of the following type for the term of this Agreement.

4.1.1 Product.

NYISO will provide ERIS and CRIS to Developer at the Point of Interconnection, with CRIS subject to the requirements of Section 5 of Appendix A.

SERVICE AGREEMENT NO. 1668

4.1.2 Developer

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 Developer wishes to obtain Transmission Service on the New York State Transmission System, then Developer 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 Developer wishes to supply Energy, Installed Capacity or Ancillary Services, then Developer 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 Developer and Connecting Transmission Owner, Developer 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 Developer and NYISO, and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option.

If the dates designated by Developer are acceptable to Connecting Transmission Owner, the Connecting Transmission Owner shall so notify Developer 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 Developer 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 Developer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Developer 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 Developer are not acceptable to Connecting Transmission Owner, the Connecting Transmission Owner shall so notify the Developer and NYISO within thirty (30) Calendar Days, and unless the Developer and Connecting Transmission Owner agree otherwise, Developer 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 Developer's project, Developer's option to build such Facility shall be contingent on the agreement of all other affected Developers. NYISO, Connecting Transmission Owner and Developer **m**ust agree as to what constitutes Stand Alone System Upgrade Facilities and identify such Stand Alone System Upgrade Facilities in Appendix A hereto. Except for Stand Alone System Upgrade Facilities, Developer shall have no right to construct System Upgrade Facilities under this option.

5.1.4 Negotiated Option.

If the Developer elects not to exercise its option under Article 5.1.3, Option to Build, Developer shall so notify Connecting Transmission Owner and NYISO within thirty (30) Calendar Days, and the Developer and Connecting Transmission Owner shall in good faith

attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities by Developer) 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 Upgrade Facilities and System Deliverability Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build.

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

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

(2) Developer'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, Developer 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 Developer shall be obligated to remedy deficiencies in that

portion of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities;

SERVICE AGREEMENT NO. 1668

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

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

(9) Unless the Developer and Connecting Transmission Owner otherwise agree, Developer 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) Developer 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 Developer, 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 Developer and accepted by the Connecting Transmission Owner pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Developer'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 Developer 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 Developer as just compensation for the damages caused

to the Developer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of

this Agreement. Liquidated damages, when the Developer 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 Developer if: (1) Developer 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 Developer's Large Generating Facility's Trial Operation or to export power from the Developer's Large Generating Facility on the specified dates, unless the Developer would have been able to commence use of the Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades to take the delivery of power for Developer's Large Generating Facility's Trial Operation or to export power from the Developer'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 Developer or any other Developer 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 Developer has assumed responsibility for the design, procurement and construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities; or (4) the Connecting Transmission Owner and Developer have otherwise agreed. In no event shall NYISO have any liability whatever to Developer for liquidated damages associated with the engineering, procurement or construction of Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades.

5.4 Power System Stabilizers.

The Developer shall procure, install, maintain and operate Power System Stabilizers in accordance with the requirements identified in the Interconnection Studies conducted for Developer'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 Developer 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 Developer and Connecting Transmission Owner otherwise agree in writing:

18

SERVICE AGREEMENT NO. 1668

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 Developer 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 Developer by the date specified in Appendix B hereto; and

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

5.6 Construction Commencement.

The Connecting Transmission Owner shall commence construction of the 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 Developer by the date specified in Appendix B hereto; and

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

5.7 Work Progress.

The Developer and Connecting Transmission Owner will keep each other, and NYISO, advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from the Developer or Connecting Transmission Owner. If, at any time, the Developer determines that the completion of the Connecting Transmission Owner's Attachment Facilities will not be required until after the specified In-Service Date, the Developer 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.

19

SERVICE AGREEMENT NO. 1668

5.8 Information Exchange.

As soon as reasonably practicable after the Effective Date, the Developer 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 Developer's Large Generating Facility, NYISO shall, upon the request and at the expense of Developer, in conjunction with the Connecting Transmission Owner, perform operating studies on a timely basis to determine the extent to which the Developer's Large Generating Facility and the Developer's Attachment Facilities may operate prior to the completion of the Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this Agreement. Connecting Transmission Owner and NYISO shall permit Developer to operate the Developer's Large Generating Facility and the Developer's Attachment Facilities in accordance with the results of such studies.

5.10 Developer's Attachment Facilities ("DAF").

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

5.10.1 DAF Specifications.

Developer 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 Developer's submission. All specifications provided hereunder shall be deemed to be Confidential Information.

5.10.2 No Warranty.

The review of Developer'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. Developer

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 Developer and Connecting Transmission Owner agree on another mutually acceptable deadline, the Developer shall deliver to the Connecting Transmission Owner and NYISO "as-built" drawings, information and documents for the DAF, such as: a one-line diagram, a site plan showing 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 Developer'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 Developer 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 Developer agree on another mutually acceptable deadline, the Connecting Transmission Owner shall deliver to the Developer "as-built" drawings, relay diagrams, information and documents for the Connecting Transmission Owner's Attachment Facilities set forth in Appendix A.

The Connecting Transmission Owner Attachment Facilities and Stand Alone System Upgrade Facilities shall be treated as Transmission Facilities Requiring ISO Notification.

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 Developer ("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 Developer or Connecting Transmission Owner, the Connecting Transmission Owner shall at Developer'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 Developer 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 Developer 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.

Developer 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 Developer's In-Service Date, all or any portion of any System Upgrade Facilities or System Deliverability Upgrades required for Developer 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 Developer, and which also are required to be constructed for another Developer, but where such construction is not scheduled to be completed in time to achieve Developer's In-Service Date.

5.16 Suspension.

Developer 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

Developer 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, Developer 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 Developer's authorization to do so.

Connecting Transmission Owner shall invoice Developer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Developer 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 Developer Payments Not Taxable.

The Developer and Connecting Transmission Owner intend that all payments or property transfers made by Developer 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, Developer 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 Developer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of 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, Developer 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 Developer 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, Developer 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 Developer 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 Developer under this Agreement unless (i) Connecting Transmission Owner has determined, in good faith, that the payments or property transfers made by Developer 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 Developer 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. Developer 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.

Developer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Developer will pay Connecting Transmission Owner, in addition to the amount paid for the Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades, an amount equal to (1) the current taxes imposed on Connecting

Transmission Owner ("Current Taxes") on the excess of (a) the gross income realized by Connecting Transmission Owner as a result of payments or property transfers made by

SERVICE AGREEMENT NO. 1668

Developer to Connecting Transmission Owner under this Agreement (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments 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 Developer's liability to Connecting Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount - Present Value of Tax Depreciation))/(1 - Current Tax Rate). Developer'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 Developer'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 Developer to Connecting Transmission Owner under this Agreement are subject to federal income taxation. Developer 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 Developer's knowledge. Connecting Transmission Owner and Developer shall cooperate in good faith with respect to the submission of such request.

Connecting Transmission Owner shall keep Developer fully informed of the status 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 Developer to participate in all discussions with the IRS regarding such request for a private letter ruling. Connecting Transmission Owner shall allow Developer to attend all meetings with IRS officials about the request and shall permit Developer 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) Developer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this Agreement terminates and Connecting Transmission Owner retains ownership of the

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

Developer shall pay to Connecting Transmission Owner on a periodic basis, as invoiced by Connecting Transmission Owner, Connecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Connecting Transmission Owner may agree to a settlement either with Developer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Connecting Transmission Owner, but reasonably acceptable to Developer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Developer's obligation shall be based on the amount of the settlement agreed to by Developer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Developer's consent or such written advice will relieve Developer 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 Developer 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 Developer to Connecting Transmission Owner under the terms of this Agreement is not taxable to Connecting

Transmission Owner, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Developer to Connecting Transmission

Owner are not subject to federal income tax, or (d) if Connecting Transmission Owner receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Developer to Connecting Transmission Owner pursuant to this Agreement, Connecting Transmission Owner shall promptly refund to Developer the following:

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

(ii) Interest on any amounts paid by Developer 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 Developer to the date Connecting Transmission Owner refunds such payment to Developer, 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 Developer 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 Developer 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 Developer, and at Developer'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 Developer may be required to reimburse Connecting Transmission Owner under the terms of this Agreement. Developer shall pay to Connecting Transmission Owner on a periodic basis, as invoiced by Connecting Transmission Owner, Connecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Developer 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 Developer 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, Developer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Connecting Transmission Owner.

SERVICE AGREEMENT NO. 1668

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 Developer or Connecting Transmission Owner may undertake modifications to its facilities covered by this Agreement. If either the Developer 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 Developer 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 Developer modification and a good faith estimate of the costs thereof. The Developer shall be responsible

for the cost of any such additional modifications, including the cost of studying the impact of the Developer 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.

Developer shall not be assigned the costs of any additions, modifications, or replacements that Connecting Transmission Owner makes to the Connecting Transmission Owner's Attachment Facilities or the New York State Transmission System to facilitate the interconnection of a third party to the Connecting Transmission Owner's Attachment Facilities or the New York State Transmission System, or to provide Transmission Service to a third party under the NYISO OATT, except in accordance with the cost allocation procedures in Attachment S of the NYISO OATT. Developer shall be responsible for the costs of any additions, modifications, or replacements to the Developer Attachment Facilities that may be necessary to maintain or upgrade such Developer 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 Developer shall test the Large Generating Facility and the Developer Attachment Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Developer and Connecting Transmission Owner shall each make any modifications to its facilities that are found to be necessary as a result of such testing. Developer shall bear the cost of all such testing and modifications. Developer 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.

Developer 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 Reli**a**bility 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. Developer 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.

SERVICE AGREEMENT NO. 1668

6.3 Right to Observe Testing.

Developer 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.

Developer 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 Developer 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.

Developer 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 Developer, 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 Developer or NYISO upon request. Where the Point of Interconnection for the Large Generating Facility is other than the generator terminal, the Developer shall also provide gross MW and MVAR quantities at the generator terminal. Developer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters.

Developer, 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 Developer 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 Developer, Connecting Transmission Owner shall, at Developer'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 Developer 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 Developer'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 Developer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment. The NYISO shall reserve the right to review all associated metering equipment installation on the Developer's or Connecting Transmission Owner's property at any time.

7.5 Metering Data.

At Developer's expense, the metered data shall be telemetered to one or more locations designated by Connecting Transmission Owner, Developer 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 Developer Obligations.

In accordance with applicable NYISO requirements, Developer shall maintain satisfactory operating communications with Connecting Transmission Owner and NYISO.

SERVICE AGREEMENT NO. 1668

Developer 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. Developer shall also provide the dedicated data circuit(s) necessary to provide Developer data to Connecting Transmission Owner and NYISO as set forth in Appendix D hereto. The data circuit(s) shall extend from the 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 Developer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit.

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

SERVICE AGREEMENT NO. 1668

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 Developer 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 Developer.

9.3 Developer Obligations.

Developer shall at its own expense operate, maintain and control the Large Generating Facility and the Developer Attachment Facilities in a safe and reliable manner and in accordance with this Agreement. Developer shall operate the Large Generating Facility and the Developer 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 Developer and Connecting Transmission Owner, the Developer 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.

Developer 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 Developer 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.

SERVICE AGREEMENT NO. 1668

9.5.2 Voltage Schedules.

Once the Developer has synchronized the Large Generating Facility with the New York State Transmission System, NYISO shall require Developer 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 Developer 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. Developer 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 Developer 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 Developer for reactive power or voltage support service that Developer 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 Developer 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. Developer 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. Developer 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 Developer 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. Developer 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. Developer shall update its planned maintenance schedules as necessary. NYISO may direct, or the Connecting Transmission Owner may request, Developer to reschedule its maintenance as necessary to maintain the reliability of the New York State Transmission System. Compensation to Developer for any additional direct costs that the Developer incurs as a result of rescheduling maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost the Developer would have incurred absent the request to reschedule maintenance, shall be in accordance with the NYISO OATT. Developer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, the Developer had modified its schedule of maintenance activities other than at the direction of the NYISO or request of the Connecting Transmission Owner.

9.6.1.3 Outage Restoration. If an outage on the Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades of the Connecting Transmission Owner or Developer 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 Developer 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;

SERVICE AGREEMENT NO. 1668

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 Developer 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 Developer in advance regarding the timing of such scheduling and further notify Developer of the expected duration. NYISO or Connecting Transmission Owner shall coordinate with each other and the Developer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Developer, 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. Developer 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 over-frequency 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. Developer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Developer Attachment Facilities. Connecting Transmission Owner shall install at Developer'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 Developer Attachment Facilities.

9.6.4.2 The protection facilities of both the Developer and Connecting

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

SERVICE AGREEMENT NO. 1668

9.6.4.3 The Developer 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 Developer 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 Developer's Large Generating Facility.

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

9.6.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, the Developer 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 Developer and Connecting Transmission Owner shall each perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.6.5 Requirements for Protection.

In compliance with NPCC requirements and Good Utility Practice, Developer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of 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 Developer and Connecting Transmission Owner. Developer shall be responsible for protection of the Large Generating Facility and Developer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Developer shall be solely responsible to disconnect the Large Generating Facility and Developer's other equipment if conditions on the New York State Transmission System could adversely affect the Large Generating Facility.

SERVICE AGREEMENT NO. 1668

9.6.6 Power Quality.

Neither the facilities of Developer nor the facilities of Connecting Transmission Owner shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal 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 Developer 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, Developer will be entitled to compensation for the capital expenses it incurred in connection with the Attachment Facilities based upon the pro rata use of the Attachment Facilities by Connecting Transmission Owner, all third party users, and Developer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Attachment Facilities, will be allocated between Developer and any third party users based upon the pro rata use of the Attachment Facilities by Connecting Transmission Owner, all third party users, and Developer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. 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 Developer Obligations.

Developer 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 Developer 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 Developer 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 Developer 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 Developer or Connecting Transmission Owner's facilities and equipment which may reasonably be expected to impact the other Party. The Developer 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, Developer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Developer 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

39

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 Developer Attachment Facilities.

Developer shall design, procure, construct, install, own and/or control the Developer 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 Developer.

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 Developer 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 Developer 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 Developer 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, Developer shall provide Connecting Transmission Owner, at Developer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Connecting Transmission Owner and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1 of this Agreement. Such security for payment shall be in an amount sufficient to cover the cost for the Developer's share of constructing, procuring and installing the applicable portion of Connecting Transmission Owner's Attachment Facilities, and shall be reduced on a dollar-for-dollar basis for 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 Developer, 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 Developer provides for System Upgrade Facilities and System Deliverability Upgrades.

11.6 Developer Compensation for Emergency Services.

If, during an Emergency State, the Developer provides services at the request or direction of the NYISO or Connecting Transmission Owner, the Developer 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 Developer and Connecting Transmission Owner shall each submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Developer and Connecting Transmission Owner may discharge mutual debts and 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

Developer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Connecting Transmission Owner shall refund to Developer any amount by which the actual payment by Developer 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 Developer, Connecting Transmission Owner shall continue to perform under this Agreement as long as Developer: (i) continues to make all payments not in dispute; and (ii) pays to Connecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Developer fails to meet these two requirements for continuation of service, then Connecting Transmission Owner may provide notice to Developer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in 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 Developer promptly when it becomes aware of an Emergency State that affects the Connecting Transmission Owner's Attachment Facilities or the New York State Transmission System that may reasonably be expected to affect Developer's operation of the Large Generating Facility or the Developer's Attachment Facilities. Developer shall notify NYISO and Connecting Transmission Owner promptly when it becomes aware of an Emergency State that affects the Large Generating Facility or the Developer 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 Developer'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 Developer's reasonable judgment, immediate action is required, Developer 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 Developer 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 Developer 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 Developer 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 Developer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Developer Attachment Facilities. Developer 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 ERIS and CRIS Interconnection Service or disconnect the Large Generating Facility or the Developer 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 Developer of the reasons, timing and expected duration of the reduction or disconnection.

SERVICE AGREEMENT NO. 1668

NYISO or Connecting Transmission Owner shall coordinate with the Developer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to the Developer 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 Developer Authority.

Consistent with Good Utility Practice and this Agreement, the Developer may take whatever actions or inactions with regard to the Large Generating Facility or the Developer 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 Developer Attachment Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Developer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the New York State Transmission System and the Connecting Transmission Owner's Attachment Facilities. NYISO and Connecting Transmission Owner shall use Reasonable Efforts to assist Developer in such actions.

13.6 Limited Liability.

Except as otherwise provided in Article 11.6 of this Agreement, 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 Developer 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.

SERVICE AGREEMENT NO. 1668

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.

Developer 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.

SERVICE AGREEMENT NO. 1668

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.

SERVICE AGREEMENT NO. 1668

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.

Developer 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 Developer 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. Developer 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 Developer 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 Developer 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, Developer 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, Developer 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 Developer 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.

SERVICE AGREEMENT NO. 1668

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 Developer shall have the right to assign this Agreement, without the consent of the NYISO or Connecting Transmission Owner, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Developer will promptly notify the NYISO and Connecting Transmission Owner of any such assignment. Any financing arrangement entered into by the Developer 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 Developer (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 Developer 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.

SERVICE AGREEMENT NO. 1668

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.

SERVICE AGREEMENT NO. 1668

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 Developer, or to potential purchasers or assignees of a Party, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of 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.

SERVICE AGREEMENT NO. 1668

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 Developer and Connecting Transmission Owner Notice.

Developer 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 Developer 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 Developer to select equipment and meet any system protection and stability requirements, unless otherwise mutually agreed to by the Developer and Connecting Transmission Owner. On a monthly basis Connecting Transmission Owner shall provide Developer 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 Developer.

The updated information submission by the Developer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Developer 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 Developer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Developer'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 Developer 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 Developer shall not begin Trial Operation until such studies are completed. The Developer shall be responsible for the cost of any modifications required by the actual data, including the cost of any required studies.

24.4 Information Supplementation.

Prior to the Commercial Operation Date, the Developer and Connecting Transmission Owner shall supplement their information submissions described above in this Article 24 with any and all "as-built" 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 Developer 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. Developer 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 Developer shall provide Connecting Transmission Owner and NYISO any information changes due to equipment replacement, repair, or adjustment. Connecting Transmission Owner shall provide the Developer 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 Developer Attachment Facilities equipment ratings, protection or operating requirements. The Developer 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 Developer or its subcontractors with respect to

obligations of the Developer 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-third 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).

SERVICE AGREEMENT NO. 1668

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, or, except as described in Section 2(g) of Appendix C, any 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. As permitted by the foregoing, the Parties expressly agree that the terms and conditions of the Appendices shall take precedence over the provisions of this cover agreement in case of a discrepancy or conflict between or among the terms and conditions of same.

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, Developer and Connecting Transmission Owner are several, and are neither joint nor joint and several.

29.6 Entire Agreement.

Except as described in Section 2(g) of Appendix C, 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.

Notwithstanding the foregoing, the following agreements entered into by CTO and Developer prior to this Agreement (as the same may be amended, supplemented or modified from time to time) shall be preserved and continue in full force and effect in accordance with their terms: (i) License Agreement dated July 29, 2010, and (ii) Easement Grant dated August 6, 2010.

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.

SERVICE AGREEMENT NO. 1668

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 Developer shall not constitute a waiver of the Developer's legal rights to obtain Capacity Resource 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 Developer 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 Developer shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the System Upgrade Facilities and System Deliverability Upgrades.

SERVICE AGREEMENT NO. 1668

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

NYISO

By: */s/ Henry Chao*
Henry Chao

Title: Vice President, System and Resource Planning

Date: 9/30/2013

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By: */s/ Robert Sanchez*
Robert Sanchez

Title: Vice President, System and Transmission Operations

Date: 10/16/2013

BAYONNE ENERGY CENTER, LLC

By: */s/ Daniel R. Revers*
Daniel R. Revers

Title: Executive Committee Member

Date: 9/30/2013

By: */s/ John Schultz*
John Schultz

Title: Executive Committee Member

Date: 9/30/2013

64

SERVICE AGREEMENT NO. 1668

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
Interconnection Requirements for a Wind Generating Plant

Appendix H
Gowanus 345 kV Substation Reconfiguration Project Principles

SERVICE AGREEMENT NO. 1668

APPENDIX A

ATTACHMENT FACILITIES AND SYSTEM UPGRADE FACILITIES

1. Attachment Facilities:

(a) Developer's Attachment Facilities ("DAF"):

The DAF consist of the following: (i) approximately 6.75 miles of a single circuit, three-phase, 345 kV solid dielectric cable extending from the Large Generating Facility in Bayonne, New Jersey, to and including the potheads to be used by Developer in the Gowanus Substation; (ii) all terminations, splices and appurtenances as necessary to connect the cable to the CTOAFs; (iii) an interface cabinet, containing fiber optic and cable monitoring equipment, raceways, and terminations; and (iv) two physically separate communications routes in accordance with CTO's design specification.

The DAF include the following equipment:

- A 138 kV five breaker ring bus, 345-138 kV step up transformer, and 345 kV circuit breaker to facilitate connection of each generator step-up transformer (GSU) to the transmission cable leading to Gowanus substation
- One (1) three phase, two winding, 138/345 kV delta-wye step-up transformer rated 366/488/610 MVA (ONAN/ODAF/ODAF), with specified impedance of 14.5% @ 366 MVA
- Four (4) three phase, three winding, 138/13.8 kV/13.8 kV wye-delta-delta, GSU transformers rated 96/128/160 MVA (ONAN/ONAF/ONAF), with specified impedance of 9% @96 MVA
- Two (2) three phase, two winding, 13.8-4.16 kV delta-wye, Unit Auxiliary transformers rated 12/16 MVA (ONAN/ONAF), with specified impedance of 6.5% @ 12 MVA
- One (1) SF6 345 kV 3000 A, 63 kA, circuit breaker
- Five (5) SF6 138 kV 3000 A, 63 kA, circuit breakers
- Eight (8) Vacuum 13.8 kV 4000A, 63 kA circuit breakers
- One (1) 345 kV, 3000A, three phase manual/group operated disconnect switch
- Ten (10) 138 kV, 3000A, three phase manual/group operated disconnect switches
- Four (4) 138 kV, 1600A, three phase manual/group operated disconnect switches
- Three (3) 253 kV MCOV surge arrestors on the incoming line at Bayonne Switchyard

A-1

SERVICE AGREEMENT NO. 1668

- Three (3) 253 kV MCOV surge arrestors on the step-up transformer primary
- Three (3) 98 kV MCOV surge arrestors on the step-up transformer secondary
- Twelve (12) 98 kV MCOV surge arrestors on the GSU primaries
- Twenty-Four (24) 15 kV Class (TBD) MCOV surge arrestors on the generator circuit breaker line side
- Bus Structures, Bus Conductor, and Associated Foundations
- Communications and Monitoring-RTU and redundant communications to Con Edison's ECC and AECC, Automatic ring down phone to Con Edison's ECC and RTU-RTU communications between BEC and Gowanus for limited local status and information
- Metering/Equipment - Revenue metering will be located in Gowanus Substation on the incoming G27 cable connection
- Protection Systems - Interfaces with GSU protection, bus protection, 345-138 kV transformer protection (NPCC Bulk Power System compliant) and G27 cable protection (also interface with Gowanus end) (NPCC Bulk Power System compliant)
- 345kV Lines (submarine and underground cables) 6.75 mile, 345 kV land/submarine cable line between Bayonne and Gowanus substations; Land cable is 3000kCmil Cu XLPE; Submarine cable is 1750 kCmil Cu XLPE
- Concrete encased duct banks
- Fiber optic cables and associated interface cabinets
- 345kV Pothead and associated terminal facilities

(b) Connecting Transmission Owner's Attachment Facilities ("CTOAF")

The Point of Change of Ownership ("PCO") and Point of Interconnection ("POI") are designated on Figure A-1. The CTOAF are depicted on Figure A-1 to this Appendix A and consist of the following equipment located between the PCO and POI:

- One (1) - 345 kV, 3000 A motor-operated disconnect switch and 345 kV grounding switch
- Grounding materials
- 345kV Bus work located between the potheads and the ring bus

- 345kV Bus Structures located between the potheads and the ring bus

A-2

SERVICE AGREEMENT NO. 1668

- Three (3) coupling capacitor voltage transformers and three (3) surge arresters

- Metering units (combination CT and VT) -- three (3) 345 kV, revenue quality, including support structure, foundation and associated grounding for metering Developer-delivered power

2. System Upgrade Facilities ("SUFs")

CTO's Gowanus 345kV substation is presently configured as two air-insulated buses, known as a North Bus and South Bus, each with a circuit breaker, transformer, phase angle regulator ("PAR"), shunt reactor and three feeder circuit connections. The two buses are electrically independent of each other and are not interconnected. Circuit breaker 2, transformer 2, PAR R2 and shunt reactor R6 are located on the North Bus with connections to Farragut Substation (feeder 41T), Goethals Substation (feeder 25) and Greenwood Substation (feeder 42231). Circuit breaker 14, transformer 14, PAR R14 and shunt reactor R18 are located on the South Bus with connections to Farragut Substation (feeder 42T), Goethals Substation (feeder 26) and Greenwood Substation (feeder 42232).

(a) Stand-Alone System Upgrade Facilities ("Stand-Alone SUFs")

The Stand-Alone SUFs identified under this Agreement are located within the Gowanus Substation. The Gowanus Substation will be reconfigured to an eight breaker ring bus, as shown in Figure A-1 to Appendix A, to accommodate the interconnection of the Large Generating Facility. The design basis for the Gowanus Substation is a double ring configuration, with each ring having 12 breakers. The ring bus configuration will require the addition of six (6) circuit breakers, associated disconnect switches, buswork, protection devices, and associated structures. There is adequate space in the Substation to accommodate the expansion of the North and South Bus into the proposed eight breaker ring depicted in Figure A-1.

The Stand-Alone SUFs consist of the following major electrical and physical equipment:

- Six (6) 345kV, 3000A, 63kA, dead tank, SF6 circuit breakers with pre-insertion resistors

- Eighteen (18) 345 kV, 3000 A**,** three-phase, motor operated disconnect switches with manually operated ground blades, including ground switches, support structure, foundation, and associated grounding

- Twenty-one (21) 345 kV Coupling Capacitor Voltage Transformers

- Thirty (30) 345 kV station class Surge Arresters, including support structures, foundations and hardware

- Ten (10) bus sections including support structures, foundations and hardware

- Electrical relocation of Shunt Reactor R6 and R18 connections to bus positions

associated with feeders 41 and 42, respectively, including installation of one (1) 345kV, 3000A three phase motor operated disconnect switch. (This is in addition to

SERVICE AGREEMENT NO. 1668

the 19 DS listed above under CTOAFs and Stand-Alone SUFs, making a total of 20 DS for the entire project, plus any identified from detailed engineering.)

- One (1) Control Building in the substation yard. The Control Building will include the following main areas and equipment systems:
  - control room,
  - new station automation control system, ➢

  Protective System Test (PST) room, ➢ two

  (2) relay protection rooms,
  - Thirty-two (32) new protection panels and associated equipment for two (2) lines of NPCC bulk power system protection (where required),
  - two (2) battery rooms,
  - two (2) rectifier areas,
  - two (2) electrical rooms, including two (2) A/C load boards, and two (2) DC load boards.
  - security system room,
  - building fire detection and station security system, ➢

  two (2) communication rooms,
  - HVAC systems, including Building Management System (BMS).
- One (1) lightning protection system
- One (1) grounding system.
- Protective Relay Equipment: relay protection equipment at the Gowanus Substation for purposes of interconnecting the Large Generating Facility and controlling flows to adjacent substations, including:
  - Two (2) fully independent and physically separated lines of protection, ➢

  One (1) line 1 protection system with hard-wired CT and PT connections between devices in the yard and the control house, and relays,
  - One (1) line 2 protection system with fully functional implementation of IEC-61850 communication and relays, including a HardFiber Process Bus System with Bricks, fiber interface cabinets, and an Air Blown Fiber system,
  - One (1) Digital Fault Recorder,
  - Equipment for communication with remote end relays at Goethals and Farragut, consisting of two (2) RFL IMUX units and two (2) RFL GARD 8000 units.

A-4

SERVICE AGREEMENT NO. 1668

(b) Other System Upgrade Facilities ("Other SUFs")

Other System Upgrade Facilities ("Other SUFs") will be located at CTO's Goethals and Farragut substations. Those SUFs include the following relay protection equipment:

Farragut

First Line Protection:

- The existing LCB II relay will be replaced with a new relay matching what is being installed on feeder 41 at Gowanus.
- The existing LCB II relay will be replaced with a new relay matching what is being installed on feeder 42 at Gowanus.
- Mounting plates will be used if needed to interface new relays with existing panel cutouts.
- Relay replacements will be made on existing panels and interface with existing panel wiring.

Second Line Protection:

- The existing DLS relay will be replaced with a new relay matching what is being installed on feeder 41 at Gowanus.
- Existing DLS relay will be replaced with a new relay matching what is being installed on feeder 42 at Gowanus.
- Mounting plates will be used if needed to interface new relays with existing panel cutouts.
- Relay replacements will be made on existing panels and interface with existing panel wiring.

Common:

- Common RFL equipment will be retrofitted in the Route #1 and Route #2 audio tone cabinets.

Goethals

First Line Protection:

- The existing LCB II relay will be replaced with a new relay matching what is being installed on feeder 25 at Gowanus.

A-5

SERVICE AGREEMENT NO. 1668

- The existing LCB II relay will be replaced with a new relay matching what is being installed on feeder 26 at Gowanus.
- Mounting plates will be used if needed to interface new relays with existing panel cutouts.
- Relay replacements will be made on existing panels and interface with existing panel wiring.

Second Line Protection:

- The existing DLS relay will be replaced with a new relay matching what is being installed on feeder 25 at Gowanus.
- The existing DLS relay will be replaced with a new relay matching what is being installed on feeder 26 at Gowanus.
- Mounting plates will be used if needed to interface new relays with existing panel cutouts.
- Relay replacements will be made on existing panels and interface with existing panel wiring.

Common:

- Common RFL equipment will be retrofitted in the Route #1 and Route #2 audio tone cabinets.

3. Cost Estimates

The Large Generating Facility is, as of the Effective Date, a member of Class Year 2009. The Interconnection Facility Study for that Class Year is not complete as of the Effective Date. However, CTO has provided Developer and the NYISO with the following draft cost estimates, totaling $72,193,690 for the CTOAFs, Stand-Alone SUFs, and Other SUFs identified in Sections 1(b), 2(a) and 2(b) of this Appendix A, as input to the Class Year 2009 Interconnection Facilities Study:

CTOAFs	$ 1,241,431
SUFs	
Stand-Alone SUFs (including relocation of shunt reactors at Gowanus)	69,747,723
Other SUFs	
Goethals	618,246
Farragut	586,290
TOTAL for SUFs	$70,952,259

A-6

SERVICE AGREEMENT NO. 1668

The final cost estimate will be reported in the final Class Year 2009 Interconnection Facilities Study.

4. Security

Developer and CTO have executed a Security Agreement simultaneously with this Agreement. That Security Agreement implements the provisions of Attachment S of the NYISO OATT relating to Security with respect to the Stand-Alone SUFs and Other SUFs identified in this Appendix A. Accordingly, the Security Agreement is not subject to or affected by Article 29.6 of this Agreement relating to contemporaneous or other agreements.

5. Required Additional Facilities and Conditions to Operations

At the request of Developer, this Agreement was executed prior to the completion of the Class Year 2009 Interconnection Facilities Study. As a result, the interconnection and operation of the Large Generating Facility may require the construction of CTOAFs, System Deliverability Upgrades ("SDUs") and/or SUFs in addition to the CTOAFs, Stand-Alone SUFs, and Other SUFs identified in this Appendix A.

If the CTOAFs, SDUs or SUFs for Developer's Large Generating Facility identified in the Class Year 2009 Interconnection Facilities Study differ in any material way from the facilities identified in the Appendices to this Agreement, the Parties shall amend this Agreement after Developer has accepted its Project Cost Allocation for Class Year 2009, pursuant to Articles 29.11 and 29.12 to reflect the CTOAFs, SDUs and SUFs identified in the Class Year 2009 Interconnection Facilities Study and the responsibility to design, engineer, procure and construct such facilities and any necessary cost responsibility and security requirements, as agreed to by CTO and Developer.

Developer may not supply Unforced Capacity to the New York Control Area from the Large Generating Facility until Developer has complied with the deliverability requirement pursuant to Attachment S of the NYISO OATT, including acceptance of any cost allocation for SDUs and the posting of associated security or payments.

Before undertaking Trial Operation of the Large Generating Facility, the Developer must accept the cost allocated to the Large Generating Facility for SUFs and SDUs through the 2009 Class Year Interconnection Facilities Study, and post any security or make any payment required, pursuant to Attachment S of the NYISO OATT.

If any of the SUFs are not reasonably expected to be completed prior to the Initial Synchronization Date of the Developer's Large Generating Facility, NYISO shall, upon the request and at the expense of Developer, in conjunction with the CTO, perform operating studies (including possible updating of the EMTP Study) on a timely basis to determine whether and the extent to which the Developer's Large Generating Facility, the DAFs and the CTOAFs may commence Trial Operation prior to the completion of the SUFs consistent with Applicable Laws and Regulations, Applicable Reliability Standards (excluding CTO's Transmission Planning

Criteria), Good Utility Practice, and this Agreement. CTO and NYISO shall permit Developer to operate the Developer's Large Generating Facility, the DAFs and the CTOAFs during Trial

SERVICE AGREEMENT NO. 1668

Operation in accordance with the results of such studies and the NYISO's testing procedures and requirements.

A-8

SERVICE AGREEMENT NO. 1668

FIGURE A-1
ONE LINE DIAGRAM

Figure A-1 contains Critical Energy Infrastructure Information ("CEII")
and has been removed from this version

A-9

SERVICE AGREEMENT NO. 1668

APPENDIX B

MILESTONES

1. Selected Option Pursuant to Article 5.1

Developer has elected the Option to Build under Article 5.1.3 of the Agreement with respect to the Stand-Alone SUFS and the CTOAFs, except for the functions identified in Appendix H that will be performed by the CTO, which the CTO will perform in accordance with the Standard Option under Article 5.1.1.

2. Milestones

The following milestones shall apply to the construction and interconnection of the Large Generating Facility.

The times projected for the milestones are non-binding estimates. The actual dates for completion of the milestones are highly dependent upon lead times for the procurement of equipment and material, the availability of labor, outage scheduling, receipt of regulatory approvals, and the results of equipment testing. The completion and results of the NYISO Class Year 2009 Interconnection Facilities Study, environmental remediation of the site, and other unforeseen events could also affect the achievement of the milestones.

Item	Milestone	Responsible Party	Due Date
(a)	Notice to Proceed from Developer to commence certain Engineering and Procurement activities as per the Engineering and Procurement Agreement	Developer	Completed
(b)	Submit proof of insurance coverage in accordance with Article 18.3 of this Agreement	Developer	Completed
(c)	Completion of engineering packages for the CTOAF and SUF	CTO	Completed
(d)	Commence construction of the DAF, CTOAF, and SUF	Developer	Completed

B-1

SERVICE AGREEMENT NO. 1668

(e)	Con Edison Outage Schedule:[1] Outage # 1 Outage # 2 Outage # 3 Outage # 4 Outage # 5 Outage # 6	Developer (for construction activities) and CTO (for the scheduling of outages and tasks outlined in Appendix H)	Completed
(f)	Submittal of initial, updated and final specifications for the DAF (including System Protection Facilities) shall be as provided in Section 5.10.1 of this Agreement, unless the Parties agree otherwise.	Developer	Completed
(g)	Complete Development of Pre-Energization Checklist Form, including procedures for Trial Operation. Items on checklist must be completed prior to Initial Synchronization Date for each Generating Facility unit	Developer and CTO	Completed
(h)	Complete construction and testing of DAFs and CTOAFs	Developer and CTO (if required)	Completed
(i)	In-Service Date [2]	Developer	Completed
(j)	Initial Synchronization Date (if Trial Operation is permitted without fully completed SUFs)[3]	Developer	Completed
(k)	Complete construction and testing of the SUFs	Developer and CTO	Completed
(l)	Submit "as-built" drawings, information and vendor test documents for DAF, CTOAF and SUF and Large Generating Facility to CTO.	Developer and CTO	Completed
(m)	Initial Synchronization Date (if Trial Operation is not permitted without fully completed SUFs)	Developer	Completed
(n)	Complete testing of Generating Facility and SUF.	Developer and CTO	Completed
(o)	Commercial Operation Date	Developer	Completed

	B-2		

SERVICE AGREEMENT NO. 1668

1 Developer shall procure and coordinate with CTO delivery of equipment to Gowanus Substation that is required to complete the work necessary for each outage.

2 Prior to energizing the Large Generating Facility for backfeed, Developer shall comply with NYISO Procedures and request and obtain written approval for energization from CTO. If the facility is ready for energization, CTO shall grant such approval within ten (10) days of receiving the request.

3 Prior to synchronizing each generating unit for the first time, Developer shall comply with NYISO Procedures and request and obtain written approval for synchronization from CTO. If the unit is ready for synchronization, CTO shall grant such approval within ten (10) days of receiving the request.

4 Whether Trial Operation is permitted prior to the completion of the SUFs shall be determined in accordance with the results of the operating studies performed under Section 5 of Appendix A.

B-3

SERVICE AGREEMENT NO. 1668

APPENDIX C

INTERCONNECTION DETAILS

1. Description of the Large Generating Facility including Point of Interconnection

The Large Generating Facility, located in Bayonne, New Jersey, is a nominal 512 MW multi-unit, simple-cycle natural gas-fired (with ultra low sulfur diesel oil as a backup fuel) Large Generating Facility, capable of producing up to 500 MW of summer net output and up to 512 MW of winter net output (see next paragraph and Figure C-1 for more precise outputs).

The Large Generating Facility is temperature sensitive and has a maximum summer capability and a maximum winter capability, as specified below, and as depicted in the temperature output curve set forth below in Figure C-1, subject to the following limitation: that the Large Generating Facility will not deliver to the Point of Interconnection in excess of 512 MW during the Winter Capability Period and will not deliver to the Point of Interconnection in excess of 500 MW during the Summer Capability Period:

P summer max gross	61.22 MW x 8 = 489.76 MW @ 85°F (varies based on relative humidity)
P aux load	7.10 MW @ 85°F (varies based on gas line pressure and relative humidity)
P summer max net	482.66 MW @ 85°F
P winter max gross	63.56 MW x 8 = 508.48 MW @ 10°F (varies based on relative humidity)
P aux load	6.96 MW @ 10°F (varies based on gas line pressure and relative humidity)
P winter max net	501.5 MW @ 10°F

The above-described maximum capability is achieved using Inlet Spray Intercooling (ISI). The ISI system provides staged inlet fogging and wet compression water streams to the gas turbine air intake system which cools the compressor inlet air and increases mass flow. The inlet fogging system uses metered inlet fogging water flow to control inlet air conditions to a wet bulb temperature of 52 degrees Fahrenheit or a maximum relative humidity of 92% by three fogging arrays in stages to provide maximum flexibility and control over the ambient temperature range. The wet compression system provides a metered wet compression water flow in three stages via spray rails mounted forward of the gas turbine LP compressor.

The Large Generating Facility consists of eight 64 MW (nominal 64 MW each) generating units connecting to a 138 kV ring bus via four 13.8-13.8-138 kV three winding step-up transformers

(GSU). From the ring bus, power is delivered to Con Edison's Gowanus 345 kV Substation via a two winding, 138-345 kV switchyard step up transformer (SSU) and a 6.75 mile AC

SERVICE AGREEMENT NO. 1668

land/submarine cable. The Point of Interconnection is between Breakers #20 and #22 of the 345kV ring bus developed at Gowanus as a result of this project; see Figure A-1 of Appendix A. The major Equipment within the Large Generating Facility includes:

- Eight (8) Combustion Turbine Generator Packages (CTGs): Each unit consist of a Rolls Royce Trent 60 Dual Fuel WLE Simple Cycle, Aero derivative Combustion Turbine with a 2 pole, 60 Hz, Open Air Cooled Siemens Generator, rated at 75.3 MVA, 64 MW, .85 PF lagging (39.66 MVAR lagging) / .95 PF leading (21.04 MVAR leading), and operating at a nominal terminal voltage of 13.8 kV.

- CTG Step Up Transformers: Four (4) three winding, three phase, (delta-delta-wye) transformers 13.8-13.8 kV-138 kV, 96/128/160 MVA (ONAN/ONAF/ONAF), and specified impedance at 9%@96MVA

- Switchyard Step Up Transformer: One (1) two winding, three phase, (delta-wye) transformer 138-345 kV, 366/488/610 MVA (ONAN/ODAF/ODAF), and specified impedance at 14.5%@366MVA

2. Operating Requirements

(a) NYISO Requirements

Developer shall comply with all applicable provisions of NYISO tariffs and procedures, as amended from time to time.

(b) Connecting Transmission Owner Requirements

Developer shall comply with CTO operating instructions and generator interconnection requirements, which requirements shall include the dedicated data circuits to be maintained by Developer in accordance with Article 8.1 of this Agreement. Operating instructions will be communicated by telephone, or such other means of communication as the Parties may agree upon.

An operating procedure will be developed by CTO and Developer to coordinate the operation of their interconnected equipment and to provide applicable contact information.

(c) Power Factor Design Criteria

Developer shall design the Large Generating Facility to maintain an effective power delivery at maximum capability at the Point of Interconnection at a power factor to be measured at the point at Gowanus where power from the Large Generating Facility is metered within the range of 0.93 lagging (vars to CTO) to 0.95 leading (vars from CTO). This capability will be available to the CTO's system as requested by CTO or NYISO, subject to the actual voltage at the Point of Interconnection and the voltage schedule given in Section 2(d) below. Developer and CTO will review DAF transformer tap settings as may be needed to optimize operation for changes in

transmission system conditions, on a seasonal basis, and implement such changes to optimize the tap settings with CTO approval.

SERVICE AGREEMENT NO. 1668

(d) Voltage Schedules

Once the Developer has synchronized the Large Generating Facility with the New York State Transmission System, NYISO shall require Developer to operate the Large Generating Facility to transmit the reactive power within the design capability set forth in Article 9.5.1 (Power Factor Design Criteria), provided that the voltage at the Point of Interconnection is within the range of 346 kV to 362 kV in accordance with CTO's engineering specification EP-7000. When the voltages are outside of the range specified in EP-7000 due to conditions outside the control of CTO and the NYISO, the Developer shall also provide assistance consistent with Good Utility Practice within the full capability of the Large Generating Facility in restoring the voltage at the Point of Interconnection to the normal range as may be directed by the CTO or NYISO operators. If the Large Generating Facility is unable to provide the requested assistance, or maintain the specified power factor, it shall promptly notify both the CTO and NYISO operators.

(e) Trial Operation

In addition to other applicable requirements, including those stated in Article 5.2 and Appendix A, Section 5 of this Agreement, Developer shall satisfy the following conditions before commencing Trial Operation of the Large Generating Facility:

- Sixty (60) days prior to the Initial Synchronization Date for each generating unit, Developer and CTO will develop and agree on a pre-energization checklist and startup procedures, specifying the tasks that must be completed prior to the Initial Synchronization Date for that generating unit..
- Developer shall complete all of the non-unit-specific checklist tasks prior to initially energizing the Large Generating Facility, and unit-specific tasks prior to initial synchronization of each generating unit
- Trial Operation shall continue to the extent consistent with NYISO Procedures, OATT and Market Services Tariff requirements, but in no event shall any operation continue beyond October 31, 2012 if all SUFs are not completed, unless otherwise agreed by the Parties.

(f) Station Power

Prior to the In-Service Date, Developer will obtain station power from a third party via a connection between the Large Generating Facility and the Public Service Electric and Gas Company ("PSE&G") system. Commencing on the In-Service Date, that connection will be opened and will be closed only when the interconnection of the Large Generating Facility to the Gowanus Substation is interrupted. Developer shall submit for CTO's review and approval its proposed procedure or equipment to ensure that the emergency connection does not inadvertently connect CTO's and PSE&G's systems. At no time shall Developer operate the facilities so that the PSE&G and CTO electric systems are connected in parallel.

Commencing on the In-Service Date, Developer may receive station power pursuant to available procedures. Unless CTO and Developer agree otherwise in the future, CTO will not sell station power to Developer.

SERVICE AGREEMENT NO. 1668

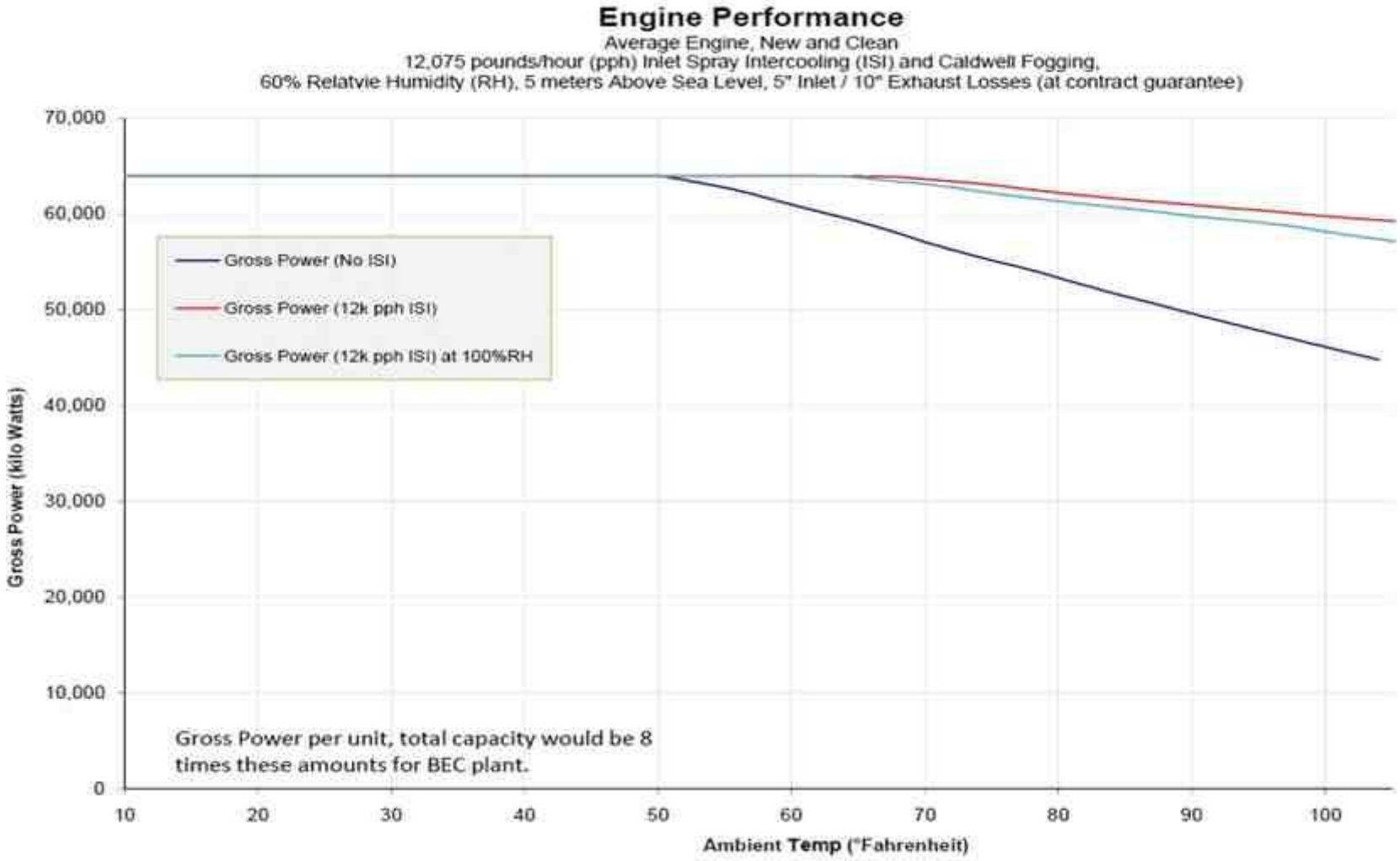
(g) Additional Agreements

The Developer and the Connecting Transmission Owner have entered into the agreements identified as (i) the License Agreement dated July 29, 2010, and (ii) the Grant of Easement dated August 6, 2010 (the "Additional Agreements"), each as it may be amended from time to time. It is the belief and intention of the Parties that nothing in this Agreement conflicts in any material way with those Additional Agreements. Nevertheless, if a Party becomes aware of a conflict, it shall notify the other Parties promptly so that the Parties can discuss what, if any, amendment of this Agreement would be appropriate under the circumstances.

C-4

SERVICE AGREEMENT NO. 1668

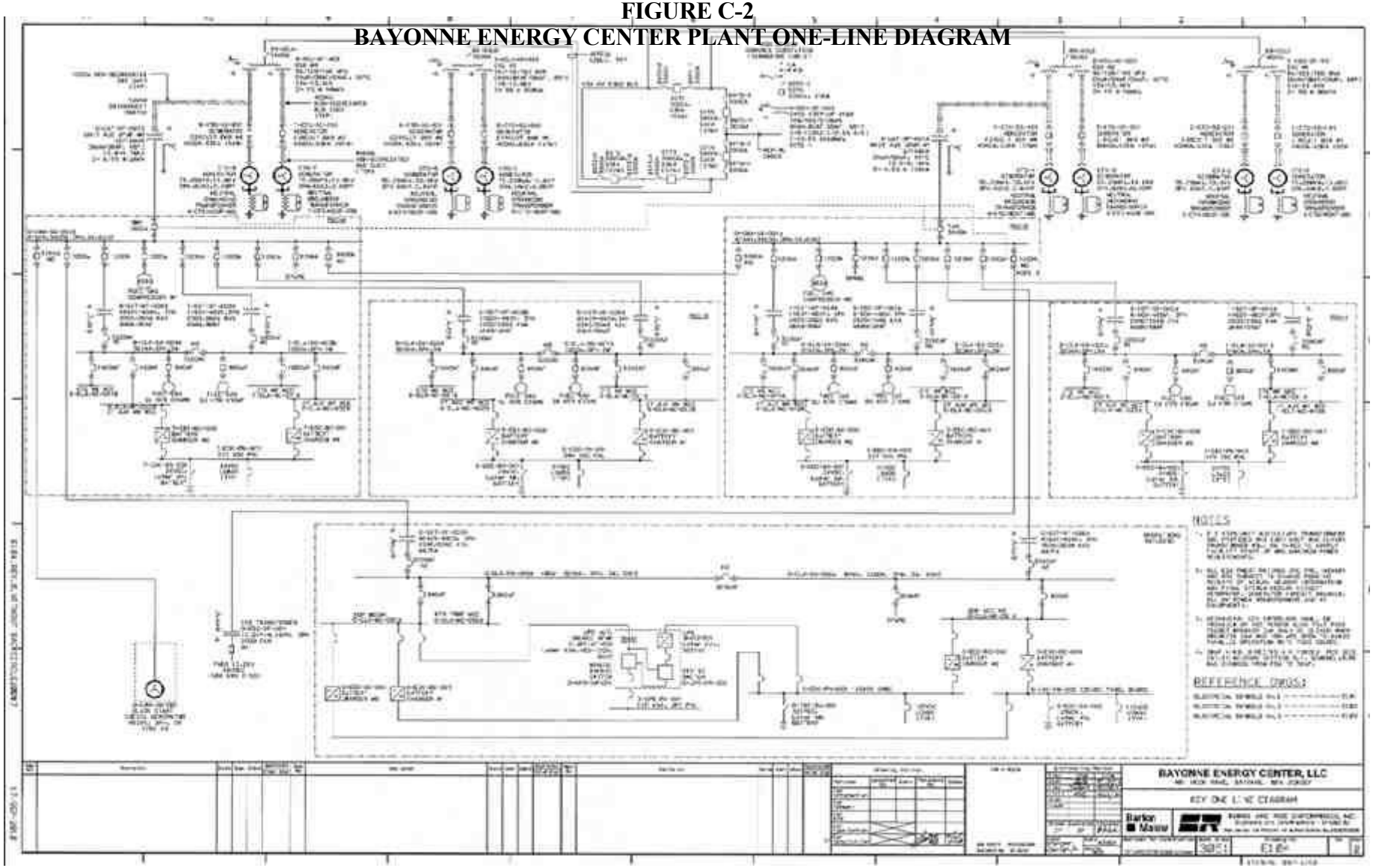
FIGURE C-1
BAYONNE ENERGY CENTER TEMPERATURE OUTPUT CURVE



C-5

SERVICE AGREEMENT NO. 1668

FIGURE C-2
BAYONNE ENERGY CENTER PLANT ONE-LINE DIAGRAM



C-5

SERVICE AGREEMENT NO. 1668

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 Developers 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.

D-1

SERVICE AGREEMENT NO. 1668

APPENDIX E

COMMERCIAL OPERATION DATE

[Date of Letter]

New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, N.Y. 12303
Attn: Vice President, Operations

Consolidated Edison of New York, Inc.
4 Irving Place
New York, NY 10003
Attn: Senior Vice President, System and Transmission Operations
Fax: (212) 460 - 1252

Re: _____ Large Generating Facility

Dear _____:

On **[Date] [Developer]** has completed Trial Operation of Unit No. ___. This letter confirms that [Developer] commenced Commercial Operation of Unit No. ___ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Developer Representative]

E-1

SERVICE AGREEMENT NO. 1668

APPENDIX F

ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS

Notices:

NYISO:

New York Independent System Operator, Inc.
Attn: Vice President, Operations
3890 Carman Road
Schenectady, N.Y. 12303
Phone : (518) 356-6000
Fax: (518) 356-6118

Connecting Transmission Owner:

Consolidated Edison of New York, Inc.
4 Irving Place
New York, NY 10003
Attn: Vice President,
System and Transmission Operations
Phone: (212) 460-1210
Fax: (212) 460-1252

Copy to:

Consolidated Edison of New York, Inc.
4 Irving Place
New York, NY 10003
Attn: General Counsel
Phone: (212) 460-2432
Fax: (212) 677-5850

Developer:

Bayonne Energy Center, LLC
401 Hook Road
Bayonne, NJ 07002
Attn: Plant Manager
Phone: (201) 823-6800
Fax: (201) 823-6880

F-1

SERVICE AGREEMENT NO. 1668

CAMS
919 Milam Street, Suite 2300
Houston, TX 77002
Attn: BEC Asset Manager
Phone: (713) 358-9798
Fax: (713) 358-9730

Bayonne Energy Center, LLC
c/o Hess Corporation
1 Hess Plaza
Woodbridge, NJ 07095
Attn: Hess Representative, BEC Executive Committee
Phone: (732) 750-6993
Fax: (732) 750-6670

Bayonne Energy Center, LLC
c/o ArcLight Capital Partners, LLC
200 Clarendon Street, 55th Floor
Boston, MA 02117
Attn: ArcLight Representative, BEC Executive Committee
Phone: (617) 531-6300
Fax: (617) 531-4698

Billings and Payments:

Connecting Transmission Owner:

Consolidated Edison of New York, Inc.
4 Irving Place
New York, NY 10003
Attn: Vice President,
System and Transmission Operations
Phone: (212) 460-1210
Fax: (212) 460-1252

Developer:

Bayonne Energy Center, LLC
401 Hook Road
Bayonne, NJ 07002
Attn: Plant Manager
Phone: (201) 823-6800
Fax: (201) 823-6880

F-2

SERVICE AGREEMENT NO. 1668

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

NYISO:

New York Independent System Operator, Inc.
Attn: Vice President, Operations
3890 Carman Road
Schenectady, N.Y. 12303
Phone : (518) 356-6000
Fax: (518) 356-6118

Connecting Transmission Owner:

Consolidated Edison of New York, Inc.
4 Irving Place
New York, NY 10003
Attn: Vice President,
System and Transmission Operations
Phone: (212) 460-1210
Fax: (212) 460-1252

Developer:

Bayonne Energy Center, LLC
401 Hook Road
Bayonne, NJ 07002
Attn: Plant Manager
Phone: (201) 823-6800
Fax: (201) 823-6880

CAMS
919 Milam Street, Suite 2300
Houston, TX 77002
Attn: BEC Asset Manager
Phone: (713) 358-9798
Fax: (713) 358-9730

Bayonne Energy Center, LLC
c/o Hess Corporation
1 Hess Plaza
Woodbridge, NJ 07095
Attn: Hess Representative, BEC Executive Committee
Phone: (732) 750-6993
Fax: (732) 750-6670

F-3

SERVICE AGREEMENT NO. 1668

Bayonne Energy Center, LLC
c/o ArcLight Capital Partners, LLC
200 Clarendon Street, 55th Floor
Boston, MA 02117
Attn: ArcLight Representative, BEC Executive Committee
Phone: (617) 531-6300
Fax: (617) 531-4698

F-4

SERVICE AGREEMENT NO. 1668

APPENDIX G

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, finally executed as conforming agreements, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Connecting Transmission Owner for the Transmission District to which the wind generating plant will be interconnected. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

G-1

SERVICE AGREEMENT NO. 1668

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Connecting Transmission Owner for the Transmission District to which the wind generating plant will be interconnected. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr

G-2

SERVICE AGREEMENT NO. 1668

Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the ISO's System Reliability Impact Study shows that such a requirement is necessary to ensure safety or reliability.

The power factor range standard can be met using, for example without limitation, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Connecting Transmission Owner for the Transmission District to which the wind generating plant will be interconnected, or a combination of the two. The Developer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Reliability Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the ISO and/or the Connecting Transmission Owner for the Transmission District to which the wind generating plant will be interconnected, as applicable, to protect system reliability. The Connecting Transmission Owner for the Transmission District to which the wind generating plant will be interconnected and the wind plant Developer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

G-3

SERVICE AGREEMENT NO. 1668

APPENDIX H

GOWANUS SUBSTATION RECONFIGURATION PROJECT PRINCIPLES

1. Construction Option Pursuant to Article 5.1

Developer and CTO shall be responsible for engineering, procurement and construction of the DAFs, CTOAFs, Stand-Alone SUFs and Other SUFs identified in Appendix A as set forth in the matrix below. Except for engineering work performed by CTO under the Transaction Form 3 Agreement described in Section 2 of this Appendix H and designated "CTO/TF-3" in the matrix below, the responsibilities assigned to CTO for procurement and construction shall be referred to as "CTO Functions."

The respective responsibilities are:

Interconnection Work Element	Engineering	Procurement	Construction	Testing
Developer Attachment Facility	Developer	Developer	Developer	Developer
CTO Attachment Facility	CTO/TF-3	Developer	Developer	CTO
Stand-Alone SUF	CTO/TF-3	Developer	Developer	CTO
Other SUF	CTO/TF-3	Developer	CTO	CTO

CTO will perform the CTO Functions in accordance with Article 5.1.1 of this Agreement with reference to the dates set forth in Appendix B. CTO will coordinate the work on the Other SUFs with the work on the Stand-Alone SUFs at the Gowanus Substation.

Notwithstanding the cost estimates in Appendix A and the cost overrun provisions in Section 25.8.6 of Attachment S, Developer shall bear the actual costs of (i) the procurement and construction of CTOAFs and Stand-Alone SUFs identified in Appendix A assigned to the Developer in the matrix above; (ii) the engineering, procurement and construction of any CTOAFs or Stand-Alone SUFs not currently identified in Appendix A that are identified through the detailed engineering and which would not be required but for the Large Generating Facility; and (iii) the procurement related to the Other SUFs identified in Appendix A assigned to the Developer in the matrix above, and (iv) the testing of CTOAF, Stand-Alone SUFs, and Other SUFs assigned to CTO in the matrix above.

H-1

SERVICE AGREEMENT NO. 1668

Developer shall be responsible as required by Attachment S (including the cost overrun provisions in Section 25.8.6) for the costs of (i) the construction of the Other SUFs identified in Appendix A, and (ii) the engineering, procurement and construction of any Other SUFs not currently identified in Appendix A that are identified through the detailed engineering.

Developer will reimburse CTO for the labor and material costs CTO incurs in performing the CTO Functions and testing functions assigned in the matrix above. CTO's labor costs shall be based on the time expended by category and the Rates for Accommodation Services set forth in Attachment H-1, as adjusted annually.

2. Engineering, Design and Procurement

Pursuant to Section 9 of Attachment X of the NYISO OATT, CTO and Developer agreed that CTO would provide engineering and procurement services prior to the execution of this Agreement. The terms of that agreement are set forth in the Master Services Agreement (dated 8/29/08) and Transaction Form 3 (Engineering and Procurement Agreement, dated 8/28/09), which documents are appended as Attachment H-2 to this Appendix.

Developer subsequently directed Con Edison to suspend its procurement function with respect to the CTOAFs and Stand-Alone SUFs, and Developer will perform that function as provided in Section 1 of this Appendix H. Developer will procure materials and equipment from CTO-approved vendors. Such equipment must comply with CTO equipment specifications, which CTO has supplied together with specific information related to the Gowanus Substation work.

CTO has completed a substantial portion of the engineering work as of the date of this Agreement, and it will continue and complete the engineering work specified in Transaction Form 3 in accordance with the terms set forth therein.

Engineering for CTOAFs or SUFs not identified in Appendix A for which Developer is responsible under Attachment S shall be covered by the LGIA, not the Transaction Form 3 Agreement.

3. Construction

(a) CTO Attachment Facilities and Stand Alone System Upgrade Facilities

1. Developer will acquire all permits and easements necessary for the construction of the CTOAFs and Stand-Alone SUFs on CTO's property and will construct the CTOAFs and Stand-Alone SUFs within CTO's property boundaries consistent with CTO's Standard Terms for Construction Projects, Reference Number BEC-22324-06, dated October 26, 2010, to the extent that those Standard Terms are not inconsistent with the terms of this Agreement.

2. The construction of the CTOAFs and the Stand-Alone SUFs shall conform to the engineering packages issued by the CTO pursuant to the

Transaction Form 3 Agreement described in Section 2 of this Appendix H. CTO and Developer shall coordinate the work and the equipment testing

SERVICE AGREEMENT NO. 1668

to support such Milestone Dates. In performing such construction, Developer will use contractors and subcontractors that have been previously approved by CTO.

3. Developer will construct the CTOAF and the Stand-Alone SUF up to the point when they are ready for connection to CTO's existing facilities. Promptly after Developer has completed that construction, CTO will (i) make the final connection of the CTOAFs and SUFs to its existing facilities and (ii) complete any agreed-upon remaining construction work required for the CTOAFs and Stand-Alone SUFs. The Stand-Alone SUFs will be constructed in several segments. Developer and CTO shall coordinate their respective work on each segment. If the work on the Stand-Alone SUFs progresses ahead of schedule or is delayed, CTO will endeavor to reschedule the remaining outages in accordance with the NYISO Procedures, taking into consideration system outages and conditions on the system, in an attempt to complete the project expeditiously.

4. The Stand-Alone SUFs will be constructed and energized in segments.

5. Developer will develop and provide as-built drawings as each segment of the work is completed, consistent with CTO's formatting requirements. Developer will provide sets of as-built drawings to CTO for its files and archives within the time period specified in Appendix B.

6. Developer shall provide and install that relay protection equipment and corresponding equipment at the Large Generating Facility with which the Gowanus equipment will interface. Developer shall coordinate the procurement, installation, and testing of such relay protection equipment with CTO. CTO will make all connections of relay protection equipment to the live panels and will test all relay protection equipment at the Gowanus Substation. The requirements in Article 9.6.4.6 of this Agreement, that Developer and CTO perform tests of the System Protection Facilities by certain dates and at certain intervals, will be satisfied by the performance of such tests in a manner and at intervals consistent with CTO's standard practice for performing such tests, and in accordance with NERC and NPCC compliance requirements.

7. The commissioning and testing of the protective relaying system will be done by CTO's Protective System Testing group ("PST"). PST will also perform the functional testing of the substation automation system and acceptance testing with respect to primary equipment, including, but not limited to, the following: circuit breakers, disconnect switches, instrument transformers, surge arrestors, and light and power transformers. All disconnection or connection in any live or existing relay cabinets and corresponding equipment will be performed by CTO's Electric

H-3

SERVICE AGREEMENT NO. 1668

Construction Bureau ("ECB"). Work at remote-end substations is also required and will be performed by CTO personnel.

8. Developer shall perform any punch list activities for the CTOAF and SUF that it can perform without affecting the day-to-day operation of the New York State Transmission System. CTO shall perform the remainder of the punch list items.

(b) Developer Attachment Facilities

1. Developer will acquire all permits and easements necessary for the construction of the DAFs on Con Edison's property and will construct the DAFs within CTO's property boundaries consistent with CTO's Standard Terms for Construction Projects.

2. Developer shall coordinate with CTO to ensure proper interface of the DAF with the termination stand, its accessories, and CTOAFs.

3. Developer will develop and provide as-built drawings for the DAF and the Large Generating Facility as the work is completed. Developer will provide sets of as-built drawings to CTO for its files and archives within a time period specified in Appendix B.

4. CTO shall provide AC and DC station service to the interface cabinets for the DAFs listed in Appendix A, if needed.

(c) Project Management and General Responsibilities

1. CTO and Developer will create a joint steering committee, consisting of representatives of affected departments, to oversee all aspects of the scoping, engineering, design, construction and commissioning associated Large Generating Facility and the reconfiguration of the Gowanus 345 kV substation ("Project Steering Committee"). The Project Steering Committee will include the CTO's Project Manager and Project Engineer and such other members as Developer and CTO will appoint. The Project Steering Committee will conduct conference calls on a bi-weekly basis (or more frequently, as needed) and will convene meetings on a monthly basis (or more frequently, as needed). The Project Steering Committee will develop a project management plan that will outline members' responsibilities, communication protocol, submittal of project status reports, etc.

2. CTO and Developer will work together to develop specific facility outage sequencing and cutover procedures. Work requiring an equipment outage will be performed in accordance with the NYISO's and CTO's system operations and outage scheduling practices and procedures. The project's outage schedule and construction activities are contingent upon NYISO

H-4

SERVICE AGREEMENT NO. 1668

outage scheduling requirements, system conditions of CTO's bulk power system and applicable regulatory requirements.

3. Developer shall arrange with CTO for the provision of on-site power needed for the construction of the CTOAFs and Stand-Alone SUFs. Developer will specify the voltage and load of the electric load needed and will provide all wiring and equipment consistent with electrical codes and safety practices.

4. Developer will be responsible for arranging for use of existing, or supply of temporary water and sanitary facilities that may be needed during construction.

5. Developer will be responsible for site access control of its vehicles and personnel during working hours at designated access points to the Gowanus Substation in coordination with designated CTO personnel. Developer will be responsible for security of its stored material and temporary offices at all times. Although CTO will be responsible for overall substation security at all times, CTO is not responsible for Developer's materials and tools.

6. In accordance with Article 24 of this Agreement, Developer and CTO shall submit to each other and the NYISO a monthly status report on the construction and installation of the CTOAFs and SUFs for which each Party is responsible per this Attachment H. Such monthly reports shall be provided on the 20th of every month (or next calendar day if the 20th falls on Holiday or weekend) after the Effective Date of this Agreement.

(d) Operation and Maintenance of CTOAFs

CTO shall operate, test and maintain the Metering Equipment identified in Appendix A that Developer installs at the Gowanus Substation in accordance with Article 7.1 of this Agreement. The Metering Equipment shall be modified, as necessary and at Developer's expense, to comply with revisions to the NYISO requirements, as may occur from time to time.

Such Metering Equipment shall be tested annually or, at the NYISO's or Developer's request, more frequently than annually. CTO will provide operational data on power flow, voltage and circuit breaker positions to NYISO, consistent with NYISO operating data requirements in the NYISO Revenue Metering Requirements Manual (Manual 25) and in Section 3.2 of NYISO Control Center Requirements Manual (Manual 21). CTO shall also provide the following data to Developer: meter readings, bus Section 22 voltage, and breaker positions for Breaker Nos. 20 and 22.

Developer shall reimburse CTO on an annual basis in accordance with Article 12 for (i) the property taxes CTO has paid on the CTOAFs during the preceding year,

SERVICE AGREEMENT NO. 1668

and (ii) the actual costs CTO has reasonably incurred to operate and maintain the CTOAFs consistent with Articles 9.2 and 10 of this Agreement and Good Utility Practice.

(e) Ownership of the CTOAF and Stand Alone SUFs

1. The Stand-Alone SUFs shall be constructed in Segments as identified in the Table below. The construction work on the Stand-Alone SUFs that is completed, tested as required and accepted by Con Edison as of the time of each designated Segment Completion Event specified in the Table shall be transferred and conveyed to Con Edison as provided in this Section 3(e). For purposes of testing, equipment that is not placed in service at the time of the Service Completion Event shall be component tested, and equipment that is placed in service at the time of the Segment Completion Event shall be functionally tested with the system to determine fitness for commercial operation.

SEGMENT NUMBER	SEGMENT COMPLETION EVENT
1	Security Posting Date Under Attachment S
2	At or about end of Outage 2
3	Completion of Control Building
4	At or about end of Outage 3 (partial ring bus)
5	Completion of Ring Bus and payment of all costs of Stand-Alone SUFs

2. Developer shall notify CTO upon completion of the construction of the CTOAF and shall identify the Stand-Alone SUFs that it believes are complete and ready for acceptance by Con Edison at the time of each Segment Completion Event. Thereafter, the two Parties shall inspect and test those facilities to confirm their compliance with the specifications by which they were designed and constructed. Promptly after those matters have been confirmed to CTO's reasonable satisfaction, CTO shall provide written notification to Developer that the CTOAF and the affected Stand Alone SUFs are acceptable. Developer shall then provide CTO with a bill of sale in the form attached hereto as Attachment H-3, reflecting transfer and conveyance of the affected facilities to CTO, free and clear of any liens or encumbrances, as of the date on which the bill of sale is provided (the "Conveyance Date") in consideration for $1.

H-6

SERVICE AGREEMENT NO. 1668

3. CTO assumes ownership of the CTOAF and/or a Segment of the Stand-Alone SUFs as of the Conveyance Date for the facilities involved. Prior to a Conveyance Date, Developer shall own and shall bear the risk of loss of, the equipment to be installed as the CTOAF and Stand Alone SUFs being conveyed. As of the Conveyance Date, the ownership and risk of loss for the conveyed equipment shall pass to CTO.

4. If CTO requires FERC approval under Section 203 of the Federal Power Act to acquire the CTOAF and Stand Alone SUFs, it shall file an application with FERC as soon as practicable after the date of this Agreement requesting such authorization. Subject to the issuance of that authorization, ownership of the CTOAF and SUFs shall transfer from Developer to CTO as provided in Paragraph 1 above.

5. Developer shall use Reasonable Efforts to obtain warranties from vendors and contractors with respect to materials, equipment, and services pertaining to the CTOAF and Stand-Alone SUF that are assignable to CTO. As soon as possible after the Conveyance Date, Developer shall assign to CTO all warranties received from vendors and contractors pertaining to the CTOAF and Stand-Alone SUF to the extent that such warranties are assignable. To the extent that such warranties are not assignable, upon the request of CTO, Developer shall use Reasonable Efforts to enforce any such warranties for the benefit of CTO. CTO shall reimburse Developer for any third-party costs associated with implementing this requirement.

H-7

SERVICE AGREEMENT NO. 1668

ATTACHMENT H-1 TO APPENDIX H
RATES FOR ACCOMMODATION SERVICES

Consolidated Edison Company of New York, Inc.
2010 Rates for Accommodation Services

			2010 Regular	2010 Overtime
CA- 2E		ELECTRIC OUTSIDE PLANT	117.55	133.10
CA- 2S		STEAM OUTSIDE PLANT	127.55	143.10
CA - 3G		GAS INSIDE AND OUTSIDE PLANT (formally known as GA - 2G & GA - 4 - CGO)	140.45	156.75
CA- 4A		CENTRAL ENGINEERING (SUBSTATION & TRANSMISSION ENGINEERING)	109.40	-
CA - 4 - MS		MAINTENANCE SERVICES	102.15	117.25
CA-4 - SO/PST		SUBSTATION OPERATION INSIDE PLANT AND PROTECTIVE SYSTEMS ACCOMODATION WORK (formally known as GA - 4 -SO & GA- 12)	116.90	134.45
CA- 5L	*	TRANSMISSION LINE MAINTENANCE	137.55	159.30
CA- 5U	*	UNDERGROUND TRANSMISSION	129.70	146.20
CA- 5M	* formally combined	UNDERGROUND TRANSMISSION & LINE MAINTENANCE	**(replaced with 5L & 5U)**	
CA - 6		TECHNICAL SERVICE LABS	107.10	123.05
CA - 7		TRANSFORMER SHOP	146.10	162.50
CA- 9		TRANSPORTATION OPERATIONS, MAINTENANCE & CRANES AND RIGGING (COMBINED)	127.90	145.95
CA- 11		TRANSFORMER ANNUAL MAINTENANCE COSTS	***(Schedule attached)***	
CA- 13		ELECTRIC METER BUREAU	153.25	171.60

H-8

CA- 14	CHEMICAL TESTING LAB	181.20	201.30
CA- 21	FOR NON-PROFIT ORGANIZATIONS ELECTRIC, GAS & STEAM OUTSIDE PLANT	57.95	76.50
CA- 22	CONSTRUCTION MANAGEMENT	183.05	203.25
CA- 80	DIVISION ENGINEERING	93.50	110.85
CA - 81	TRANSMISSION PLANNING	103.25	-
CA - 82	TRANSIT AUTHORITY	***(Schedule on file)***	
CA - 83	RESEARCH & DEVELOPMENT	197.95	-
CA - 84	AUDITING	126.90	-
CA - 85	ENERGY SERVICES - ACCOUNT EXECUTIVE GROUP (new)	102.50	-

Footnotes:

Material Costs: All materials will be billed at average storeroom prices plus a storeroom handling charge of 14.50%. New York State and Local Sales and Use Tax will be added where applicable.

Transportation Costs: Use of transportation vehicles will be billed at current industry standard rates.

Outside Contract Work: Outside contract work will be billed at the actual cost to the Company.

Use of Large Tools and Work Equipment: Such use will be billed at current industry standard rates.

Corporate Overheads (covers Engineering and Administrative & Supervisory "A&S" expenses) and Gross Receipts Taxes "GRT" - Accomodation Work. In addition to the above costs, the following percentages will be added to the total foregoing items based upon the location:

New York City	22.89%
Yonkers	23.71%
New Rochelle, White Plains, Mount Vernon, Briarcliff Manor and Other Westchester cities and villages	21.21%
Buchanon and other Westchester communities	20.00%

H-9

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Note: When Engineering Services are directly billed, the Corporate Overhead for Administrative and Supervisory is 4.0%, plus GRT. GRT rates are subject to change to reflect current costs.

New York City	6.50%
Yonkers	7.22%
New Rochelle, White Plains, Mount Vernon, Briarcliff Manor and other Westchester cities & villages	5.05%
Buchanan and other Westchester communities	4.00%

Corporate overheads and Gross Receipts taxes - Property Damages

All Areas	20.00%

When the labor cost for engineering or drafting is separately stated, corporate overhead for administration and inspection is 4% plus Gross Receipt Taxes.

Salvage Credit for Material Removed: When the Company agrees to accept the material and allow salvage credit against the total bill, credit will be allowed at average storeroom price, less salvaging cost. If the material is not suitable for re-use on the Company's system, credit will be allowed at scrap value.

New York State and Local Sales Tax will be added to the total bill when applicable.

Price Revision: The various rates indicated may be revised as conditions warrant. The labor scale specified in the rates may be adjusted in the event of a retroactive change in the wages of the class or classes of employees engaged in the work.

Sales Tax On Total Invoice (Unless Exempt*)		Effective 6/1/2010
New York City	8.875%	
Mount Vernon, Yonkers, & New Rochelle	8.375%	
White Plains	8.125%	8.375%
All Other Westchester	7.375%	

Exemption Categories

A) Capital Improvements (need certificate)
B) Non-Profit & Governmental Organizations and Transit Authority
C) Direct Payment Permit (need certificate)
D) Materials used for Resale (need certificate)
E) Materials used for Manufacturing (need certificate)

If you have any questions call Marietta Deluca (212) 460-2705, David Singh (212) 460-3077, or Yvette Jackson-Brown (212) 460-6858.

H-10

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CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
TRANSFORMER ANNUAL MAINTENANCE COSTS
YEAR 2010

UPDATE LOW TENSION TO HIGH TENSION CONVERSION PROGRAM

TYPE TRANSFORMER	New York City	Yonkers	New Rochelle White Plains Mount Vernon Briarcliff Manor Other West.Cities & Villages	Buchanan & Other Westchester Communities
Liquid Filled Transformer				
With Network Protector	$2,116.00	$2,296.00	$ 2,250.00	$ 2,228.00
Without Network Protector	$ 793.00	$ 965.00	$ 945.00	$ 936.00
Dry Type Transformer				
With Network Protector	$5,518.00	$6,220.00	$ 6,095.00	$ 6,034.00
Without Network Protector	$3,864.00	$4,556.00	$ 4,464.00	$ 4,419.00

H-11

SERVICE AGREEMENT NO. 1668

ATTACHMENT H-2A TO APPENDIX H
MASTER SERVICE AGREEMENT
TRANSACTION FORM 3

MASTER SERVICES AGREEMENT
BY AND BETWEEN
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AND
BAYONNE ENERGY CENTER, LLC

This Master Services Agreement, dated this 29th day of August, 2008, is by and between Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison") and Bayonne Energy Center, LLC, a Delaware limited liability company ("Buyer") (Con Edison and Buyer sometimes are referred to herein collectively as the "Parties" or individually as a "Party").

WHEREAS, Con Edison may possess certain capabilities to provide certain services, goods and/or materials; and

WHEREAS, from time to time, Buyer may desire to purchase and Con Edison may desire to sell certain services, goods and/or materials pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and of the covenants contained herein, Con Edison and Buyer agree as follows:

1. **Definitions.**

"Contract" as used herein means the agreement between Con Edison and Buyer concerning Con Edison's provision of specific services, goods and/or materials to Buyer and consists of this Master Services Agreement, and each Transaction Form (as defined below) executed by the Parties, and any documents attached to or incorporated by reference into the Transaction Form. The words "hereof," "herein," "hereto," and "hereunder" as used herein shall be deemed to refer to the Contract.

"Buyer" as used herein has the meaning provided in the introductory paragraph of this Master Services Agreement.

"Con Edison" as used herein has the meaning provided in the introductory paragraph of this Master Services Agreement.

"Parties" and "Party" as used herein have the meanings provided in the introductory paragraph of this Master Services Agreement.

"Transaction Form" as used herein has the meaning provided in Section 2 of this Master Services Agreement.

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2. **Transaction Forms.** Whenever the Parties agree that Buyer shall purchase and Con Edison shall perform specific services and/or supply certain goods or materials and the performance of such services and/or supply of such goods or materials are not governed by a separate agreement between Con Edison and Buyer, they shall draft and execute, by their respective authorized representatives, a written transaction form (each a "Transaction Form") that describes, without limitation, (a) the specific services, goods and/or materials that will be purchased and sold, (b) the rate/price to be paid by Buyer to Con Edison for such services, goods and/or materials (which may be by reference to a Con Edison pricing sheet then in effect), (c) the term during which or the schedule pursuant to which such services, goods, and materials will be furnished, (d) the contact person(s) for each Party with regard to the provision of such services, goods and/or materials, and (e) any other terms and conditions that apply to the provision of such services, goods and/or materials.

3. **Invoices; Terms of Payment.** Invoices shall contain a brief description of the services, goods and/or materials furnished. For services furnished on an hourly rate basis, the period covered by the invoice, the hours of service furnished during such period and the applicable hourly rate shall be stated in the invoice. For services furnished on a weekly, monthly, annual or other periodic rate basis, the period to which the invoice applies and the applicable rate shall be stated in the invoice. For services furnished on a lump sum basis, the portion of services performed and the corresponding payment due for such portion shall be stated in the invoice. For goods or materials furnished, the quantity of goods or materials furnished and their applicable prices shall be stated in the invoice. Taxes, charges and fees, if any, that are to be paid by Buyer to Con Edison or reimbursed by Buyer to Con Edison in accordance with Section 4 shall be stated in invoices. Payment of an invoice containing the foregoing information is due 30 days from the date such invoice is received by Buyer. Payments received more than 30 days after the date of invoice shall be subject to a per annum late charge equal to 18%, compounded monthly, for each day beyond such 30 day period that the payment is not received (the "Late Charge"); provided, however, that if the highest late charge permitted by applicable law is lower than the Late Charge, the highest late charge permitted by law shall be applied instead of the Late Charge. Within 15 days from the date of an invoice, Buyer may in good faith dispute any portion of such invoice upon written notice to Con Edison received within such time which sets forth the reason(s) for Buyer's dispute. Con Edison and Buyer shall confer to expeditiously resolve such dispute. Buyer shall be required to pay the portion of any invoice that is not disputed in good faith upon written notice as described above and any such portion that is not timely received shall be subject to the Late Charge. Any portion of an invoice that is disputed in good faith by Buyer in accordance with the foregoing, but which ultimately is determined to be due, shall be subject to the Late Charge calculated from the original due date.

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4. **Taxes/Permit Fees.** The rates and/or prices set forth in a Transaction Form do not include any federal, state or local license, privilege, sales, use, excise, gross receipts, value added or other like taxes which may now or hereafter be applicable to, measured by or imposed upon the services, goods and/or materials furnished hereunder and/or any payment due or collected for such services, goods and/or materials. Buyer agrees to pay any such taxes and to reimburse Con Edison for any such taxes which Con Edison is required to pay. The rates and/or prices set forth in a Transaction Form also do not include any charge or fee for any governmental or non-governmental permits, authorizations, consents or approvals that may be required in connection with any services, goods and/or materials furnished hereunder. Buyer agrees to pay any such charges and fees and to reimburse Con Edison for any such charges and fees which Con Edison is required to pay.

5. **Force Majeure.** Con Edison shall not be liable for failure to perform or for delay in performance due to any cause beyond its reasonable control, including without limitation, act of war, terrorist act, fire, flood, strike or other similar labor difficulty, act of God, act or failure to act of any governmental authority or of Buyer, riot, sabotage, embargo, fuel or energy shortage, wreck or delay in transportation, major equipment breakdown, discovery of environmental or safety conditions not disclosed prior to the Transaction Form for the particular services, goods and/or materials being executed, or inability to obtain necessary labor, materials, or facilities from usual sources. In the event of delay in performance due to any such cause, the time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay, and Con Edison will be entitled to any reasonable additional costs it incurs as a result of the delay.

6. **Warranty.** Con Edison warrants that the services performed under a Contract will be performed competently by qualified persons in accordance with generally accepted standards (the "Applicable Warranty").

If any of the services performed under a Contract are found to fail to conform to the Applicable Warranty within six (6) months after completion of such services, if notified in writing by the Buyer of the specific non-conformity within six (6) months after completion of such services, Con Edison shall at no additional cost to Buyer, make reasonable efforts to correct the portion of the services that do not conform to the Applicable Warranty. If, in the opinion of Con Edison, it is not reasonably possible to correct any services that fail to conform to the Applicable Warranty, Con Edison shall refund the price paid by Buyer for the portion of the services that do not conform to the Applicable Warranty. Without limitation of the matters that are not covered by the Applicable Warranty and for which Con Edison shall have no responsibility, it is specifically understood and agreed that the Applicable Warranty does not cover, and Con Edison shall have no responsibility for any matter caused by the acts or omissions of others, including any improper

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construction, maintenance, repair, modification or operation of any equipment or facilities on which Con Edison has rendered services.

ANY GOODS OR MATERIALS THAT MAY BE FURNISHED BY CON EDISON HEREUNDER ARE SOLD AS IS AND WHERE IS. Any description of the goods contained in any document relating to this sale is for reference purposes only and is not intended to be construed as a warranty relating to condition or completeness.

THE FOREGOING APPLICABLE WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE).

The remedy provided above is the Buyer's sole and exclusive remedy for any failure by Con Edison to perform the services covered herein in compliance with the Applicable Warranty. Correction of any nonconformity in the manner and for the period of time provided above shall constitute complete fulfillment of all the liabilities of Con Edison arising out of any breach of the Applicable Warranty, whether based in contract, in tort (including negligence and strict liability), or otherwise with respect to or arising out of a Contract.

7. **Indemnification/Limitation of Liability.**

A. To the fullest extent permitted by law, Buyer shall indemnify, defend, and hold harmless Con Edison, its trustees, officers, employees, and agents (collectively, the "Protected Parties") from and against any and all claims, actions, liabilities, damages, costs, and expenses (including without limitation attorney fees and other legal costs and expenses), whether based in contract, tort (including negligence, gross negligence, and strict liability) or otherwise, which are asserted, suffered, or incurred by any person or entity (including Buyer and the Protected Parties) and which arise from, relate to, or are connected with the services, goods and/or materials furnished by Con Edison hereunder; provided, however, that Buyer shall not have any obligation hereunder to indemnify the Protected Parties to the extent such loss or claim arises from the negligence, gross negligence, or willful misconduct of any of the Protected parties in connection with a Contract.

B. To the fullest extent permitted by law, the Protected Parties shall not be liable to Buyer, whether in contract, tort (including negligence, gross negligence, and strict liability), or otherwise, for any special, indirect, incidental, or consequential damages (including but not limited to damage, loss, liability, costs, and expenses resulting from loss of use, loss of business or business opportunities, loss of profits or revenue, costs of capital, loss of goodwill, cost of purchased or replacement power, and like items of special, indirect, incidental, or consequential loss and damage) asserted, suffered, or incurred by any person or entity (including Buyer and

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the Protected Parties), which arise from, relate to or are connected with the services, goods and/or materials furnished by Con Edison hereunder regardless of whether or not such damages, loss, liability, costs or expenses are caused in whole or in part by the acts or omissions (including negligence or gross negligence) of the Protected Parties or any of them, provided, however, that the limitation of liability contained in this paragraph shall not extend to damages caused by the reckless, intentional, or willful acts or omissions of any Protected Party. The damages referred to in this Paragraph B are hereinafter referred to as the "Consequential Losses." To the fullest extent permitted by law, Buyer hereby irrevocably and unconditionally agrees to release and forever discharge the Protected Parties from any and all liability for any Consequential Losses and to waive any and all rights to recover any Consequential Losses from the Protected Parties or any of them in the future, provided, however, that such release, discharge, and waiver shall not extend to damages caused by the reckless, intentional, or willful acts or omissions of any Protected Party.

D. Con Edison's obligation to furnish any services, goods or materials specified in any Contract hereunder shall, at all times (including, without limitation, during any period after which work has commenced to furnish such services, goods or materials), be subject to the availability of Con Edison personnel to furnish such services, goods or materials, taking into account the services, goods or materials to be furnished to Buyer and the need for Con Edison personnel to furnish services, goods or materials relative to Con Edison's electric, gas and/or steam systems, which availability shall be determined in the sole discretion of Con Edison. Without limitation of any provision of the Contract that excuses or limits liability, any failure or delay by Con Edison in furnishing any services, goods or materials due to such unavailability of Con Edison personnel (such unavailability being determined in the sole discretion of Con Edison) shall be excused and shall not give rise to any liability. Con Edison will use reasonable efforts to provide Buyer with such advance notice as may be practicable under the circumstances of the unavailability of its personnel as described in this Paragraph.

8. **Changes.** Con Edison reserves the right at any time to make changes in the repair or service methodology, if such changes are not inconsistent with the Contract. Such changes may include the number of personnel assigned, tool usage, repair or fabrication methods, supervision assigned and/or work hours and other similar changes.

9. **Confidentiality.** All specifications, drawings, technical information and reports furnished by Con Edison in connection with the Contract are intended for the sole use of Buyer in determining the completeness of the work performed, and for use in the continued operation and/or maintenance of the facility concerning which service has been provided. Disclosure by Buyer of such documents to third parties is prohibited without the prior written consent of Con Edison. Notwithstanding the foregoing, the parties acknowledge that certain specifications,

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All specifications, drawings, technical information and reports furnished by Buyer in connection with the Contract are intended for the sole use of Con Edison in providing the services, goods, or products covered by this agreement. Disclosure by Con Edison of such documents to third parties is prohibited without the prior written consent of Buyer. Notwithstanding the foregoing, the parties acknowledge that certain specifications, drawings, technical information, and reports furnished by Buyer in connection with a Contract may be required to be disclosed to government agencies and authorities (including, but not limited to, the New York Independent System Operator) involved in the operation of the Con Edison transmission system. Buyer shall not unreasonably withhold or delay its written consent to the disclosure of materials protected by this provision, and shall use reasonable efforts to provide any such consent, or any objection to a request for consent, within any reasonable time period specified by Buyer.

The parties acknowledge that a breach of this Section 9 by a party receiving information hereunder may cause irreparable harm to the party disclosing such information, the amount of which may be difficult to ascertain and which could not be adequately compensated by monetary damages, and that therefore, the aggrieved party is entitled to specific performance and/or injunctive relief to enforce compliance with the provisions of this Section 9. Such right of the aggrieved party shall be in addition to the remedies otherwise available at law and in equity, including money damages, which shall not be diminished by any term of this agreement.

10. Access/Safety. Buyer agrees to make available to Con Edison and to maintain an acceptable work area free of all safety and environmental hazards. Buyer shall maintain a safe work area by, among other things, an approved Tag-out or Lock out procedure meeting appropriate federal, state and local standards. Buyer agrees to verify the tag-out or lock out through protection walk down and or document review and verification. Buyer agrees to conduct appropriate testing reasonably requested by Con Edison as necessary for such verification. Con Edison requires its personnel to maintain documentation specifying the particular work protection measures that are required. Changes to such protection shall not be made by Buyer without Con Edison's prior written consent. Buyer agrees to make the job site accessible from a security standpoint without additional expense to Con Edison.

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11. **Safeguarding Tools, Equipment & Consumables.** Con Edison will make reasonable efforts to safeguard tools, equipment and consumables. Buyer is responsible for theft or loss of such tools, equipment and consumables occurring at its site. If security must be provided by Con Edison, the cost thereof will be payable by Buyer.

12 **No Third Party Beneficiaries.** Nothing in the Contract, express or implied, is intended to confer upon any person, other than the Parties and their permitted assigns, any rights or remedies under or by reason of such Contract.

13. **Entire Agreement.** Each Contract contains the entire agreement between the Parties relating to the subject matter thereof, and any prior or contemporaneous oral or written understandings relating to the subject matter of the Contract are merged herein.

14. **Amendments/Waiver.** A Contract may be modified only by a writing signed by an authorized representative of each Party. No waiver of any right under the Contract shall be effective unless in writing and signed by an authorized representative of the Party granting such waiver and such waiver shall be effective only with respect to the particular event expressly referred to in such signed writing.

15. **Applicable Law; Submission to Jurisdiction; Choice of Forum; Service of Process.** Each Contract shall be interpreted and the rights and liabilities of the Parties hereunder shall be determined in accordance with the laws of the State of New York, without regard to such State's choice of law rules.

Buyer hereby irrevocably submits to the jurisdiction of the courts located within the State of New York with regard to any controversy arising from, relating to, or connected with the Contract or its implementation. Buyer agrees that service of process on it in relation to such jurisdiction may be made, at the option of Con Edison, by certified or registered mail, return receipt requested, addressed as set forth below or by actual personal delivery to Buyer at the address set forth below:

Bayonne Energy Center, LLC
c/o Pure Energy Resources, LLC
25 Mall Road Suite 404
Burlington, MA 01803
Attn: Paul Barnett

Service of process pursuant to this section shall be deemed to be sufficient even under circumstances where, apart from the Contract, there would be no

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jurisdictional basis for such service. Service of process on Buyer also may be effected in any manner permitted by law.

Buyer irrevocably consents to the selection of the New York State and United States courts situated within the City of New York as the exclusive forums for any legal proceeding arising from, relating to, or connected with the Contract or its implementation.

16. Termination. Con Edison may for any reason whatsoever, including its own convenience, by written notice to Buyer terminate this Master Services Agreement in whole or in part, without liability to the Buyer except that no such termination shall have any effect on, and neither party shall be relieved of any obligation or liability relating to or arising from, a Contract entered into prior to the effective date of such termination.

17. Counterparts. This Master Services Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument. This Master Services Agreement and any counterpart thereof may be delivered via facsimile or email, it being the express intent of the Parties that such Master Services Agreement and any counterpart thereof delivered via facsimile or email (together with the signatures thereon) shall have the same force and effect as if they were originals.

[SIGNATURE PAGE TO FOLLOW]

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IN WITNESS WHEREOF, the Parties by their duly authorized representatives have executed this Master Services Agreement as of the date first above written.

Consolidated Edison Company Of New York, Inc. ("Con Edison")

By: Ronald H. Bozyo

Name: Ronald H. Bozyo

Title: Vice President

Bayonne Energy Center, LLC ("Buyer")

By: Member, Executive Committee, Bayonne Energy Center, LLC

By: John Schultz

Name: John Schultz

Title:

By: Member, Executive Committee, Bayonne Energy Center, LLC

By:

Name: Daniel R. Revers

Title:

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TRANSACTION FORM 3

ATTACHMENT H-2B TO APPENDIX H
TRANSACTION FORM 3

This Transaction Form dated August 28, 2009, by and between Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), and Bayonne Energy Center, LLC, a Delaware limited liability company ("Buyer"), is prepared in accordance with the Master Services Agreement dated August 29, 2008 (the "Agreement") by and between Con Edison and Buyer and is subject to, and incorporates by reference, the terms and conditions of the Agreement (except to the extent such terms and conditions are expressly modified or made inapplicable by this Transaction Form).

1. **Introduction:**

The Buyer proposes to interconnect its 512.5 MW electric generating project[1] to be located in Bayonne, New Jersey (the "Power Plant") to Con Edison's electrical system at Con Edison's Gowanus 345kV substation (the "Substation") via a submarine and land based cable system, including a cooling system ("Cooling System") but only in the event the parties agree a Cooling System is necessary for the horizontal directional drilling portion of the submarine cable leading to the landfall, (collectively, the "Transmission Cable"), and associated equipment, including feeder disconnect switches ("Interconnection Facilities"). The interconnection of the Power Plant to the Substation will require certain modifications to the Substation ("Substation Facilities") as shown in Exhibit A attached hereto and made a part hereof. The Power Plant, Transmission Cable, Interconnection Facilities and Substation Facilities may be referred to collectively as the "Project". Prior to the execution of an interconnection agreement among Con Edison, New York Independent System Operator, Inc. ("NYISO"), and Buyer, or submission of an interconnection agreement to the Federal Energy Regulatory Commission, Con Edison agrees to provide the services listed below to facilitate the interconnection of the Power Plant.

2. **Services To Be Provided By Con Edison:**

At Buyer's sole expense, and subject to the terms and conditions of the Agreement and this Transaction Form, Con Edison, either by its own forces and/or third party contractors ("Third Party Labor"), agrees to perform the following services (the "Con Edison Services").

A. Provide engineering and procurement services ("E&P Services") relating to the proposed interconnection of the Power Plant and the Substation. Such E&P Services may include services Con Edison believes are necessary to engineer and design the Substation Facilities as well as procure materials,

[1] NYISO project queue #232.

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equipment and Third Party Labor in connection therewith. Any and all costs and expenses associated with engineering, design, materials, equipment and Third Party Labor will be paid by Buyer. E&P Services will include, without limitation, the following work items.

1) Review of Buyer's design criteria information for the Transmission Cable and Interconnection Facilities. No later than 14 (fourteen) days after the execution of this Form, Buyer shall provide Con Edison with the design criteria information applicable to (a) Transmission Cable, including the Cooling System (Buyer shall provide conceptual design information regarding the Cooling System within the above 14-day period, and shall thereafter update Con Edison with more detailed design information, as appropriate) and (b) Interconnection Facilities. Within 30 (thirty) days of receiving a complete set of applicable design criteria information from Buyer, Con Edison shall inform Buyer in writing of the conformance or non-conformance of Buyer's specifications with Con Edison's applicable design requirements for equipment and systems associated with the Interconnection Facilities. In the event that Con Edison determines that any portion of Buyer's design criteria information for the equipment and systems associated with the Interconnection Facilities does not comply with Con Edison's requirements, Con Edison shall provide Buyer with an explanation of any such deficiency and copies of all relevant design requirements, in which case Buyer must submit revised design criteria information to Con Edison, whereupon Con Edison shall provide a determination within 14 (fourteen) days of such submission whether the revised design criteria information conforms to Con Edison's design requirements. Notwithstanding anything herein to the contrary, Con Edison's obligations with respect to review of design information for the Transmission Cable, including the Cooling System, are limited to providing Buyer with a determination of whether such design information conforms to industry standards. THE PARTIES AGREE THAT NOTHING CONTAINED IN THIS TRANSACTION FORM IS INTENDED TO BE CONSTRUED AS A WARRANTY OR REPRESENTATION RELATING TO ANY DESIGNS, EQUIPMENT OR THE DESIGN CRITERIA INFORMATION INCLUDING, BUT NOT LIMITED TO, ITS ACCURACY OR COMPLETENESS.

2) Develop Scope of Work. This will commence once Con Edison and Buyer approve the General Conceptual Arrangement Drawings.[2] Con Edison shall specify in the Scope of Work the structures or equipment, or, as appropriate, the portions of structures or equipment, that

[2] General Conceptual Arrangement Drawings as tasked in Transaction Form dated August 29, 2008.

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demarcate the limits of the Substation Facilities subject to the E&P Services.

With the Scope of Work, Con Edison shall provide Buyer with an Order of Magnitude (as such term is defined in the industry) cost estimate, for each work item specified in this Section 2(A) or in the Scope of Work, of (a) the time necessary for Con Edison to perform each item, and (b) the cost of all services, materials, and equipment applicable to each item, and Con Edison shall also provide (c) a schedule of Con Edison's planned performance of the work items, procurements, and other tasks identified in the Scope of Work. Con Edison shall also provide, each quarter, a three-month "look ahead" cost estimate and schedule based on the Scope of Work for planning purposes. Buyer may request, and Con Edison shall provide, reasonable clarification or further detail regarding the estimates of time and cost for each work item. Con Edison shall not proceed with further work under this Transaction Form until it has received a Notice to Proceed from Buyer, which shall constitute Buyer's acceptance of Con Edison's estimates and schedule prepared under this paragraph. Upon Buyer's delivery of the Notice to Proceed, the estimates and schedule provided under this paragraph shall become exhibits to this Transaction Form, and thereafter such exhibits may only be revised in writing upon notice to, and written acceptance, which shall not be unreasonably withheld, by the Parties.

3) Prepare Engineering and Design Specifications for long lead time equipment.

4) Issue Requests for Proposals/Quotations for major equipment such as 345kV Circuit Breakers, Relay protection, Metering, Disconnect Switches, Bus Support, etc.

5) With Buyer's written concurrence (may include electronic mail) of (a) the quantity and type of equipment and additional components, (b) the costs to be incurred by Buyer relating to the procurement of equipment and additional components, and (c) warranties to be provided for such equipment, and at Buyer's sole expense, procure equipment and additional components required for the implementation of the proposed interconnection of the Power Plant and the Substation. Buyer may delay delivery of its concurrence in order to coordinate the procurement of equipment under this Transaction Form with the Project's development schedule. In the event that Buyer delays delivery of its concurrence for a procurement, Con Edison shall notify Buyer if and how such delay will affect Con Edison's ability to prepare and deliver detailed engineering and design packages or otherwise affect Con Edison's performance of the E&P Services.

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6) Prepare detailed engineering and design packages for Substation Facilities. The preparation and delivery of detailed engineering and design packages are contingent upon timely receipt of vendor drawings and specifications.

B. Provide technical support to Buyer during the term of this Transaction Form as set forth and defined in Article 3 below. This will include reviewing and commenting on Buyer's initial and final specifications, plans, equipment acceptance tests, engineering drawings and construction schedules relating to the Interconnection Facilities and the Power Plant.

At any time, if Con Edison, in its sole discretion, determines that any part of Buyer's design, engineering or procurement of such Interconnection Facilities does not meet the requirements of the Agreement and/or standards and specifications provided to and accepted by Con Edison, Buyer shall, at its sole cost and expense, remedy such deficiencies to the reasonable satisfaction of Con Edison, provided, however, that any structures, equipment, or other facilities installed in accordance with design information reviewed and approved by Con Edison according to Section 2(A)(1), above, shall not be subject to the provisions of this sentence. In addition, Buyer shall be responsible for all costs and expenses associated with changes to the Scope of Work that are not discretionary changes including but not limited to changes required by industry, regulatory, NYISO, reliability or safety.

The Buyer has requested these Con Edison Services prior to the completion of the NYISO Interconnection Facilities Study as set forth and defined in Standard Large Facility Interconnection Procedures, Attachment X of the NYISO Open Access Transmission Tariff, dated August 4, 2008. Therefore, the Parties acknowledge and agree that any cost estimate and/or scope of E&P Services that may be communicated to the Buyer by Con Edison are not binding on Con Edison insofar as such estimate or scope may be changed as a result of the NYISO's Standard Large Facility Interconnection Procedures, and that the E&P Services, including but not limited to the procurement of materials, equipment and labor, may require modification to reflect engineering requirements of the Project based on the results of the Interconnection Facilities Study. Such modifications may include, but not be limited to, those deemed necessary by Con Edison, in its sole discretion. Buyer, and anyone claiming by, through or on behalf of Buyer, hereby waives its right to recover from and fully and irrevocably releases Con Edison from any and all claims, responsibility and/or liability that Buyer may now have or hereafter acquire against Con Edison for any costs, loss, liability, damages, expenses, demands, actions or cause of action arising from or related to the performance of Con Edison Services, provided, however, that this

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sentence shall not diminish the claims or remedies expressly available to Buyer under the Agreement.

Execution of this Agreement shall not obligate Con Edison to perform any construction work, acquire easements, or to undertake any other obligations not expressly set forth in this Agreement.

At any time during the term of this Agreement, Buyer, upon seven (7) days advance written notice to Con Edison, may suspend work under this Transaction Form. Buyer's notification shall specify the reason for, and estimated duration of, the work suspension. Thereafter, Buyer may notify Con Edison to resume work. However, notwithstanding the above, Con Edison shall not be under any obligation to resume work if (a) the Buyer requests a suspension more than once during a 12-month period without specifying a commercially reasonable basis therefor, or (b) Con Edison does not have the required manpower or availability to carry out its obligations hereunder. Buyer acknowledges that Con Edison's ability to resume work after a suspension may be affected by intervening changes in the availability or assignments of Con Edison personnel, and Con Edison shall resume work when it has the required manpower or availability to carry out its obligations. In the event Con Edison does resume work, Con Edison shall provide Buyer with a revised estimate of the time and cost of the remaining work items, as originally provided under Section 2(A)(2). In the event of a suspension, Buyer shall pay in accordance with Section 3 of the Agreement the costs under this Transaction Form that Con Edison (a) has incurred prior to suspension of work, and (b) reasonably incurs in suspending work, including without limitation, the costs incurred in connection with the cancellation of third-party contracts.

Con Edison reserves its rights under the Agreement to suspend work under this Transaction Form in the event that an emergency relative to Con Edison's electric, gas and/or steam systems leads to the unavailability of Con Edison personnel to perform the Con Edison Services.

3. **Term:**

The term of this Transaction Form shall commence on the date first written above (the "Effective Date") and expire on i) the date the Con Edison Services are completed or ii) the date that is thirty six (36) months after the Effective Date, whichever occurs first, unless this Transaction Form is sooner terminated in accordance with the terms hereof or of the Agreement. Notwithstanding the above, the term of this Transaction Form may be extended if Con Edison and Buyer mutually agree in a writing signed by authorized representatives of each

S Party. In the event of a work suspension or suspensions under Section 2 of this Transaction Form, after which suspension(s) Con Edison resumes work, the term of this Transaction Form will be extended by the amount of time between Buyer's delivery of a notice of suspension and Con Edison's resumption of work.

4. Lead Con Edison Organizations:

Central Engineering, Transmission Planning, Substation Operation and others as may be required.

5. Con Edison and Buyer Contact Persons:

Con Edison Contact:

John Beck
Section Manager, Transmission Planning
Consolidated Edison Company of New York
4 Irving Place, Room 1450-S
New York, New York 10003
Phone: (212) 460-4244
Email: beckj@coned.com

James Mooney, Jr.
Project Engineer, Central Engineering
Consolidated Edison Company of New York
4 Irving Place, Room 2415-S
New York, New York 10003
Phone: (212) 460-3840
Email: mooneyj@coned.com

Buyer Contact:

Bill Heeney - Director
Pure Energy Resources, LLC
25 Mall Road, Suite 100
Burlington, MA 01803
Ph: 781-229-2436
Fax: 781-229-0442

Paul Barnett - Managing Director
Pure Energy Resources, LLC

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25 Mall Road, Suite 100
Burlington, MA 01803
Direct: 781-229-4317
Fax: 781-229-0442
Cell: 508-380-3958

6. **Price/Payment:**

A. Notwithstanding anything to the contrary in this Transaction Form, Section 3 of the Agreement shall not apply. Instead, Buyer shall pay Con Edison $150,000.00 (the "Prepayment Amount") upon the execution of this Transaction Form. Thirty days before the first day of each Con Edison fiscal quarter thereafter, Con Edison shall provide Buyer with an estimate of the costs and expenses for the E&P Services to be performed in that upcoming quarter, and prior to the first day of the fiscal quarter Buyer shall replenish the Prepayment Amount, if necessary, such that the Prepayment Amount equals the estimate so provided. Invoices for the E&P Services shall be issued periodically by Con Edison as the E&P Services are performed. The amount of each such invoice shall be applied against the Prepayment Amount previously paid by Buyer that remains after application of all prior invoices. To the extent that the remaining balance of the Prepayment Amount is not sufficient to cover the full amount of any invoice, Buyer, within thirty (30) business days of receipt of an invoice for the amount of any insufficiency, shall pay Con Edison the amount of any such insufficiency. Con Edison shall have the right to terminate this Transaction Form for default in the event that any payment of such invoice by Buyer is not received by its respective date for payment set forth above. If any portion of the Prepayment Amount remains after application thereto of all invoices pursuant to this Transaction Form, Con Edison shall pay an amount equal to such remaining portion to Buyer.

The price for the above-described services shall be the applicable per person hourly rates set forth in the document entitled 2008 Accommodation Rate Summary in Exhibit B attached hereto and made a part hereof together with the other overhead charges, taxes, and other charges and costs listed in the footnotes to that document including but not limited to invoices and expenses incurred by others hired by Con Edison as set forth in Article 2. It is understood and agreed that such hourly rates, overhead charges, taxes, and other charges and costs set forth in such document are subject to periodic revision by Con Edison and that future billing rates will be escalated to reflect such revision.

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B. Right to Stop Work. Buyer reserves the right, upon seven (7) business days advance written notice to Con Edison, to require Con Edison at any time to stop all work by Con Edison pursuant to this Agreement, provided that such stop-work order is the result of suspension or termination of construction of the Project and/or withdrawal of the Project from the NYISO Interconnection Queue in conformance with the NYISO OATT. Issuance of such stop-work order shall terminate this Agreement. Upon issuance of a stop-work order, Buyer shall pay in accordance with Section 3 of the Agreement the costs under this Transaction Form that Con Edison (a) has incurred prior to stoppage of work, and (b) reasonably incurs in winding up work, including, without limitation, the costs incurred in connection with the cancellation of third-party contracts.

C. Payment for Procurement of Materials, Equipment and Third Party Labor. All payments Buyer is required to make under this Transaction Form and/or Agreement relating to materials, equipment and Third Party Labor shall not be deducted from the amounts set forth in Section 6(A) above but rather shall be paid by Buyer directly in accordance with the terms of any agreement, as reviewed and approved pursuant to Section 2(A)(5) above, with the providers of any materials, equipment, or Third Party Labor.

7. Access Agreement:

In the event Buyer (or any third party acting on Buyer's behalf) requests permission to enter Con Edison property such access shall be governed by a Con Edison Access Agreement.

8. Construction Agreement:

In the event Buyer (or any third party acting on Buyer's behalf) requests permission to perform any constructions services on Con Edison property such construction services shall be governed by the Con Edison Construction Terms and Conditions.

9. Environmental Laws and Hazardous Substances:

A. Con Edison will be responsible for the performance of the E&P Services in compliance with all Environmental Laws, and Con Edison will also be responsible for the performance of any Remediation required by applicable Environmental Law, as determined by any Governmental Authority, in order to address the presence or suspected presence of any Hazardous Substances related to or discovered during the performance of the E&P Services. If any Hazardous

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Substances (defined below) are released, discharged, spilled, emptied, emitted, dumped, injected, poured, deposited, dispersed, or otherwise leak, escape, leach or migrate (each, a "Release") or are discovered or encountered (each, a "Discovery") on or about the Substation property in connection with the work under this Transaction Form, Con Edison shall (1) immediately notify Buyer of the Release or threatened Release or Discovery, (2) promptly take all actions as are necessary to perform Remediation (as defined below) of any such Release or Discovery of Hazardous Substances and to perform such other work as may be required by any Governmental Authority to safeguard the health, safety or welfare of any persons, and the Substation property from any Discovery or threatened or actual Release of any Hazardous Substances and, (3) in the case of any actual Remediation of Hazardous Substances, restore the affected portion or portions of the Substation property, together with any and all affected soil and groundwater, to the functional and topographical condition that existed prior to the Release or Remediation of any Hazardous Substances, as well as the condition required by Environmental Laws (as defined below) and to satisfy the requirements of any Governmental Authority (as defined below) exercising jurisdiction with respect to the Substation property or such Release or Discovery.

B. Without limitation of Section 9(A), and without abatement of the price set forth in Article 6 above, Buyer shall pay to Con Edison the reasonable costs and expenses of reporting, characterization, management, containment, storage, transportation, and disposal, as may be required by Environmental Law, of any Hazardous Substances and any materials contaminated by Hazardous Substances, that are excavated or otherwise removed from the Substation property in the ordinary course of the performance of the E&P Services as described in Section 2(A) of this Transaction Form, as well as the reasonable costs and expenses of restoring to its previous functional and topographical condition any area disturbed by such excavation and disposal.

C. Without limitation of Section 9(A), without abatement of the price set forth in Article 6 above, and subject to the limitation of Section 9(F), Buyer shall also pay to Con Edison the reasonable costs and expenses incurred in the Remediation of a Discovery of Hazardous Substances, and the reasonable costs and expenses necessary for the restoration of any affected portion or portions of the Substation property to the functional and topographical condition that existed prior to the Remediation of a Discovery of any Hazardous Substances.

D. Subject to the limitation of Section 9(F), Buyer shall indemnify, defend, and hold harmless Con Edison from liability under Environmental Laws resulting from the disposal of Hazardous Substances and materials contaminated with Hazardous Substances in connection with or resulting from the E&P Services or the Remediation of a Discovery. Buyer's indemnification obligation under this

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paragraph shall be limited to liability directly related to disposed Hazardous Substances and materials contaminated with Hazardous Substances for which Con Edison, as soon as practicable after such disposal, provides to Buyer transportation and disposal manifests that clearly indicate the character, quantity, origin, and disposal location of any Hazardous Substances and contaminated materials removed from the Substation property.

E. Con Edison agrees that it shall require in its contracts with any Third Party Labor that Buyer will be named as an indemnified party under any provision of such contracts indemnifying Con Edison against liability under Environmental Laws. Regardless of whether Buyer is so named as an indemnified party under such contracts, Con Edison shall indemnify Buyer to the same extent and in such circumstances as Con Edison is indemnified under any contract for Third Party Labor against liability under Environmental Laws.

F. Buyer's total liability under Sections 9(C) and 9(D) of this Transaction Form shall not exceed $5,000,000.

G. Under each and every future agreement between the Parties addressing the design and construction of the Substation upgrades and interconnection of the Power Plant and Transmission Cable to the Substation, Buyer shall have liability for all matters specified in Sections 9(C) and 9(D) subject to the single $5,000,000 limitation provided in Section 9(F).

H. As used in this Transaction Form, the term "Hazardous Substances" means (i) any petroleum, petroleum products or by products and all other hydrocarbons (including, without limitation, petro chemicals and crude oil) or any fraction thereof, coal ash, radon gas, asbestos, asbestos-containing material, urea formaldehyde, polychlorinated biphenyls, chlorofluorocarbons and other ozone-depleting substances, and (ii) any chemical, material, substance, product, waste (including thermal discharges) or electromagnetic emissions that is, has been, or hereafter shall be (x) listed or defined as hazardous, toxic, or dangerous under any Environmental Laws, or (y) listed at 40 C.F.R. § 302.4 (or its successor) or prohibited, limited or regulated by or pursuant to any Environmental Laws.

I. As used in this Transaction Form, the term "Environmental Laws" means all current and future federal, state, and local laws (including common law), regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), Environmental Permits (as defined below) and New York State Department of Environmental Conservation Technical Administrative Guidance Memoranda and other guidance documents issued or published by any Governmental Authority, in each case, relating to pollution, protection of the environment, natural resources or human health and safety, the presence, Release of, threatened Release of, or exposure to, Hazardous Substances, or to

S the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or arrangement for such activities with respect to, Hazardous Substances.

J. As used in this Transaction Form, the term "Environmental Permits" means the permits, licenses, consents, approvals, manifests and other authorizations or certifications required by any Governmental Authority with respect to Environmental Laws relating to any Remediation.

K. As used in this Transaction Form, the term "Governmental Authority" means any federal, state, or local government or any court, administrative or regulatory agency, board, committee or commission or other governmental entity or instrumentality, or any department thereof, with jurisdiction over the Substation or any other property used in the course of the E&P Services, or with jurisdiction over any material at, introduced to or removed from the Substation.

L. As used in this Transaction Form, the term "Release" means any release, discharge, spill, leak, escape, pouring, deposit, emission, dumping, injection, dispersal, leaching, or migration of a substance or material.

M. As used in this Transaction Form, the terms "Remediate" or "Remediation" mean the investigation, cleanup, removal, transportation, disposal, treatment (including *in-situ* treatment), management, stabilization, neutralization, collection, or containment of Hazardous Substances, in each case, including, without limitation, any monitoring, operations and maintenance activities that may be required by any Governmental Authority after the completion of such investigation, cleanup, removal, transportation, disposal, treatment, neutralization, collection, or containment activities as well as the performance of any and all obligations imposed by any Governmental Authority in connection with such investigation, cleanup, removal, transportation, disposal, treatment (including *in situ* treatment), management, stabilization, neutralization, collection, or containment (including any such obligation that may be imposed under a brownfield cleanup agreement or an administrative or judicial consent order).

10. Miscellaneous:

Without intending to limit the generality of the first sentence of Section 14 (entitled "Amendments/Waiver") of the Agreement, which provides that "[a] Contract may be modified only by a writing signed by an authorized representative of each Party," Buyer and Con Edison, for the avoidance of doubt, specifically acknowledge and agree that the issuance of a purchase order or other similar document by, or on behalf of Buyer or its affiliates relating to the E&P Services does not modify or affect the terms and conditions of the Contract (as defined in the Agreement) comprised of this Transaction Form and the

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Agreement and shall not be binding on Con Edison unless and until it is signed by an authorized representative of Con Edison.

This Transaction Form is binding on Buyer's successors and permitted assigns.

11. Counterparts:

This Transaction Form may be executed in counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument. This Transaction Form and any counterpart thereof may be delivered via facsimile or email, it being the express intent of the Parties that such Transaction Form and any counterpart thereof delivered via facsimile or email (together with the signatures thereon) shall have the same force and effect as if they were originals

[SIGNATURE PAGE TO FOLLOW]

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AGREED TO:

Consolidated Edison Company Of New York, Inc. ("Con Edison")	Bayonne Energy Center, LLC ("Buyer")
By: Ronald H. Bozzo 9/23/09	By: Member, Executive Committee, Bayonne Energy Center, LLC By:
Name:	Name: John Gartman
Title:	Title:
	By: Member, Executive Committee, Bayonne Energy Center, LLC By:
	Name: Daniel R. Revers
	Title:

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EXHIBIT A
Gowanus – Concept A BEC

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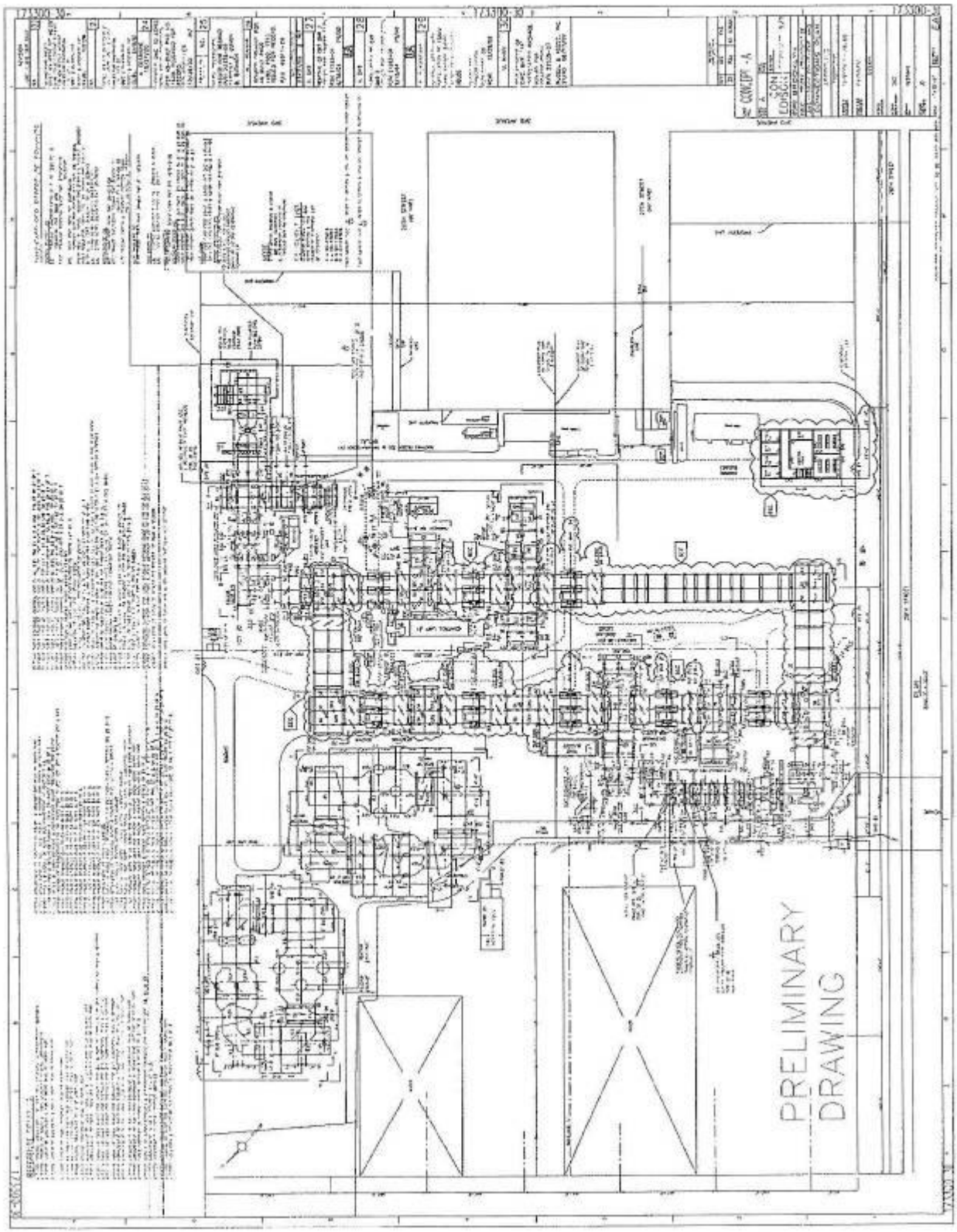

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EXHIBIT B

2009 Accommodation Rate Summary
See Attached

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Consolidated Edison Company of New York, Inc.
2009 Accommodation Billing Schedule Rates

			2009 Regular	2009 Overtime
CA- 2E		ELECTRIC OUTSIDE PLANT	110.95	127.15
CA- 2S		STEAM OUTSIDE PLANT	113.80	133.60
CA - 3G		GAS INSIDE AND OUTSIDE PLANT (formally known as GA - 2G & GA - 4 - CGO)	120.10	135.65
CA- 4A		CENTRAL ENGINEERING (SUBSTATION & TRANSMISSION ENGINEERING)	110.10	-
CA - 4 - MS		MAINTENANCE SERVICES	91.45	105.20
CA-4 - SO/PST		SUBSTATION OPERATION INSIDE PLANT AND PROTECTIVE SYSTEMS ACCOMODATION WORK (formally known as GA - 4 -SO & GA- 12)	95.60	112.10
CA- 5L	*	TRANSMISSION LINE MAINTENANCE	132.95	155.55
CA- 5U	*	UNDERGROUND TRANSMISSION	105.10	122.40
CA- 5M	* formally combined	UNDERGROUND TRANSMISSION & LINE MAINTENANCE	(replaced with 5L & 5U)	
CA - 6		TECHNICAL SERVICE LABS	101.85	119.40
CA - 7		TRANSFORMER SHOP	127.80	145.55
CA- 9		TRANSPORTATION OPERATIONS, MAINTENANCE & CRANES AND RIGGING (COMBINED)	118.30	136.20
CA- 11		TRANSFORMER ANNUAL MAINTENANCE COSTS	*(Schedule attached)*	
CA- 13		ELECTRIC METER BUREAU	125.00	144.85
CA- 14		CHEMICAL TESTING LAB	134.05	151.80
CA- 21		FOR NON-PROFIT ORGANIZATIONS ELECTRIC, GAS & STEAM OUTSIDE PLANT	56.05	74.95
CA- 22		CONSTRUCTION MANAGEMENT	176.15	196.35
CA- 80		DIVISION ENGINEERING	85.10	101.60
CA - 81		TRANSMISSION PLANNING	101.10	-
CA - 82		TRANSIT AUTHORITY	*(Schedule on file)*	

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CA - 83	RESEARCH & DEVELOPMENT	180.10
CA - 84	AUDITING (new)	118.50

Footnotes:

Material Costs: All materials will be billed at average storeroom prices plus a storeroom handling charge of 14.50%. New York State and Local Sales and Use Tax will be added where applicable.

Transportation Costs: Use of transportation vehicles will be billed at current industry standard rates.

Outside Contract Work: Outside contract work will be billed at the actual cost to the Company.

Use of Large Tools and Work Equipment: Such use will be billed at current industry standard rates.

Corporate Overheads (covers Engineering and Administrative & Supervisory "A&S" expenses) and Gross Receipts Taxes "GRT" - Accomodation Work. In addition to the above costs, the following percentages will be added to the total foregoing items based upon the location:

New York City	22.89%
Yonkers	23.71%
New Rochelle, White Plains, Mount Vernon, Briarcliff Manor and Other Westchester cities and villages	21.21%
Buchanon and other Westchester communities	20.00%

Note: When Engineering Services are directly billed, the Corporate Overhead for Administrative and Supervisory is 4.0%, plus GRT. GRT rates are subject to change to reflect current costs.

Corporate overheads and Gross Receipts taxes - Property Damages - All Areas	20.00%

When the labor cost for engineering or drafting is separately stated, corporate overhead for administration and inspection is 4% plus Gross Receipt Taxes.

Salvage Credit for Material Removed: When the Company agrees to accept the material and allow salvage credit against the total bill, credit will be allowed at average storeroom price, less salvaging cost. If the material is not suitable for re-use on the Company's system, credit will be allowed at scrap value.

New York State and Local Sales Tax will be added to the total bill when applicable.

Price Revision: The various rates indicated may be revised as conditions warrant. The labor scale specified in the rates may be adjusted in the event of a retroactive change in the wages of the class or classes of employees engaged in the work.

Sales Tax On Total Invoice (Unless Exempt*)		Effective 8/1/2009
- New York City	8.375%	8.875%
- Mount Vernon, Yonkers, & New Rochelle	8.375%	
- White Plains	8.125%	
- All Other Westchester	7.375%	

Exemption Categories

A) Capital Improvements (need certificate)
B) Non-Profit & Governmental Organizations and Transit Authority
C) Direct Payment Permit (need certificate)
D) Materials used for Resale (need certificate)
E) Materials used for Manufacturing (need certificate)

If you have any questions call Marietta Deluca (212) 460-2705 or David Singh (212) 460-4298.

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25 Mall Road, Suite 100
Burlington, MA 01803
Direct: 781-229-4317
Fax: 781-229-0442
Cell: 508-380-3958

6. **Price/Payment:**

A. Notwithstanding anything to the contrary in this Transaction Form, Section 3 of the Agreement shall not apply. Instead, Buyer shall pay Con Edison $150,000.00 (the "Prepayment Amount") upon the execution of this Transaction Form. Thirty days before the first day of each Con Edison fiscal quarter thereafter, Con Edison shall provide Buyer with an estimate of the costs and expenses for the E&P Services to be performed in that upcoming quarter, and prior to the first day of the fiscal quarter Buyer shall replenish the Prepayment Amount, if necessary, such that the Prepayment Amount equals the estimate so provided. Invoices for the E&P Services shall be issued periodically by Con Edison as the E&P Services are performed. The amount of each such invoice shall be applied against the Prepayment Amount previously paid by Buyer that remains after application of all prior invoices. To the extent that the remaining balance of the Prepayment Amount is not sufficient to cover the full amount of any invoice, Buyer, within thirty (30) business days of receipt of an invoice for the amount of any insufficiency, shall pay Con Edison the amount of any such insufficiency. Con Edison shall have the right to terminate this Transaction Form for default in the event that any payment of such invoice by Buyer is not received by its respective date for payment set forth above. If any portion of the Prepayment Amount remains after application thereto of all invoices pursuant to this Transaction Form, Con Edison shall pay an amount equal to such remaining portion to Buyer.

The price for the above-described services shall be the applicable per person hourly rates set forth in the document entitled 2008 Accommodation Rate Summary in Exhibit B attached hereto and made a part hereof together with the other overhead charges, taxes, and other charges and costs listed in the footnotes to that document including but not limited to invoices and expenses incurred by others hired by Con Edison as set forth in Article 2. It is understood and agreed that such hourly rates, overhead charges, taxes, and other charges and costs set forth in such document are subject to periodic revision by Con Edison and that future billing rates will be escalated to reflect such revision.

25 Mall Road, Suite 100
S Burlington, MA 01803
Direct: 781-229-4317
Fax: 781-229-0442
Cell: 508-380-3958

6. **Price/Payment:**

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AGREED TO:

Consolidated Edison Company Of New York, Inc. ("Con Edison")

By: Ronald H. Bugg 9/23/09

Name:

Title:

Bayonne Energy Center, LLC ("Buyer")

By: Member, Executive Committee, Bayonne Energy Center, LLC

By: John A. Gartman

Name: John Gartman

Title:

By: Member, Executive Committee, Bayonne Energy Center, LLC

By: X

Name: Daniel R. Revers

Title:

AGREED TO:

Consolidated Edison Company Of New York, Inc. ("Con Edison")

By: Ronald H. Buzzo 9/23/09

Name:

Title:

Bayonne Energy Center, LLC ("Buyer")

By: Member, Executive Committee, Bayonne Energy Center, LLC

By: John A. Hatt

Name: John Gartman

Title:

By: Member, Executive Committee, Bayonne Energy Center, LLC

By:_____

Name:

Title:

SERVICE AGREEMENT NO. 1668

ATTACHMENT H-3 TO APPENDIX H
PRO FORMA BILL OF SALE

BILL OF SALE

This Bill of Sale, made, executed, and delivered on _____ __, 201_, is by and between Consolidated Edison Company Of New York, Inc., a New York corporation ("Con Edison") and Bayonne Energy Center, LLC, a limited liability corporation organized and existing under the laws of the State of _____ ("Developer").

WITNESSES:

Whereas, Con Edison and Developer, together with the New York Independent System Operator, Inc., are parties to a Large Generator Interconnection Agreement, dated October _, 2010 (the "LGIA"), which provides for (i) the interconnection to Con Edison's transmission system of an electrical generator that Developer is constructing and (ii) the construction by Developer of certain System Upgrade Facilities and Connecting Transmission Owner Attachment Facilities within the Gowanus Substation which is owned by Con Edison;

Whereas, the LGIA provides that the System Upgrade Facilities will be constructed in Segments and connected to the existing substation sequentially;

Whereas, the LGIA further provides that, upon completion of each Segment, Developer will convey ownership of that Segment to Con Edison; and

Whereas, the construction and required testing of Segment No. __ have been completed;

Now, therefore, in consideration of $1.00, the receipt and sufficiency of which are hereby acknowledged, Developer, subject to the provisions of the Agreement, does hereby sell, convey, and transfer ownership of Segment No. __ of the System Upgrade Facilities to Con Edison, all as more fully described in Exhibit A hereto, free and clear of all liens and encumbrances.

[OPTIONAL TERMS FOR CTO ATTACHMENT FACILITIES. In lieu of the last three recitals and conveyance language above, insert the following:

Whereas, the construction and required testing of the Connecting Transmission Owner Attachment Facilities have been completed;

Now, therefore, in consideration of $1.00, the receipt and sufficiency of which are hereby acknowledged, Developer, subject to the provisions of the Agreement, does hereby sell, convey, and transfer ownership of the Connecting Transmission Owner Attachment Facilities to Con Edison, all as more fully described in Exhibit A hereto, free and clear of all liens and encumbrances.**]**

H-43

SERVICE AGREEMENT NO. 1668

This Bill of Sale shall be binding upon and shall inure to the benefit of the respective successors and assigns of Developer and Con Edison.

In the event that any provision of this Bill of Sale is construed to conflict with a provision in the LGIA, the provision in the LGIA shall be deemed to be controlling.

This Bill of Sale shall be construed and enforced in accordance with the laws (other than the rules regarding the conflict of laws) of the State of New York.

This Bill of Sale may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

In Witness Whereof, Generator and Con Edison have duly executed this Bill of Sale as of the date first above written.

BAYONNE ENERGY CENTER, LLC	CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
By:	By:
Name:	Name:
Title: Executive Committee Member	Title:

BAYONNE ENERGY CENTER, LLC

By:

Name:

Title: Executive Committee Member

SERVICE AGREEMENT NO. 1668

EXHIBIT A TO BILL OF SALE

List of Facilities Being Conveyed

H-45