SERVICE AGREEMENT NO. 2777

SERVICE AGREEMENT NO. 2777

STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT   
 AMONG THE

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.,   
 NIAGARA MOHAWK POWER CORPORATION

D/B/A NATIONAL GRID,

AND

SUNEAST FLAT HILL SOLAR LLC   
 Dated as of July 6, 2023

(Flat Hill Solar Project)

SERVICE AGREEMENT NO. 2777

TABLE OF CONTENTS

Article 1 Scope and Limitations of Agreement 4

1.1 Applicability 4

1.2 Purpose 4

1.3 Scope of Interconnection Service 4

1.4 Limitations 4

1.5 Responsibilities of the Parties 4

1.6 Parallel Operation Obligations 6

1.7 Metering 6

1.8 Reactive Power and Primary Frequency Response 7

1.9 Capitalized Terms 10

Article 2 Inspection, Testing, Authorization, and Right of Access 11

2.1 Equipment Testing and Inspection 11

2.2 Authorization Required Prior to Parallel Operation 11

2.3 Right of Access 12

Article 3 Effective Date, Term, Termination, and Disconnection 13

3.1 Effective Date 13

3.2 Term of Agreement 13

3.3 Termination 13

3.4 Temporary Disconnection 14

Article 4 Cost Responsibility for Interconnection Facilities and Distribution

Upgrades 16

4.1 Interconnection Facilities 16

4.2 Distribution Upgrades 16

Article 5 Cost Responsibility for System Upgrade Facilities and System

Deliverability Upgrades 17

5.1 Applicability 17

5.2 System Upgrades 17

5.3 Special Provisions for Affected Systems 17

Article 6 Billing, Payment, Milestones, and Financial Security 18

6.1 Billing and Payment Procedures and Final Accounting 18

6.2 Milestones 18

6.3 Financial Security Arrangements 19

Article 7 Assignment, Liability, Indemnity, Force Majeure, Consequential

Damages, and Default 20

7.1 Assignment 20

7.2 Limitation of Liability 20

7.3 Indemnity 20

7.4 Consequential Damages 21

7.5 Force Majeure 22

1

SERVICE AGREEMENT NO. 2777

7.6 Breach and Default 22

Article 8 Insurance 24

Article 9 Confidentiality 25

Article 10 Disputes 27

Article 11 Taxes 28

Article 12 Miscellaneous 29

12.1 Governing Law, Regulatory Authority, and Rules 29

12.2 Amendment 29

12.3 No Third-Party Beneficiaries 29

12.4 Waiver 29

12.5 Entire Agreement 29

12.6 Multiple Counterparts 30

12.7 No Partnership 30

12.8 Severability 30

12.9 Security Arrangements 30

12.10 Environmental Releases 30

12.11 Subcontractors 30

12.12 Reservation of Rights 31

Article 13 Notices 32

13.1 General 32

13.2 Billing and Payment 33

13.3 Alternative Forms of Notice 33

13.4 Designated Operating Representative 34

13.5 Changes to the Notice Information 35

Article 14 Signatures 36

Attachment 1 Glossary of Terms

Attachment 2 Detailed Scope of Work, Including Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Attachment 3 One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 4 Milestones

Attachment 5 Additional Operating Requirements for the New York State Transmission System, the Distribution System and Affected Systems Needed to Support the Interconnection   
Customer’s Needs

Attachment 6 Connecting Transmission Owner’s Description of its Upgrades and Best Estimate of Upgrade Costs

Attachment 7 Insurance Coverage

2

SERVICE AGREEMENT NO. 2777

Attachment 8 Initial Synchronization Date   
Attachment 9 Commercial Operation Date

This Standard Small Generator Interconnection Agreement (“Agreement” or “SGIA”) is made   
and entered into this 6th day of July, 2023, by and among 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 Niagara Mohawk Power Corporation d/b/a National Grid, a   
corporation organized and existing under the laws of the State of New York (“Connecting   
Transmission Owner”), and SunEast Flat Hill Solar LLC, a limited liability company organized   
and existing under the laws of the State of Delaware (“Interconnection Customer”) each   
hereinafter sometimes referred to individually as “Party” or referred to collectively as the   
“Parties.”

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

3

SERVICE AGREEMENT NO. 2777

Article 1 Scope and Limitations of Agreement

1.1 Applicability

This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW   
Inverter Process contained in SGIP Attachment 5.

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection

Customer’s Small Generating Facility will interconnect with, and operate in parallel with, the New York State Transmission System or the Distribution System.

1.3 Scope of Interconnection Service

1.3.1 The NYISO will provide Energy Resource Interconnection Service and Capacity   
 Resource Interconnection Service to Interconnection Customer at the Point of   
 Interconnection.

1.3.2 This Agreement does not constitute an agreement to purchase or deliver the

Interconnection Customer’s power. The purchase or delivery of power and other   
services that the Interconnection Customer may require will be covered under   
separate agreements, if any, or applicable provisions of NYISO’s or Connecting   
Transmission Owner’s tariffs. The Interconnection Customer will be responsible   
for separately making all necessary arrangements (including scheduling) for   
delivery of electricity in accordance with the applicable provisions of the ISO   
OATT and Connecting Transmission Owner’s tariff. 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 Services Tariff or   
any Connecting Transmission Owner’s tariff. If Interconnection Customer wishes   
to supply or purchase Energy, Installed Capacity or Ancillary Services, then   
Interconnection Customer will make application to do so in accordance with the   
NYISO Services Tariff or Connecting Transmission Owner’s tariff.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement by and among the

NYISO, Connecting Transmission Owner and the Interconnection Customer, except as otherwise expressly provided herein.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all   
 Applicable Laws and Regulations, Operating Requirements, and Good Utility   
 Practice.

4

SERVICE AGREEMENT NO. 2777

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain

its Small Generating Facility and construct, operate, and maintain its

Interconnection Facilities in accordance with the applicable manufacturer’s

recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Connecting Transmission Owner shall construct, operate, and maintain its

Interconnection Facilities and Upgrades covered by this Agreement in accordance with this Agreement, and with Good Utility Practice. If all Parties agree, the   
Interconnection Customer may construct the Connecting Transmission Owner’s Interconnection Facilities and Upgrades as specified in Attachment 2.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in

accordance with applicable specifications that meet or exceed those provided by   
the National Electrical Safety Code, the American National Standards Institute,   
IEEE, Underwriter’s Laboratory, and Operating Requirements in effect at the time   
of construction and other applicable national and state codes and standards. The   
Interconnection Customer agrees to design, install, maintain, and operate its Small   
Generating Facility so as to reasonably minimize the likelihood of a disturbance   
adversely affecting or impairing the system or equipment of the Connecting

Transmission Owner or Affected Systems.

1.5.5 The Connecting Transmission Owner and Interconnection Customer shall operate,

maintain, repair, and inspect, and shall be fully responsible for the facilities that it   
now or subsequently may own unless otherwise specified in the Attachments to   
this Agreement. Each of those Parties shall be responsible for the safe   
installation, maintenance, repair and condition of their respective lines and   
appurtenances on their respective sides of the point of change of ownership. The   
Connecting Transmission Owner and the Interconnection Customer, as   
appropriate, shall provide Interconnection Facilities that adequately protect the   
Connecting Transmission Owner’s electric system, personnel, and other persons   
from damage and injury. The allocation of responsibility for the design,   
installation, operation, maintenance and ownership of Interconnection Facilities   
shall be delineated in the Attachments to this Agreement.

1.5.6 The NYISO shall coordinate with all Affected Systems to support the

interconnection. The Connecting Transmission Owner shall cooperate with the NYISO in these efforts.

1.5.7 The Interconnection Customer shall ensure “frequency ride through” capability

and “voltage ride through” capability of its Small Generating Facility. The

Interconnection Customer shall enable these capabilities such that its Small

Generating Facility shall not disconnect automatically or instantaneously from the   
system or equipment of the Connecting Transmission Owner and any Affected   
Systems for a defined under-frequency or over-frequency condition, or an under-  
voltage or over-voltage condition, as tested pursuant to section 2.1 of this   
agreement. The defined conditions shall be in accordance with Good Utility

5

SERVICE AGREEMENT NO. 2777

Practice and consistent with any standards and guidelines that are applied to other   
generating facilities in the Balancing Authority Area on a comparable basis. The   
Small Generating Facility’s protective equipment settings shall comply with the   
Transmission Owner’s automatic load-shed program. The Transmission Owner   
shall review the protective equipment settings to confirm compliance with the   
automatic load-shed program. The term “ride through” as used herein shall mean   
the ability of a Small Generating Facility to stay connected to and synchronized   
with the system or equipment of the Transmission Owner and any Affected   
Systems during system disturbances within a range of conditions, in accordance   
with Good Utility Practice and consistent with any standards and guidelines that   
are applied to other generating facilities in the Balancing Authority on a   
comparable basis. The term “frequency ride through” as used herein shall mean   
the ability of a Small Generating Facility to stay connected to and synchronized   
with the system or equipment of the Transmission Owner and any Affected   
Systems during system disturbances within a range of under-frequency and over-  
frequency conditions, in accordance with Good Utility Practice and consistent   
with any standards and guidelines that are applied to other generating facilities in   
the Balancing Authority Area on a comparable basis. The term “voltage ride   
through” as used herein shall mean the ability of a Small Generating Facility to   
stay connected to and synchronized with the system or equipment of the   
Transmission Owner and any Affected Systems during system disturbances   
within a range of under-voltage and over-voltage conditions, in accordance with   
Good Utility Practice and consistent with any standards and guidelines that are   
applied to other generating facilities in the Balancing Authority Area on a   
comparable basis.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not   
limited to: (1) the rules and procedures concerning the operation of generation set forth in the NYISO tariffs or ISO Procedures or the Connecting Transmission Owner’s tariff; (2) any   
requirements consistent with Good Utility Practice or that are necessary to ensure the safe and reliable operation of the Transmission System or Distribution System; and (3) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Connecting Transmission   
Owner’s reasonable and necessary cost for the purchase, installation, operation, maintenance,   
testing, repair, and replacement of metering and data acquisition equipment specified in   
Attachments 2 and 3 of this Agreement. The Interconnection Customer’s metering (and data   
acquisition, as required) equipment shall conform to applicable industry rules and Operating   
Requirements.

6

SERVICE AGREEMENT NO. 2777

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its   
Small Generating Facility to maintain a composite power delivery at continuous   
rated power output at the Point of Interconnection at a power factor within the   
range of 0.95 leading to 0.95 lagging, unless the NYISO or the Transmission   
Owner in whose Transmission District the Small Generating Facility   
interconnects has established different requirements that apply to all similarly   
situated generators in the New York Control Area or Transmission District (as   
applicable) on a comparable basis, in accordance with Good Utility Practice.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall

design its Small Generating Facility to maintain a composite power delivery at   
continuous rated power output at the high-side of the generator substation at a   
power factor within the range of 0.95 leading to 0.95 lagging, unless the NYISO   
or the Transmission Owner in whose Transmission District the Small Generating   
Facility interconnects has established a different power factor range that applies to   
all similarly situated non-synchronous generators in the control area or   
Transmission District (as applicable) on a comparable basis, in accordance with   
Good Utility Practice. This power factor range standard shall be dynamic and can   
be met using, for example, 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, or a combination of the two.   
This requirement shall only apply to newly interconnecting non-synchronous   
generators that have not yet executed a Facilities Study Agreement as of   
September 21, 2016.

1.8.2 The NYISO is required to pay the Interconnection Customer for reactive power,

or voltage support service, that the Interconnection Customer provides from the Small Generating Facility in accordance with Rate Schedule 2 of the NYISO Services Tariff.

1.8.3 Primary Frequency Response. Interconnection Customer shall ensure the primary

frequency response capability of its Small Generating Facility by installing,

maintaining, and operating a functioning governor or equivalent controls. The   
term “functioning governor or equivalent controls” as used herein shall mean the   
required hardware and/or software that provides frequency responsive real power   
control with the ability to sense changes in system frequency and autonomously   
adjust the Small Generating Facility’s real power output in accordance with the   
droop and deadband parameters and in the direction needed to correct frequency   
deviations. Interconnection Customer is required to install a governor or

equivalent controls with the capability of operating: (1) with a maximum 5

percent droop and ±0.036 Hz deadband; or (2) in accordance with the relevant   
droop, deadband, and timely and sustained response settings from an approved   
Applicable Reliability Standard providing for equivalent or more stringent

7

SERVICE AGREEMENT NO. 2777

parameters. The droop characteristic shall be: (1) based on the nameplate

capacity of the Small Generating Facility, and shall be linear in the range of

frequencies between 59 to 61 Hz that are outside of the deadband parameter; or

(2) based on an approved Applicable Reliability Standard providing for an

equivalent or more stringent parameter. The deadband parameter shall be: the   
range of frequencies above and below nominal (60 Hz) in which the governor or   
equivalent controls is not expected to adjust the Small Generating Facility’s real   
power output in response to frequency deviations. The deadband shall be   
implemented: (1) without a step to the droop curve, that is, once the frequency   
deviation exceeds the deadband parameter, the expected change in the Small   
Generating Facility’s real power output in response to frequency deviations shall   
start from zero and then increase (for under-frequency deviations) or decrease (for   
over-frequency deviations) linearly in proportion to the magnitude of the   
frequency deviation; or (2) in accordance with an approved Applicable Reliability   
Standard providing for an equivalent or more stringent parameter.   
Interconnection Customer shall notify NYISO that the primary frequency   
response capability of the Small Generating Facility has been tested and   
confirmed during commissioning. Once Interconnection Customer has   
synchronized the Small Generating Facility with the New York State   
Transmission System, Interconnection Customer shall operate the Small   
Generating Facility consistent with the provisions specified in Articles 1.8.3.1 and

1.8.3.2 of this Agreement. The primary frequency response requirements

contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

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

8

SERVICE AGREEMENT NO. 2777

to a minimum whenever the Small Generating Facility is operated in parallel with the New York State Transmission System.

1.8.3.2 Timely and Sustained Response. Interconnection Customer shall ensure   
that the Small Generating Facility’s real power response to sustained frequency   
deviations outside of the deadband setting is automatically provided and shall   
begin immediately after frequency deviates outside of the deadband, and to the   
extent the Small Generating Facility has operating capability in the direction   
needed to correct the frequency deviation. Interconnection Customer shall not   
block or otherwise inhibit the ability of the governor or equivalent controls to   
respond and shall ensure that the response is not inhibited, except under certain   
operational constraints including, but not limited to, ambient temperature

limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. An Applicable   
Reliability Standard with equivalent or more stringent requirements shall   
supersede the above requirements.

1.8.3.3 Exemptions. Small Generating Facilities that are regulated by the United   
States Nuclear Regulatory Commission shall be exempt from Articles 1.8.3,

1.8.3.1, and 1.8.3.2 of this Agreement. Small Generating Facilities that are

behind the meter generation that is sized-to-load (i.e., the thermal load and the

generation are near-balanced in real-time operation and the generation is primarily   
controlled to maintain the unique thermal, chemical, or mechanical output   
necessary for the operating requirements of its host facility) shall be required to   
install primary frequency response capability requirements in accordance with the   
droop and deadband capability requirements specified in Article 1.8.3, but shall   
be otherwise exempt from the operating requirements in Articles 1.8.3, 1.8.3.1,

1.8.3.2, and 1.8.3.4 of this Agreement.

1.8.3.4 Electric Storage Resources. Interconnection Customer interconnecting an   
electric storage resource shall establish an operating range in Attachment 5 of its   
SGIA that specifies a minimum state of charge and a maximum state of charge   
between which the electric storage resource will be required to provide primary   
frequency response consistent with the conditions set forth in Articles 1.8.3,

1.8.3.1, 1.8.3.2, and 1.8.3.3 of this Agreement. Attachment 5 shall specify

whether the operating range is static or dynamic, and shall consider (1) the

expected magnitude of frequency deviations in the interconnection; (2) the

expected duration that system frequency will remain outside of the deadband

parameter in the interconnection; (3) the expected incidence of frequency

deviations outside of the deadband parameter in the interconnection; (4) the

physical capabilities of the electric storage resource; (5) operational limitations of   
the electric storage resources due to manufacturer specification; and (6) any other   
relevant factors agreed to by the NYISO, Connecting Transmission Owner, and   
Interconnection Customer. If the operating range is dynamic, then Attachment 5

9

SERVICE AGREEMENT NO. 2777

must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer’s electric storage resource is required to provide timely   
and sustained primary frequency response consistent with Article 1.8.3.2 of this   
Agreement when it is online and dispatched to inject electricity to the New York   
State Transmission System and/or receive electricity from the New York State   
Transmission System. This excludes circumstances when the electric storage   
resource is not dispatched to inject electricity to the New York State Transmission   
System and/or dispatched to receive electricity from the New York State   
Transmission System. If Interconnection Customer’s electric storage resource is   
charging at the time of a frequency deviation outside of its deadband parameter, it   
is to increase (for over-frequency deviations) or decrease (for under-frequency   
deviations) the rate at which it is charging in accordance with its droop parameter.   
Interconnection Customer’s electric storage resource is not required to change   
from charging to discharging, or vice versa, unless the response necessitated by   
the droop and deadband settings requires it to do so and it is technically capable   
of making such a transition.

1.9 Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement. Capitalized terms used herein that are not so defined shall have the meanings specified in Appendix 1 of Attachment Z, Section 25.1.2 of Attachment S, or Section 30.1 of Attachment X of the ISO OATT.

10

SERVICE AGREEMENT NO. 2777

Article 2 Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility

and Interconnection Facilities prior to interconnection. The Interconnection   
Customer shall notify the NYISO and the Connecting Transmission Owner of   
such activities no fewer than five Business Days (or as may be agreed to by the   
Parties) prior to such testing and inspection. Testing and inspection shall occur on   
a Business Day. The Connecting Transmission Owner may, at its own expense,   
send qualified personnel to the Small Generating Facility site to inspect the   
interconnection and observe the testing. The Interconnection Customer shall   
provide the NYISO and Connecting Transmission Owner a written test report   
when such testing and inspection is completed. The Small Generating Facility   
may not commence parallel operations if the NYISO, in consultation with the   
Connecting Transmission Owner, finds that the Small Generating Facility has not   
been installed as agreed upon or may not be operated in a safe and reliable   
manner.

2.1.2 The NYISO and Connecting Transmission Owner shall each provide the

Interconnection Customer written acknowledgment that it has received the

Interconnection Customer’s written test report. Such written acknowledgment   
shall not be deemed to be or construed as any representation, assurance,   
guarantee, or warranty by the NYISO or Connecting Transmission Owner of the   
safety, durability, suitability, or reliability of the Small Generating Facility or any   
associated control, protective, and safety devices owned or controlled by the   
Interconnection Customer or the quality of power produced by the Small   
Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The NYISO, in consultation with the Connecting Transmission Owner, shall use   
 Reasonable Efforts to list applicable parallel Operating Requirements in   
 Attachment 5 of this Agreement. Additionally, the NYISO, in consultation with   
 the Connecting Transmission Owner, shall notify the Interconnection Customer of   
 any changes to these requirements as soon as they are known. The NYISO and   
 Connecting Transmission Owner shall make Reasonable Efforts to cooperate with   
 the Interconnection Customer in meeting requirements necessary for the   
 Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in   
 parallel with the New York State Transmission System or the Distribution System   
 without prior written authorization of the NYISO. The NYISO, in consultation   
 with the Connecting Transmission Owner, will provide such authorization once   
 the NYISO receives notification that the Interconnection Customer has complied   
 with all applicable parallel Operating Requirements. Such authorization shall not   
 be unreasonably withheld, conditioned, or delayed.

11

SERVICE AGREEMENT NO. 2777

2.3 Right of Access

2.3.1 Upon reasonable notice, the NYISO and/or Connecting Transmission Owner may   
 send a qualified person to the premises of the Interconnection Customer at or   
 immediately before the time the Small Generating Facility first produces energy   
 to inspect the interconnection, and observe the commissioning of the Small   
 Generating Facility (including any required testing), startup, and operation for a   
 period of up to three Business Days after initial start-up of the unit. In addition,   
 the Interconnection Customer shall notify the NYISO and Connecting   
 Transmission Owner at least five Business Days prior to conducting any on-site   
 verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and   
 upon reasonable notice, or at any time without notice in the event of an   
 emergency or hazardous condition, the NYISO and Connecting Transmission   
 Owner each shall have access to the Interconnection Customer’s premises for any   
 reasonable purpose in connection with the performance of the obligations   
 imposed on them by this Agreement or if necessary to meet their legal obligation   
 to provide service to their customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this   
 article.

12

SERVICE AGREEMENT NO. 2777

Article 3 Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

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

acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC.   
The NYISO and Connecting Transmission Owner shall promptly file, or cause to be filed, this   
Agreement with FERC upon execution, if required. If the Agreement is disputed and the   
Interconnection Customer requests that it be filed with FERC in an unexecuted form, the NYISO   
shall file, or cause to be filed, this Agreement and the NYISO shall identify the disputed   
language.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect   
for a period of twenty-five years from the Effective Date and shall be automatically renewed for   
each successive one-year period thereafter, unless terminated earlier in accordance with article

3.3 of this Agreement.

3.3 Termination

No termination 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 (if required), which notice has been accepted for filing by   
FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by

giving the NYISO and Connecting Transmission Owner 20 Business Days written

notice. The NYISO may terminate this Agreement after the Small Generating

Facility is Retired.

3.3.2 Any Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be

disconnected from the New York State Transmission System or the Distribution System, as applicable. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party’s Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve any Party of its liabilities and

obligations, owed or continuing at the time of the termination. The

Interconnection Customer shall pay all amounts in excess of any deposit or other   
security without interest within 30 calendar days after receipt of the invoice for   
such amounts. If the deposit or other security exceeds the invoice, the Connecting   
Transmission Owner shall refund such excess within 30 calendar days of the   
invoice without interest. If the Interconnection Customer disputes an amount to   
be paid the Interconnection Customer shall pay the disputed amount to the

13

SERVICE AGREEMENT NO. 2777

Connecting Transmission Owner or into an interest bearing escrow account,

pending resolution of the dispute in accordance with Article 10 of this Agreement. To the extent the dispute is resolved in the Interconnection Customer’s favor, that portion of the disputed amount will be returned to the Interconnection Customer with interest at rates applicable to refunds under the Commission’s regulations.   
To the extent the dispute is resolved in the Connecting Transmission Owner’s   
favor, that portion of any escrowed funds and interest will be released to the   
Connecting Transmission Owner.

3.3.5 The limitations of liability, indemnification and confidentiality provisions of this   
 Agreement shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

“Emergency Condition” shall mean a condition or situation: (1) that in the judgment of   
the Party making the claim is imminently likely to endanger life or property; or (2) that, in the   
case of the NYISO or Connecting Transmission Owner, is imminently likely (as determined in a   
non-discriminatory manner) to cause a material adverse effect on the security of, or damage to   
the New York State Transmission System or Distribution System, the Connecting Transmission   
Owner’s Interconnection Facilities or the electric systems of others to which the New York State   
Transmission System or Distribution System is directly connected; or (3) that, in the case of the   
Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner)   
to cause a material adverse effect on the security of, or damage to, the Small Generating Facility   
or the Interconnection Customer’s Interconnection Facilities. Under Emergency Conditions, the   
NYISO or Connecting Transmission Owner may immediately suspend interconnection service   
and temporarily disconnect the Small Generating Facility. The NYISO or Connecting

Transmission Owner shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection   
Customer’s operation of the Small Generating Facility. The Interconnection Customer shall notify the NYISO and Connecting Transmission Owner promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the New York State   
Transmission System or Distribution System or any Affected Systems. To the extent   
information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of each Party’s facilities and   
operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The NYISO or Connecting Transmission Owner may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small   
Generating Facility from the New York State Transmission System or Distribution System when necessary for routine maintenance, construction, and repairs on the New York State

14

SERVICE AGREEMENT NO. 2777

Transmission System or Distribution System. The NYISO or the Connecting Transmission

Owner shall provide the Interconnection Customer with five Business Days notice prior to such   
interruption. The NYISO and Connecting Transmission Owner shall use Reasonable Efforts to   
coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the NYISO or Connecting Transmission Owner may suspend interconnection service to the Interconnection Customer to effect immediate repairs on the New York State Transmission System or the Distribution System. The NYISO shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the NYISO shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The NYISO or Connecting Transmission Owner shall notify the Interconnection

Customer as soon as practicable if, based on Good Utility Practice, operation of the Small

Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the New York State Transmission System, the Distribution System or Affected Systems, or if disconnection is otherwise required under Applicable Reliability Standards or the ISO OATT. Supporting documentation used to reach the decision to disconnect shall be provided to the   
Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the NYISO or Connecting   
Transmission Owner may disconnect the Small Generating Facility. The NYISO or Connecting Transmission Owner shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the NYISO and

Connecting Transmission Owner before making any change to the Small Generating Facility that   
may have a material impact on the safety or reliability of the New York State Transmission   
System or the Distribution System. Such authorization shall not be unreasonably withheld.   
Modifications shall be done in accordance with Good Utility Practice. If the Interconnection   
Customer makes such modification without the prior written authorization of the NYISO and   
Connecting Transmission Owner, the Connecting Transmission Owner shall have the right to   
temporarily disconnect the Small Generating Facility. If disconnected, the Small Generating   
Facility will not be reconnected until the unauthorized modifications are authorized or removed.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility,

Interconnection Facilities, and the New York State Transmission System and Distribution

System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

15

SERVICE AGREEMENT NO. 2777

Article 4 Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection

Facilities itemized in Attachment 2 of this Agreement. The NYISO, in

consultation with the Connecting Transmission Owner, shall provide a best

estimate cost, including overheads, for the purchase and construction of its

Interconnection Facilities and provide a detailed itemization of such costs. Costs   
associated with Interconnection Facilities may be shared with other entities that   
may benefit from such facilities by agreement of the Interconnection Customer,   
such other entities, the NYISO, and the Connecting Transmission Owner.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable   
 expenses, including overheads, associated with (1) owning, operating,   
 maintaining, repairing, and replacing its own Interconnection Facilities, and

(2) operating, maintaining, repairing, and replacing the Connecting Transmission   
Owner’s Interconnection Facilities, as set forth in Attachment 2 to this   
Agreement.

4.2 Distribution Upgrades

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

the Distribution Upgrades described in Attachment 6 of this Agreement. If the Connecting

Transmission Owner and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades. The actual cost of the Distribution Upgrades, including   
overheads, shall be directly assigned to the Interconnection Customer. The Interconnection   
Customer shall be responsible for its share of all reasonable expenses, including overheads,   
associated with owning, operating, maintaining, repairing, and replacing the Distribution   
Upgrades, as set forth in Attachment 6 to this Agreement.

16

SERVICE AGREEMENT NO. 2777

Article 5 Cost Responsibility for System Upgrade Facilities and System Deliverability

Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires System Upgrade Facilities or System Deliverability Upgrades.

5.2 System Upgrades

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

System Upgrade Facilities and System Deliverability Upgrades described in Attachment 6 of this Agreement. To the extent that design work is necessary in addition to that already accomplished in the Class Year Interconnection Facilities Study for the Interconnection Customer, the   
Connecting Transmission Owner shall perform or cause to be performed such work. If all the   
Parties agree, the Interconnection Customer may construct System Upgrade Facilities and   
System Deliverability Upgrades.

5.2.1 As described in Section 32.3.5.3 of the SGIP in Attachment Z of the ISO OATT,   
 the responsibility of the Interconnection Customer for the cost of the System   
 Upgrade Facilities and System Deliverability Upgrades described in Attachment 6   
 of this Agreement shall be determined in accordance with Attachment S of the   
 ISO OATT, as required by Section 32.3.5.3.2 of Attachment Z. The   
 Interconnection Customer shall be responsible for all System Upgrade Facility   
 costs as required by Section 32.3.5.3.2 of Attachment Z or its share of any System   
 Upgrade Facilities and System Deliverability Upgrades costs resulting from the   
 final Attachment S process, as applicable, and Attachment 6 to this Agreement   
 shall be revised accordingly.

5.2.2 Pending the outcome of the Attachment S cost allocation process, if applicable,   
 the Interconnection Customer may elect to proceed with the interconnection of its   
 Small Generating Facility in accordance with Section 32.3.5.3 of the SGIP.

5.3 Special Provisions for Affected Systems

For the repayment of amounts advanced to the Affected System Operator for System Upgrade Facilities or System Deliverability Upgrades, the Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment, but only if responsibility for the cost of such System Upgrade Facilities is not to be allocated in accordance with Attachment S of the ISO OATT. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

17

SERVICE AGREEMENT NO. 2777

Article 6 Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Connecting Transmission Owner shall bill the Interconnection Customer for

the design, engineering, construction, and procurement costs of Interconnection

Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by those Parties. The Interconnection Customer shall pay all invoice amounts within 30 calendar days after receipt of the invoice.

6.1.2 Within three months of completing the construction and installation of the

Connecting Transmission Owner’s Interconnection Facilities and/or Upgrades   
described in the Attachments to this Agreement, the Connecting Transmission   
Owner shall provide the Interconnection Customer with a final accounting report   
of any difference between (1) the Interconnection Customer’s cost responsibility   
for the actual cost of such facilities or Upgrades, and (2) the Interconnection   
Customer’s previous aggregate payments to the Connecting Transmission Owner   
for such facilities or Upgrades. If the Interconnection Customer’s cost   
responsibility exceeds its previous aggregate payments, the Connecting   
Transmission Owner shall invoice the Interconnection Customer for the amount   
due and the Interconnection Customer shall make payment to the Connecting   
Transmission Owner within 30 calendar days. If the Interconnection Customer’s   
previous aggregate payments exceed its cost responsibility under this Agreement,   
the Connecting Transmission Owner shall refund to the Interconnection Customer   
an amount equal to the difference within 30 calendar days of the final accounting   
report.

6.1.3 If the Interconnection Customer disputes an amount to be paid, the

Interconnection Customer shall pay the disputed amount to the Connecting

Transmission Owner or into an interest bearing escrow account, pending

resolution of the dispute in accordance with Article 10 of this Agreement. To the extent the dispute is resolved in the Interconnection Customer’s favor, that portion of the disputed amount will be credited or returned to the Interconnection   
Customer with interest at rates applicable to refunds under the Commission’s   
regulations. To the extent the dispute is resolved in the Connecting Transmission Owner’s favor, that portion of any escrowed funds and interest will be released to the Connecting Transmission Owner.

6.2 Milestones

Subject to the provisions of the SGIP, the Parties shall agree on milestones for which

each Party is responsible and list them in Attachment 4 of this Agreement. A Party’s obligations   
under this provision may be extended by agreement. If a Party anticipates that it will be unable   
to meet a milestone for any reason other than a Force Majeure event, it shall immediately notify   
the other Parties of the reason(s) for not meeting the milestone and: (1) propose the earliest   
reasonable alternate date by which it can attain this and future milestones, and (2) requesting   
appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone

18

SERVICE AGREEMENT NO. 2777

shall not unreasonably withhold agreement to such an amendment unless: (1) it will suffer

significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in   
meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement,

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

Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the

Connecting Transmission Owner, at the Interconnection Customer’s option, a guarantee, a surety   
bond, letter of credit or other form of security that is reasonably acceptable to the Connecting   
Transmission Owner and is consistent with the Uniform Commercial Code of the jurisdiction   
where the Point of Interconnection is located. Such security for payment shall be in an amount   
sufficient to cover the costs for constructing, designing, procuring, and installing the applicable   
portion of the Connecting Transmission Owner’s Interconnection Facilities and Upgrades and   
shall be reduced on a dollar-for-dollar basis for payments made to the Connecting Transmission   
Owner under this Agreement during its term. The Connecting Transmission Owner may draw   
on any such security to the extent that the Interconnection Customer fails to make any payments   
due under this Agreement. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness

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

6.3.2 The letter of credit or surety bond must be issued by a financial institution or   
 insurer reasonably acceptable to the Connecting Transmission Owner and must   
 specify a reasonable expiration date.

6.3.3 Notwithstanding the above, Security posted for System Upgrade Facilities for a   
 Small Generating Facility required to enter the Class Year process, or cash or   
 Security provided for System Deliverability Upgrades, shall meet the   
 requirements for Security contained in Attachment S to the ISO OATT.

19

SERVICE AGREEMENT NO. 2777

Article 7 Assignment, Liability, Indemnity, Force Majeure, Consequential Damages,

and Default

7.1 Assignment

This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. This Agreement may be assigned by any Party upon 15 Business Days prior written notice and opportunity to object by the other Parties; provided that:

7.1.1 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 that the Interconnection Customer promptly   
 notifies the NYISO and the Connecting Transmission Owner of any such   
 assignment. 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 of all of its assets, including the Interconnection Facilities it   
 owns, so long as the assignee in such a transaction directly assumes all rights,   
 duties and obligation arising under this Agreement.

7.1.2 The Interconnection Customer shall have the right to assign this Agreement,

without the consent of the NYISO or Connecting Transmission Owner, for

collateral security purposes to aid in providing financing for the Small Generating   
Facility.

7.1.3 Any attempted assignment that violates this article is void and ineffective.

Assignment shall not relieve a Party of its obligations, nor shall a Party’s

obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party’s liability to the other Parties for any loss, cost, claim, injury, liability, or

expense, including reasonable attorney’s fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall any Party be liable to the other Parties for any indirect, special, consequential, or punitive damages.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a

result of carrying out the provisions of this Agreement. Liability under this

provision is exempt from the general limitations on liability found in article 7.2.

20

SERVICE AGREEMENT NO. 2777

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

hold harmless 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 (any and all of these a “Loss”), arising out of or   
resulting from: (i) the Indemnified Party’s performance 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 by the Indemnified Party, or (ii) the   
violation by the Indemnifying Party of any Environmental Law or the release by   
the Indemnifying Party of a Hazardous Substance.

7.3.3 If a Party is entitled to indemnification under this article as a result of a claim by a

third party, and the Indemnifying Party fails, after notice and reasonable

opportunity to proceed under this article, 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.

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

Party harmless under this article, 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.

7.3.5 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 this article 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.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, no Party shall 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 another agreement will not be considered to be special, indirect, incidental,   
or consequential damages hereunder.

21

SERVICE AGREEMENT NO. 2777

7.5 Force Majeure

7.5.1 As used in this article, a “Force Majeure Event” 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 an act of negligence or intentional wrongdoing.” For the   
purposes of this article, this definition of Force Majeure shall supersede the   
definitions of Force Majeure set out in Section 32.10.1 of the ISO OATT.

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under

this Agreement, the Party affected by the Force Majeure Event (“Affected Party”)   
shall promptly notify the other Parties, either in writing or via the telephone, of   
the existence of the Force Majeure Event. The notification must specify in   
reasonable detail the circumstances of the Force Majeure Event, its expected   
duration, and the steps that the Affected Party is taking to mitigate the effects of   
the event on its performance. The Affected Party shall keep the other Parties   
informed on a continuing basis of developments relating to the Force Majeure   
Event until the event ends. The Affected Party will be entitled to suspend or   
modify its performance of obligations under this Agreement (other than the   
obligation to make payments) only to the extent that the effect of the Force   
Majeure Event cannot be mitigated by the use of Reasonable Efforts. The   
Affected Party will use Reasonable Efforts to resume its performance as soon as   
possible.

7.6 Breach and Default

7.6.1 No Breach of this Agreement shall exist where such failure to discharge an

obligation (other than the payment of money) is the result of a Force Majeure

Event or the result of an act or omission of the other Parties. Upon a Breach, the   
non-breaching Party shall give written notice of such Breach to the Breaching   
Party. Except as provided in article 7.6.2, the Breaching Party shall have 60   
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 60 calendar days,   
the Breaching Party shall commence such cure within 20 calendar days after   
notice and continuously and diligently complete such cure within six months from   
receipt of the Breach notice; and, if cured within such time, the Breach specified   
in such notice shall cease to exist.

7.6.2 If a Breach is not cured as provided in this article, or if a Breach is not capable of   
 being cured within the period provided for herein, a Default shall exist and the   
 non-defaulting Parties acting together shall thereafter have the right to terminate   
 this Agreement, in accordance with article 3.3 hereof, by written notice to the   
 defaulting Party 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

22

SERVICE AGREEMENT NO. 2777

damages and remedies to which they are entitled at law or in equity. The   
provisions of this article shall survive termination of this Agreement.

7.6.3 In cases where the Interconnection Customer has elected to proceed under

Section 32.3.5.3 of the SGIP, if the Interconnection Request is withdrawn or

deemed withdrawn pursuant to the SGIP during the term of this Agreement, this Agreement shall terminate.

23

SERVICE AGREEMENT NO. 2777

Article 8 Insurance

8.1 The Interconnection Customer shall, at its own expense, maintain in force general

liability insurance without any exclusion for liabilities related to the interconnection

undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient   
to insure against all reasonably foreseeable direct liabilities given the size and nature of   
the generating equipment being interconnected, the interconnection itself, and the   
characteristics of the system to which the interconnection is made. Such insurance   
coverage is specified in Attachment 7 to this Agreement. The Interconnection Customer   
shall obtain additional insurance only if necessary as a function of owning and operating   
a generating facility. Such insurance shall be obtained from an insurance provider   
authorized to do business in New York State where the interconnection is located.   
Certification that such insurance is in effect shall be provided upon request of the   
Connecting Transmission Owner, except that the Interconnection Customer shall show   
proof of insurance to the Connecting Transmission Owner no later than ten Business   
Days prior to the anticipated commercial operation date. An Interconnection Customer   
of sufficient creditworthiness may propose to self-insure for such liabilities, and such a   
proposal shall not be unreasonably rejected.

8.2 The NYISO and Connecting Transmission Owner agree to maintain general liability

insurance or self-insurance consistent with the existing commercial practice. Such

insurance or self-insurance shall not exclude the liabilities undertaken pursuant to this Agreement.

8.3 The Parties further agree to notify one another whenever an accident or incident occurs

resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

24

SERVICE AGREEMENT NO. 2777

Article 9 Confidentiality

9.1 Confidential Information shall mean any confidential and/or proprietary information

provided by one Party to the other Party that is clearly marked or otherwise designated   
“Confidential.” For purposes of this Agreement all design, operating specifications, and   
metering data provided by the Interconnection Customer shall be deemed Confidential   
Information regardless of whether it is clearly marked or otherwise designated as such.   
Confidential Information shall include, without limitation, information designated as   
such by the NYISO Code of Conduct contained in Attachment F to the ISO OATT.

9.2 Confidential Information does not include information previously in the public domain,

required to be publicly submitted or divulged by Governmental Authorities (after notice   
to the other Party and after exhausting any opportunity to oppose such publication or   
release), or necessary to be divulged in an action to enforce this Agreement. Each Party   
receiving Confidential Information shall hold such information in confidence and shall   
not disclose it to any third party nor to the public without the prior written authorization   
from the Party providing that information, except to fulfill obligations under this

Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential

Information obtained from the other Parties as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its

rights under this provision to prevent the release of Confidential Information

without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR §

lb.20, if FERC, 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, the Party shall provide the requested   
information to FERC, within the time provided for in the request for information.   
In providing the information to FERC, the Party may, consistent with 18 CFR §   
388.112, request that the information be treated as confidential and non-public by   
FERC and that the information be withheld from public disclosure. Each Party is   
prohibited from notifying the other Parties to this Agreement prior to the release   
of the Confidential Information to FERC. The Party shall notify the other Parties   
to this Agreement when it is notified by FERC that a request to release   
Confidential Information has been received by FERC, at which time either of the   
Parties may respond before such information would be made public, pursuant to

18 CFR § 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.

9.4 Consistent with the provisions of this article 9, the Parties to this Agreement will

cooperate in good faith to provide each other, Affected Systems, Affected System

25

SERVICE AGREEMENT NO. 2777

Operators, and state and federal regulators the information necessary to carry out the terms of the SGIP and this Agreement.

26

SERVICE AGREEMENT NO. 2777

Article 10 Disputes

10.1 The NYISO, Connecting Transmission Owner and Interconnection Customer agree to

attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, the Parties will first attempt to promptly resolve it on an

informal basis. The NYISO will be available to the Interconnection Customer and

Connecting Transmission Owner to help resolve any dispute that arises with respect to

performance under this Agreement. If the Parties cannot promptly resolve the dispute on an informal basis, then any Party shall provide the other Parties with a written Notice of Dispute. Such notice shall describe in detail the nature of the dispute.

10.3 If the dispute has not been resolved within two Business Days after receipt of the notice,

any Party may contact FERC’s Dispute Resolution Service (“DRS”) for assistance in resolving the dispute.

10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an

appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral

evaluation, or technical expert) to assist the Parties in resolving their dispute. The result of this dispute resolution process will be binding only if the Parties agree in advance. DRS can be reached at 1-877-337-2237 or via the internet at

[http://www.ferc.gov/legal/adr.asp.](http://www.ferc.gov/legal/adr.asp./)

10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for

one-third of any costs paid to neutral third-parties.

10.6 If any Party elects to seek assistance from the DRS, or if the attempted dispute resolution

fails, then any Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

27

SERVICE AGREEMENT NO. 2777

Article 11 Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC

policy and Internal Revenue Service requirements.

11.2 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.

11.3 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.

11.4 Any payments due to the Connecting Transmission Owner under this Agreement shall be

adjusted to include any tax liability incurred by the Connecting Transmission Owner with respect to the interconnection request which is the subject of this Agreement. Such   
adjustments shall be made in accordance with the provisions of Article 5.17 of the LGIA in Attachment X of the ISO OATT. Except where otherwise noted, all costs, deposits, financial obligations and the like specified in this Agreement shall be assumed not to   
reflect the impact of applicable taxes.

28

SERVICE AGREEMENT NO. 2777

Article 12 Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement 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. This Agreement is subject to all Applicable Laws and Regulations. Each Party   
expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by the Parties, or under article 12.12 of this Agreement.

12.3 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 where permitted, their assigns. Notwithstanding the foregoing, any   
subcontractor of the Connecting Transmission Owner or NYISO assisting either of those Parties with the Interconnection Request covered by this Agreement shall be entitled to the benefits of indemnification provided for under Article 7.3 of this Agreement and the limitation of liability   
provided for in Article 7.2 of this Agreement.

12.4 Waiver

12.4.1 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.

12.4.2 Any waiver at any time by a 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 Interconnection   
 Customer shall not constitute a waiver of the Interconnection Customer’s legal   
 rights to obtain an interconnection from the NYISO. Any waiver of this   
 Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, 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, any Party’s compliance with its obligations under this Agreement.

29

SERVICE AGREEMENT NO. 2777

12.6 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.

12.7 No Partnership

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

venture, agency relationship, or partnership between 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, another Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other   
Governmental Authority, (1) such portion or provision shall be deemed separate and   
independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the   
benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects the NYISO, the Connecting Transmission Owner, Market Participants, and Interconnection   
Customers interconnected to electric systems 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 are expected to meet basic standards for system infrastructure and operational security, including physical,   
operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Parties, 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 Small Generating Facility or the Interconnection Facilities, each of which   
may reasonably be expected to affect the other Parties. The notifying Party shall: (1) provide the   
notice as soon as practicable, provided such Party makes a good faith effort to provide the notice   
no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly

furnish to the other Parties copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

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,

30

SERVICE AGREEMENT NO. 2777

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.

12.11.1 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 to the extent provided for in   
Articles 7.2 and 7.3 above for the acts or omissions of any subcontractor   
the hiring Party hires as if no subcontract had been made; provided,   
however, that in no event shall the NYISO or Connecting Transmission   
Owner be liable for the actions or inactions of the Interconnection   
Customer or its subcontractors with respect to obligations of the   
Interconnection Customer under 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.

12.11.2 The obligations under this article will not be limited in any way by any

limitation of subcontractor’s insurance.

12.12 Reservation of Rights

Nothing in this Agreement shall alter the right of the NYISO or Connecting Transmission   
Owner 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 which rights are expressly reserved herein, and the existing rights of the   
Interconnection Customer to make a unilateral filing with FERC to modify this Agreement under   
any applicable provision of the Federal Power Act and FERC’s rules and regulations are also   
expressly reserved herein; 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, except to the extent that the Parties otherwise agree as provided herein.

31

SERVICE AGREEMENT NO. 2777

Article 13 Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

SunEast Flat Hill Solar LLC c/o Cordelio Power

Attention: Legal

Address: 7000-100 King Street West

City: Toronto State: ON Zip: M5X 1A9

Phone: (604)418-2040

Email: legal@cordeliopower.com

If to the Connecting Transmission Owner:

Niagara Mohawk Power Corporation d/b/a National Grid Attention: Kevin Reardon - Commercial Services   
Address: 170 Data Drive

City: Waltham State: MA Zip: 02541

Phone: (781) 906-3988

If to the NYISO:

Before Commercial Operation of the Small Generating Facility

New York Independent System Operator, Inc.

Attention: Vice President, System and Resource Planning Address: 10 Krey Boulevard

City: Rensselaer State: NY Zip: 12144

Phone: (518) 356-6000

After Commercial Operation:

New York Independent System Operator, Inc. Attention: Vice President, Operations   
Address: 10 Krey Boulevard

City: Rensselaer State: NY Zip: 12144

Phone: (518) 356-6000

32

SERVICE AGREEMENT NO. 2777

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below: Interconnection Customer:

SunEast Flat Hill Solar LLC c/o Cordelio Power

Attention: Accounts Payable

Address: 7000-100 King Street West

City: Toronto State: ON Zip: MeX 1A9

Phone: (647) 352-9533

Email: AP@cordeliopower.com

With a copy to:

SunEast Flat Hill Solar LLC   
Attention: David A. Ross

Address: 34 W. Miner Street City: West Chester State: PA Zip: 19382 Phone: (610) 742-5144

Email: dave.ross@suneastpower.com

Connecting Transmission Owner:

Niagara Mohawk Power Corporation d/b/a National Grid Attention: Kevin Reardon - Commercial Services   
Address: 170 Data Drive

City: Waltham State: MA Zip: 02541

Phone: (781) 906-3988

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

SunEast Flat Hill Solar LLC c/o Cordelio Power

Attention: Clayton W. Robinson

Address: 7000-100 King Street West

City: Toronto State: ON Zip: MeX 1A95

Phone : (347) 739-3422

E-mail : crobinson@cordeliopower.com

33

SERVICE AGREEMENT NO. 2777   
 With a copy to:

SunEast Flat Hill Solar LLC   
Attention: David A. Ross

Address: 34 W. Miner Street City: West Chester State: PA Zip: 19382 Phone: (610) 742-5144

Email: dave.ross@suneastpower.com

If to the Connecting Transmission Owner:

Niagara Mohawk Power Corporation d/b/a National Grid Attention: Kevin Reardon - Commercial Services

Address: 170 Data Drive

City: Waltham State: MA Zip: 02541

Phone: (781) 906-3988

E-mail: Kevin.Reardon@nationalgrid.com

If to the NYISO:

New York Independent System Operator, Inc. Attention: Vice President, Operations   
Address: 10 Krey Boulevard

City: Rensselaer State: NY Zip: 12144

Phone: (518) 356-6000

E-mail: interconnectionsupport@nyiso.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications   
which may be necessary or convenient for the administration of this Agreement. This person   
will also serve as the point of contact with respect to operations and maintenance of the Party’s   
facilities.

Interconnection Customer’s Operating Representative:

SunEast Flat Hill Solar LLC

c/o Cordelio Power

Attention: Clayton W. Robinson

Address: 7000-100 King Street West

City: Toronto State: ON Zip: M5X 1A9

Phone: (347) 739-3422

E-mail: crobinson@cordeliopower.com

With a copy to:

SunEast Flat Hill Solar LLC   
Attention: David A. Ross

34

SERVICE AGREEMENT NO. 2777

Address: 34 W. Miner Street City: West Chester State: PA Zip: 19382 Phone: (610) 742-5144

Email: dave.ross@suneastpower.com

Connecting Transmission Owner’s Operating Representative:

Niagara Mohawk Power Corporation d/b/a National Grid Attention: Kevin Reardon - Commercial Services

Address: 170 Data Drive

City: Waltham State: MA Zip: 02541

Phone: (781) 906-3988

E-mail: Kevin.Reardon@nationalgrid.com

NYISO’s Operating Representative:

New York Independent System Operator, Inc. Attention: Vice President, Operations   
Address: 10 Krey Boulevard

City: Rensselaer State: NY Zip: 12144

Phone: (518) 356-6000

E-mail: interconnectionsupport@nyiso.com

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

35

SERVICE AGREEMENT NO. 2777

Article 14 Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the New York Independent System Operator, Inc.   
By:

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For Niagara Mohawk Power Corporation d/b/a National Grid   
By:

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
For SunEast Flat Hill Solar LLC   
By:

Name: Paul Rapp \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: Chief Operating Officer\_\_\_\_\_\_\_   
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

36

SERVICE AGREEMENT NO. 2777

Attachment 1

Glossary of Terms

Affected System - 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 - Affected System Operator shall mean the operator of any Affected   
System.

Affected Transmission Owner -The New York public utility or authority (or its designated

agent) other than the Connecting Transmission Owner that: (i) owns facilities used for the

transmission of Energy in interstate commerce and provides Transmission Service under the

Tariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Deliverability Upgrades or System Upgrade Facilities are installed pursuant to Attachment Z and Attachment S to the ISO OATT.

Applicable Laws and Regulations - 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 Standards - The criteria, requirements and guidelines of the North

American Electric Reliability Council, the Northeast Power Coordinating Council, the New York   
State Reliability Council and related and successor organizations, or the Transmission District to   
which the Interconnection Customer’s Small Generating Facility is directly interconnected, as   
those criteria, 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 of or validity of   
any criterion, requirement or guideline as applied to it in the context of Attachment Z to the ISO   
OATT and this Agreement. For the purposes of this Agreement, this definition of Applicable

Reliability Standards shall supersede the definition of Applicable Reliability Standards set out in Attachment X to the ISO OATT.

Base Case - The base case power flow, short circuit, and stability data bases used for the   
Interconnection Studies by NYISO, Connecting Transmission Owner or Interconnection   
Customer; described in Section 32.2.3 of the Large Facility Interconnection Procedures.

Breach - The failure of a Party to perform or observe any material term or condition of this Agreement.

Business Day - Monday through Friday, excluding federal holidays.

Capacity Resource Interconnection Service -The service provided by NYISO to

Interconnection Customers that satisfy the NYISO Deliverability Interconnection Standard or   
that are otherwise eligible to receive CRIS in accordance with Attachment S to the ISO OATT;

1-1

SERVICE AGREEMENT NO. 2777

such service being one of the eligibility requirements for participation as a NYISO Installed Capacity Supplier.

Commercial Operation shall mean the status of the Small Generating Facility that has

commenced generating electricity for sale, excluding electricity generated during Trial

Operation, notice of which must be provided to the NYISO in the form of Attachment 9 to this Agreement.

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, notice of which must be provided to the NYISO in the form of Attachment 9 to this Agreement.

Connecting Transmission Owner - 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 Small Generator Interconnection   
Agreement.

Default - The failure of a Party in Breach of this Agreement to cure such Breach under the Small Generator Interconnection Agreement.

Distribution System - The Transmission Owner’s facilities and equipment used to distribute   
electricity that are subject to FERC jurisdiction, and are subject to the NYISO’s Large Facility Interconnection Procedures in Attachment X to the ISO OATT or Small Generator   
Interconnection Procedures in Attachment Z to the ISO OATT under FERC Order Nos. 2003   
and/or 2006. For the purpose of this Agreement, the term Distribution System shall not include LIPA’s distribution facilities.

Distribution Upgrades - The additions, modifications, and upgrades to the Connecting

Transmission Owner’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer’s wholesale sale of electricity in interstate commerce.   
Distribution Upgrades do not include Interconnection Facilities or System Upgrade Facilities or System Deliverability Upgrades.

Energy Resource Interconnection Service - The service provided by NYISO to interconnect   
the Interconnection Customer’s Small Generating Facility to the New York State Transmission   
System or 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 Small Generating Facility, pursuant to the terms of the ISO OATT.

Force Majeure - 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   
an act of negligence or intentional wrongdoing. For the purposes of this Agreement, this

1-2

SERVICE AGREEMENT NO. 2777

definition of Force Majeure shall supersede the definitions of Force Majeure set out in Section

32.2.11 of the NYISO Open Access Transmission Tariff.

Good Utility Practice - 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 be acceptable practices, methods, or acts generally accepted   
in the region.

Governmental Authority - 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 the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, NYISO, Affected   
Transmission Owner, Connecting Transmission Owner or any Affiliate thereof.

Initial Synchronization Date shall mean the date upon which the Small Generating Facility is initially synchronized and upon which Trial Operation begins, notice of which must be provided to the NYISO in the form of Attachment 9.

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 Interconnection Facilities to obtain back feed power.

Interconnection Customer - Any entity, including the Transmission Owner or any of the

affiliates or subsidiaries, that proposes to interconnect its Small Generating Facility with the New York State Transmission System or the Distribution System.

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

Interconnection Request - The Interconnection Customer’s request, in accordance with the

Tariff, to interconnect a new Small Generating Facility, or to materially increase the capacity of,   
or make a material modification to the operating characteristics of, an existing Small Generating   
Facility that is interconnected with the New York State Transmission System or the Distribution   
System. For the purposes of this Agreement, this definition of Interconnection Request shall   
supersede the definition of Interconnection Request set out in Attachment X to the ISO OATT.

1-3

SERVICE AGREEMENT NO. 2777

Interconnection Study - Any study required to be performed under Sections 32.2 or 32.3 of the   
SGIP.

Material Modification - A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

New York State Transmission System - 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.

NYISO Deliverability Interconnection Standard - The standard that must be met, unless

otherwise provided for by Attachment S to the ISO OATT, by (i) any generation facility larger   
than 2MW in order for that facility to obtain CRIS; (ii) any Class Year Transmission Project   
proposing to interconnect to the New York State Transmission System and receive Unforced   
Capacity Delivery Rights; (iii) any entity requesting External CRIS Rights, and (iv) any entity   
requesting a CRIS transfer pursuant to Section 25.9.5 of Attachment S to the ISO OATT. To   
meet the NYISO Deliverability Interconnection Standard, the Interconnection Customer must, in   
accordance with the rules in Attachment S to the ISO OATT, fund or commit to fund any System   
Deliverability Upgrades identified for its project in the Class Year Deliverability Study.

NYISO Minimum Interconnection Standard - The reliability standard that must be met by   
any generation facility or Class Year Transmission Project that is subject to NYISO’s Large   
Facility Interconnection Procedures in Attachment X to the ISO OATT or the NYISO’s Small   
Generator Interconnection Procedures in this Attachment Z, that is proposing to connect to the   
New York State Transmission System or Distribution System, to obtain ERIS. The Minimum   
Interconnection Standard is designed to ensure reliable access by the proposed project to the   
New York State Transmission System or to the Distribution System. The Minimum

Interconnection Standard does not impose any deliverability test or deliverability requirement on the proposed interconnection.

Operating Requirements - Any operating and technical requirements that may be applicable   
due to Regional Transmission Organization, Independent System Operator, control area, or the   
Connecting Transmission Owner’s requirements, including those set forth in the Small Generator   
Interconnection Agreement. Operating Requirements shall include Applicable Reliability   
Standards.

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

Point of Interconnection - The point where the Interconnection Facilities connect with the New York State Transmission System or the Distribution System.

Reasonable Efforts - 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.

1-4

SERVICE AGREEMENT NO. 2777

Small Generating Facility - The Interconnection Customer’s facility, no larger than 20 MW for   
the production and/or storage for later injection of electricity identified in the Interconnection   
Request if proposing to interconnect to the New York State Transmission System or Distribution   
System, but shall not include (i) facilities proposing to simply receive power from the New York   
State Transmission System or the Distribution System; (ii) facilities proposing to interconnect to the   
New York State Transmission System or the Distribution System made solely for the purpose of   
generation with no wholesale sale for resale nor to net metering; (iii) facilities proposing to the New   
York State Transmission System or the Distribution System made solely for the purpose of net   
metering; (iv) facilities proposing to interconnect to LIPA’s distribution facilities; and (v) the   
Interconnection Customer’s Interconnection Facilities. A facility will be treated as a single Small   
Generating Facility if all units within the facility are behind a single facility meter, even if such units   
are different technology types.

System Deliverability Upgrades - 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 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 Deliverability Interconnection Standard for   
Capacity Resource Interconnection Service.

System Upgrade Facilities - 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 modification 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 - The NYISO’s Open Access Transmission Tariff, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

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

Upgrades - The required additions and modifications to the Connecting Transmission Owner’s portion of the New York State Transmission System or the Distribution System at or beyond the Point of Interconnection. Upgrades may be System Upgrade Facilities or System Deliverability Upgrades Distribution Upgrades. Upgrades do not include Interconnection Facilities.

1-5

SERVICE AGREEMENT NO. 2777

Attachment 2

Detailed Scope of Work, Including Description and Costs of the Small Generating Facility,   
 Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and

metering equipment shall be itemized and identified as being owned by the Interconnection

Customer, or the Connecting Transmission Owner. The NYISO, in consultation with the

Connecting Transmission Owner, will provide a best estimate itemized cost, including

overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection   
Facilities and metering equipment.

A. PROJECT DESCRIPTION

The Interconnection Customer is constructing a 20 MW solar generating facility (the

“Small Generating Facility”) in the town of Manheim, New York. The Small Generating

Facility will consist of five (5) TMEIC 4.2 MVA solar inverters and one (1) TMEIC 3.36 MVA inverter. Five of the six inverters will be coupled with a 630 V/34.5 kV 4.2 MVA step-up   
transformer, and the sixth inverter will be coupled with a 630 V/34.5 kV 3.36 MVA step-up transformer. The output of the six step-up transformers will be aggregated into a medium   
voltage collection circuit (“Collection Feeder Line”). The home run of the feeder will tie to the Interconnection Customer’s collector substation (“Flat Hill Solar Collector Substation”) where it will be stepped up to 46 kV via a 15/20/25 MVA 34.5/46 kV transformer.

The Point of Interconnection (“POI”) for the Small Generating Facility is located on

Connecting Transmission Owner’s 46 kV Inghams-Valley Line 27 between existing structures

318 and 319. The POI will be approximately 2.07 miles from Connecting Transmission Owner’s   
Inghams Substation and approximately 11.7 miles from Connecting Transmission Owner’s   
Valley Substation. The interconnection to the New York State Transmission System will be via   
a tap.

The Point of Change of Ownership (“PCO”) shall be at the line side connection of the   
Interconnection Customer’s disconnect switch located on the Interconnection Customer’s   
termination structure inside the Flat Hill Solar Collector Substation. The Connecting   
Transmission Owner shall own the insulators, whips, and hardware connections to the   
Interconnection Customer’s disconnect switch. The POI and PCO are detailed in Figure 1 in   
Attachment 3.

B. INTERCONNECTION CUSTOMER’S INTERCONNECTION FACILITIES

The Interconnection Customer’s Interconnection Facilities (“ICIF”) include all of the facilities between the Interconnection Customer’s side of the PCO and the Small Generating Facility, except the Connecting Transmission Owner-owned revenue metering and remote terminal unit (“RTU”) described in Section C below. The ICIF will be located on property owned or leased by the Interconnection Customer. As depicted on the one-line diagram in Attachment 3, the ICIF consist of the following:

2-1

SERVICE AGREEMENT NO. 2777

1. Flat Hill Solar Collector Substation

The Flat Hill Solar Collector Substation will be located approximately 100 feet southeast of Line 27, and will consist of the following major equipment:

• one (1) three phase, two winding, 46/34.5 kV delta-grounded wye, step-up transformer   
 rated 15/20/25 MVA (ONAN/ONAF/ONAF), with impedance of 9%;

• six (6) 39 kV maximum continuous operating voltage (“MCOV”) station class surge   
 arresters;

• one (1) 46 kV, 1200 A, 250 kV basic insulation level (“BIL”) group operated air break   
 switch;

• one (1) 46 kV, 1200 A, 250 kV BIL, 40 kAIC sulfur hexafluoride (“SF-6”) circuit   
 breaker;

• two (2) 46 kV voltage transformers 400:1:1;

• six (6) 24.4 kV MCOV station class surge arresters;

• one (1) 38 kV, 1200 A, 200 kV BIL, 25 kAIC vacuum circuit breaker;

• one (1) 34.5 kV, 1200 A group operated disconnect switch;

• three (3) 38 kV, 1200 A hook stick operated disconnect switches;

• three (3) 19.9 kV voltage transformers 300:1; and

• one (1) 50 kVA 19.9 kV - 120/240 V station service transformer.

2. System Protection

a) Line 27

Direct transfer trip (“DTT”) will be used between the Flat Hill Solar Collector Substation and the line terminals at Connecting Transmission Owner’s Inghams and Valley Substations to ensure removal of the generation. This will require the installation of two (2) RFL GARDPro tele-protection sets at the Flat Hill Solar Collector Substation. The Connecting Transmission   
Owner will provide details on the GARDPro model number with the Connecting Transmission Owner’s logic during detailed design.

The Interconnection Customer is to provide redundant 46 kV line protection to remove the generation for line faults. Two sets of multi-ratio current transformers (“CTs”) shall be provided for these schemes.

b) Transformer

The 46/34.5 kV transformer shall be protected by two independent protection systems; one must be a transformer differential. If overcurrent protection is used for the other system, then both phase and ground time and instantaneous protection shall be provided. Each of the two schemes must operate separate lockout relays to trip and block the necessary breakers.

c) Breaker

2-2

SERVICE AGREEMENT NO. 2777

Breaker failure protection shall be provided for the 46 kV breaker. This protection must trip the Interconnection Customer’s 46 kV breaker and send DTT to Connecting Transmission Owner’s Inghams and Valley Substations. For loss of SF-6, the breaker must trip and block close. (Note: When the Small Generating Facility’s interrupter fails to interrupt for internal station faults and loss of SF-6 condition, the Interconnection Customer is not to rely on the   
Connecting Transmission Owner’s 46 kV system for remote backup.)

DTT receive from the Inghams and Valley Substations will be required to trip the

Interconnection Customer’s 46 kV circuit breaker for a line relay operation or breaker failure at the Inghams and Valley Substations. The Interconnection Customer shall provide on/off   
switches for the DTT schemes.

3. Telecommunications Circuit

The Interconnection Customer will be responsible for bringing a new fiber facility from   
the local carrier into the Flat Hill Solar Collector Substation. The Interconnection Customer   
shall:

• install a dedicated 4’x8’x3/4” fire retardant backboard for cable termination and local   
 carrier equipment installation;

• construct two (2) 4” Schedule 80 conduits from the meet point outside the Flat Hill Solar   
 Collector Substation into the control house (if required by the local carrier) for telecom   
 cable placement; and

• provide a dedicated DC power rack, which will contain a DC/DC converter system to   
 convert 125 VDC station battery to -48 VDC. The rack will also contain a 125 VDC to   
 120 VAC inverter. DC Power rack output will support the telco fiber multiplex   
 equipment.

The Interconnection Customer is responsible for ordering the fiber facility required at the Flat Hill Solar Collector Substation and ordering one (1) Verizon multiprotocol label switching (“MPLS”) T1/128K circuit or 10Mb/s ethernet for supervisory control and data acquisition   
(“SCADA”)/RTU. Once the fiber facility has been installed at the Flat Hill Solar Collector   
Substation and the Interconnection Customer has completed all make ready work in accordance with the Project Specific Specifications (as defined below), the Connecting Transmission Owner will order the point-to-point tele-protection circuits between the Flat Hill Solar Collector   
Substation and the remote Inghams and Valley Substations.

(Note: Verizon may retire T1 services in the future. If T1 circuits are not available at the time of project implementation, alternative technologies will be required which could change the overall cost of the telecom solution.)

To the extent the Small Generating Facility’s feeder lines, communication circuits, access   
roads, and/or driveways cross Connecting Transmission Owner-owned transmission or   
distribution circuits, such crossings must be reviewed by the Connecting Transmission Owner in   
accordance with the Land Use Application and Requirements included in Appendix F to the   
Facilities Study for the Small Generating Facility. Per the Project Specific Specifications (as

2-3

SERVICE AGREEMENT NO. 2777

defined below), feeder line crossings shall be underground so as to maintain the reliability of service provided by the Connecting Transmission Owner to other customers via the impacted transmission and distribution facilities.

C. CONNECTING TRANSMISSION OWNER’S INTERCONNECTION

FACILITIES

As depicted on the one-line diagram in Attachment 3, the Connecting Transmission

Owner’s Interconnection Facilities (“CTOIF”) consist of the following constructed or installed between the POI and PCO, as well as the revenue metering and RTU located at the Flat Hill Solar Collector Substation.

1. Revenue Metering

The Connecting Transmission Owner owned revenue metering shall be located at the Flat   
Hill Solar Collector Substation on the generator side of the 46 kV breaker and shall consist of:

• two (2) CTs and two potential transformers (“PTs”) for one revenue metering point   
 (manufacturer and model shall be GE Grid Solutions JKW-250, GE Grid Solutions   
 JVT-250 SUPERBUTE or other Connecting Transmission Owner specified   
 equivalent);

• one (1) revenue meter; and

• one (1) meter socket.

The ratios of the CTs and PTs will be provided upon review of the Interconnection

Customer’s design documents according to Connecting Transmission Owner’s Electric System Bulletin (“ESB”) 752.

(Note: The Connecting Transmission Owner’s revenue metering CTs and PTs cannot be used to feed the Interconnection Customer’s check meter.)

The metering of any redundant or standby station service provisions at the Flat Hill Solar Collector Substation shall be added in accordance with the Connecting Transmission Owner’s retail tariff, PSC No. 220 and the Connecting Transmission Owner’s ESB 750.

2. EMS-RTU

The Connecting Transmission Owner will procure and provide the RTU to the

Interconnection Customer for installation on the Interconnection Customer provided mounting panel in the control house. The RTU cabinet is typically 42" H x 30" W x 12" D, and shall be wall-mounted with the bottom edge 36" above the floor with a 5-foot clear working space in front of the mounting panel.

The Interconnection Customer shall provide:

• dedicated 20 A, 120 VAC, single phase 60 hertz power circuit for the RTU;   
 2-4

SERVICE AGREEMENT NO. 2777

• conduit and wiring (minimum No. 10 AWG copper) to the RTU cabinet, which shall   
 enter the cabinet from the bottom (a 3-foot length of all conductors shall be provided   
 for final Connecting Transmission Owner connection); and

• a dedicated 10 A, 48 VDC or 125 VDC circuit for the RTU from the station battery.

The Connecting Transmission Owner shall procure and install the Garrettcom DX-940E gateway required for interfacing the RTU to the Connecting Transmission Owner’s energy management system (“EMS”) network.

3. Line 27 Tap

The Flat Hill Solar Collector Substation is to be located approximately 100 feet southeast   
of Line 27 and will be oriented perpendicular to the transmission lines. The Small Generating   
Facility will interconnect to Line 27 between existing structures 318 and 319 via a radial tap. To   
accommodate the interconnection of the Small Generating Facility, the lines will need to be   
separated to single circuit structures starting at structure 318 and ending at structure 322. Based   
on the location of the Flat Hill Solar Collector Substation, the radial tap will require removal of   
two (2) double circuit double single arm tangent wood pole structures, reframing of two (2)   
double circuit, double arm strain tangent wood pole structures, and installation of:

• two (2) vertical tangent wood pole structures;

• two (2) horizontal upright load break wood pole structures with switches;

• one (1) double arm strain angle wood pole structure with tee tap; and

• approximately 175 circuit feet of 336 aluminum-conductor steel-reinforced (“ACSR”)   
 18/1 “MERLIN” conductor.

Take off structure heights and phase spacing will need to be established between

Interconnection Customer and Connecting Transmission Owner before final design and material specifications are prepared.

If during final engineering it is determined that motor operated switches are necessary, the Developer shall be responsible for the associated incremental costs.

D. SCOPE OF WORK AND RESPONSIBILITIES

1. Interconnection Customer’s Scope of Work and Responsibilities

The Interconnection Customer shall design, procure, construct, install, own, operate, and   
maintain the Interconnection Customer’s Interconnection Facilities in accordance with the   
following requirements, to the extent not inconsistent with the terms of this Agreement, the ISO   
OATT, or applicable NYISO procedures: the NYISO’s requirements; industry standards and   
specifications; regulatory requirements; the Connecting Transmission Owner’s applicable ESBs,   
provided at the following website: [https://www.nationalgridus.com/ProNet/Technical-](https://www.nationalgridus.com/pronet/technical-/)  
Resources/Electric-Specifications; the Connecting Transmission Owner’s System Protection and   
Interconnection Customer Attachment Facilities Electric Installation Specification for Flat Hill   
Solar Project (“Project Specific Specifications”) provided as Appendix C to the Facilities Study

2-5

SERVICE AGREEMENT NO. 2777

for the Small Generating Facility; and Good Utility Practice. The Interconnection Customer

shall submit all engineering design and electrical specifications associated with Interconnection Customer’s Interconnection Facilities to the Connecting Transmission Owner for its review and acceptance in accordance with the ESBs and Project Specific Specifications.

The Interconnection Customer shall install a meter panel in the Flat Hill Solar Collector Substation control house in accordance with ESB 752 and ESB 750.

As per ESB 752 the Interconnection Customer shall mount the RTU cabinet indoors and within 15 feet of the meter(s), and remote from:

• heavy traffic areas, work areas, and loading areas;

• heat producing or high electrostatic or electromagnetic field producing equipment; and

• station batteries.

The revenue meter will require a communications link to the RTU. The Interconnection Customer shall install a conduit for the communication cables that will run between the meter equipment enclosure and the RTU enclosure in the Flat Hill Solar Collector Substation control house in accordance with ESB 752 and ESB 750.

The Interconnection Customer’s takeoff structure shall be designed in accordance with the requirements set forth in the Project Specific Specifications.

New right-of-way (“ROW”) will be required for the construction, operation, and

maintenance of the tap line and must accommodate the temporary work pads required for the

installation of the new structures. The Interconnection Customer is responsible for obtaining all   
real estate/easements and environmental permits needed for the tap line, including all permanent   
and temporary real estate for construction of the facilities and all permanent and temporary   
access roads, in accordance with the standards set forth in the Standards and Requirements   
Relating to Third Party Acquisition and Transfer of Real Property Interests to Niagara Mohawk   
Power Corporation for Electric Facilities and Survey Specifications, dated January 2019.   
Permanent access roads are required for access to the new load break disconnect switches.   
Property rights for the line tap and transmission line facilities, and associated access roads, must   
be transferred to Connecting Transmission Owner at least two (2) months in advance of   
construction initiation.

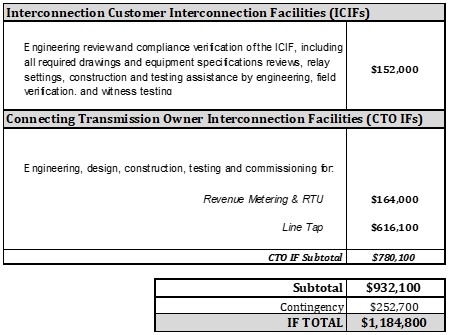
Upon termination of the Agreement, Interconnection Customer shall be responsible for all costs associated with the decommissioning and removal of Interconnection Facilities.

2. Connecting Transmission Owner’s Scope of Work and Responsibilities

The Connecting Transmission Owner shall:

• provide color-coded instrument transformer secondary cable and complete all   
 terminations of the cable in the control house;

2-6



SERVICE AGREEMENT NO. 2777

• provide the meter socket for the Interconnection Customer to install on the billing meter   
 panel; and

• supply and install the revenue meter.

Connecting Transmission Owner will specify and run the communications cables

between the meter equipment enclosure and the RTU enclosure in the Flat Hill Solar Collector Substation control house.

The Connecting Transmission Owner shall complete all wiring, testing, and commissioning of the RTU.

Connecting Transmission Owner shall be responsible for completing soil borings for the Line 27, and all line phasing shall match the existing Line 27.

The Connecting Transmission Owner shall engineer, design, construct, own, and maintain the Line 27 Tap.

E. ESTIMATED COSTS OF INTERCONNECTION FACILITIES

The total estimated costs (+30%/-15%) of the work associated with the Interconnection   
Facilities required for the interconnection of the Small Generating Facility are presented in the   
table below.

As described in the Facilities Study for the Small Generating Facility, the estimates provided herein:

Assume:

2-7

SERVICE AGREEMENT NO. 2777

• 5X10 construction work week;

• outages are available;

• all major material is delivered to site (i.e., no costs are included for transport from   
 storage);

• existing equipment to remain is functional; and

• mobile generation will be required for approximately seven (7) calendar days.

Exclude (as applicable):

• discussions and negotiations of issued interconnection study;

• application fees;

• applicable surcharges;

• overall project sales tax;

• property taxes;

• line switching;

• property/easement acquisitions;

• access roads and associated matting;

• future operation and maintenance costs;

• recurring monthly communications circuits’ charges, if any, responsible by the

Interconnection Customer to the communications utility;

• soil testing;

• adverse field conditions such as rock, water, weather, and Interconnection Customer

electrical equipment obstructions;

• environmental mitigation;

• extended engineering to minimize outage time or Connecting Transmission Owner’s

public duty to serve;

• extended craft labor hours, to minimize outage and/or construction time; and

• any required permits.

F. O&M EXPENSES FOR INTERCONNECTION FACILITIES

In accordance with Article 4.1.2 of this Agreement, the Interconnection Customer shall be responsible for all reasonable expenses associated with the operation, maintenance, repair and replacement of the Connecting Transmission Owner’s Interconnection Facilities, as such   
facilities are detailed in this Attachment 2 (“O&M Expenses”).

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

Option 1: Fixed On-Going Charge Payment:

The Connecting Transmission Owner will invoice and Interconnection Customer shall pay an annual payment to the Connecting Transmission Owner equal to the product of the Gross Plant Investment associated with the Connecting

2-8

SERVICE AGREEMENT NO. 2777

Transmission Owner’s Interconnection Facilities and the Annual Transmission Ongoing Charge Factor, for the term of this Agreement.

For purposes of this Agreement, Gross Plant Investment shall mean the

investment from the plant account records associated with the Connecting   
Transmission Owner’s Interconnection Facilities for the Small Generating   
Facility.

All payments due to be made by the Interconnection Customer shall be made

within thirty (30) days after receiving an invoice from the Connecting

Transmission Owner. Connecting Transmission Owner will bill Interconnection Customer for the O&M Expenses on a quarterly basis.

The Project’s Gross Plant Investment associated with the Connecting

Transmission Owner’s Interconnection Facilities shall be established in writing by   
the Connecting Transmission Owner no later than 90 days following commercial   
operation.

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

Option 2: Quarterly Actual O&M Expenses

The Interconnection Customer shall pay for all actual O&M Expenses incurred by the Connecting Transmission Owner, which expenses shall be billed by the   
Connecting Transmission Owner quarterly as accumulated during the quarter for which they were incurred.

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

Selection by Interconnection Customer

The Interconnection Customer shall select which option for paying such O&M   
Expenses by providing written notice to the Connecting Transmission Owner   
within thirty (30) days after the Gross Connecting Transmission Owner’s   
Interconnection Facilities Plant Investment cost and the most recent Annual   
Transmission Ongoing Charge Factor have been provided to the Interconnection   
Customer. If the Interconnection Customer fails to provide timely notice to the   
Connecting Transmission Owner of the option selected, the Interconnection

2-9

SERVICE AGREEMENT NO. 2777

Customer will be deemed to have selected Option 2: Quarterly Actual O&M Expenses.

O&M ATTACHMENT 1

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

Allocation Factor

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

(2) Gross Transmission Plant Allocation Factor shall equal the total investment in

Transmission Plant in Service divided by the sum of the total Transmission Plant in Service plus   
the total Distribution Plant in Service, excluding Intangible Plant, General Plant and Common   
Plant.

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

Ratebase and Expense items

(1) Administrative and General Expense shall equal electric expenses as recorded in FERC

Account Nos. 920-935.

(2) Amortization of Investment Tax Credits shall equal electric credits as recorded in FERC

Account No. 411.4.

(3) Distribution Plant in Service shall equal the gross plant balance as recorded in FERC

Account Nos. 360 - 374.

(4) Electric Common Plant shall equal the balance of Common Plant recorded in FERC

Account Nos. 389-399 multiplied by the General Plant Allocation Factor.

(5) General Plant shall equal electric gross general plant balance recorded in FERC Account

Nos. 389-399.

(6) Materials and Supplies shall equal electric materials and supplies balance as recorded in

FERC Account No. 154.

(7) Payroll Taxes shall equal those electric payroll tax expenses as recorded in FERC

Account Nos. 408.100, 408.110 and 408.130.

2-10

SERVICE AGREEMENT NO. 2777

(8) Prepayments shall equal electric prepayment balance as recorded in FERC Account

No. 165.

(9) Real Estate Tax Expenses shall equal electric transmission-related real estate tax expense

as recorded in FERC Account No. 408.140 and 408.180.

(10) Transmission Operation and Maintenance Expense shall equal electric expenses as

recorded in FERC Account Nos. 560, 562-573.

(11) Transmission Plant in Service shall equal the gross plant balance as recorded in FERC

Account Nos. 350-359.

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

(13) Transmission Related Bad Debt Expense shall equal Bad Debt Expense as reported in

Account 904 related to transmission billing.

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

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

Revenue Requirement Components

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

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

1. Transmission Investment Base shall be defined as

Transmission Related General Plant plus Transmission Related Common Plant plus Transmission Related Regulatory Assets plus Transmission Related Prepayments plus Transmission Related Materials and Supplies plus Transmission Related Cash Working Capital.

2-11

SERVICE AGREEMENT NO. 2777

(a) Transmission Plant in Service shall equal the balance of Total

investment in Transmission Plant plus Wholesale Metering Cost.

(b) Transmission Related General Plant shall equal the balance of

investment in General Plant multiplied by the Transmission Wages and Salaries Allocation Factor.

(c) Transmission Related Common Plant shall equal Electric Common

Plant multiplied by the Gross Transmission Plant Allocation Factor   
and multiplied by the Transmission Wages and Salaries Allocation   
Factor.

(d) Transmission Related Regulatory Assets shall equal balances in

FERC Account Nos. 182.3 and 254 for state and federal regulatory   
assets and liabilities related to FAS109, and excess AFUDC   
multiplied by the Gross Transmission Plant Allocation Factor

(e) Transmission Related Prepayments shall equal the electric balance

of Prepayments multiplied by the Gross Transmission Plant

Allocation Factor.

(f) Transmission Related Materials and Supplies shall equal the

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

(g) Transmission Related Cash Working Capital shall be a 12.5%

allowance (45 days/360 days) of the Transmission Operation and Maintenance Expense (less FERC Account 565: Transmission of Electricity by Others) and Transmission-Related Administrative and General Expense.

2. Cost of Capital Rate

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

(a) The Weighted Costs of Capital will be calculated for the

Transmission Investment Base using Connecting Transmission

Owner’s actual capital structure and will equal the sum of (i), (ii), and (iii) below:

(i) the long-term debt component, which equals the product of

the actual weighted average embedded cost to maturity of   
Connecting Transmission Owner’s long-term debt then   
outstanding and the actual long-term debt capitalization   
ratio.

2-12

SERVICE AGREEMENT NO. 2777

(ii) the preferred stock component, which equals the product of

the actual weighted average embedded cost to maturity of   
Connecting Transmission Owner’s preferred stock then   
outstanding and the actual preferred stock capitalization   
ratio;

(iii) the return on equity component, shall be the product of the

allowed ROE of 10.30% or such value as most recently   
approved by the Commission plus a 50 basis point adder   
(per FERC Order 697 and 697-A, if authorized by the   
Commission for the Connecting Transmission Owner) and   
Connecting Transmission Owner’s actual common equity   
capitalization ratio.

(b) Federal Income Tax shall equal

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

where A is the sum of the preferred stock component and the   
return on equity component, each as determined in Sections

2.(a)(ii) and for the ROE set forth in 2.(a)(iii) above

(c) State Income Tax shall equal

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

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

B. Transmission Related Real Estate Tax Expense shall equal the Real Estate Tax

Expenses multiplied by the Gross Plant Allocation Factor.

C. Transmission Related Amortization of Investment Tax Credits shall equal the

electric Amortization of Investment Tax Credits multiplied by the Gross Transmission Plant

Allocation Factor.

D. Transmission Related Payroll Tax Expense shall equal Payroll Taxes multiplied

by the Transmission Wages and Salaries Allocation Factor.

E. Transmission Operation and Maintenance Expense shall equal the Transmission

Operation and Maintenance Expense as previously defined.

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

2-13

SERVICE AGREEMENT NO. 2777

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

456.

H. Transmission Related Bad Debt Expense shall equal Transmission Related Bad

Debt Expense as previously defined.

2-14

SERVICE AGREEMENT NO. 2777

Attachment 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

46kV Line 27

~2.07 miles to

Inghams Station

Interconnection Customer

Interconnection Facilities

TB1

34.5Y - 46kV CTO Interconnection Facilities

15/20/25 MVA (meteri ng & RTU)

ONAN/ONAF/ ONAF

z=9%

MV90 EMS-

RTU

CTO

20 MW

INVERTERS

(5) TMEIC 4.2MVA

(1)TMEIC 3. 36MVA

52F1 C211

R216

Station Service

19.9 kV-240/ 120 V

50 kVA

Flat Hill Solar Collector Station

Interconnection Facil ities

(~100 ft )

Point of Change of

Ownership (PCO)

(Note: PCO is at t he

connection to the IC s

Disconnect Switch.

National Grid will own the

insulators, whips, and

connection hardware.)

Point of

Interconnection

(POI)

46kV Line 27

~11.7 miles to

Valley Station

3-1

SERVICE AGREEMENT NO. 2777

Attachment 4

Milestones

1. Milestones

In-Service Date: March 2025

Critical milestones and responsibility as agreed to by the Parties:

MILESTONE

1. Execute Interconnection

Agreement

2. Provide prepayment/ security

3. Issue written authorization to

proceed

4. Project initiation

5. Project management level

kickoff meeting

6. Provide property rights

documentation (i.e., options, deeds, easements, etc.) to Connecting Transmission Owner for review

7. Provide final civil plans for

Flat Hill Solar Collector   
Substation with surveyed   
location and height of   
termination structure,

grading plan, access roads, and wetlands delineation maps (in CAD format)

8. Start engineering on

Interconnection Customer’s Interconnection Facilities

9. Start engineering on all

System Upgrade Facilities

DATE RESPONSIBLE

PARTY

07/2023 Connecting Transmission

Owner/Interconnection Customer/NYISO

07/2023 Interconnection Customer

07/2023 Interconnection Customer

08/2023 Connecting Transmission

Owner

09/2023 Connecting Transmission

Owner/Interconnection Customer

09/2023 Interconnection Customer

09/2023 Interconnection Customer

09/2023 Interconnection Customer

10/2023 Connecting Transmission

Owner

4-1

SERVICE AGREEMENT NO. 2777

MILESTONE

and Connecting

Transmission Owner’s   
Interconnection Facilities

10. Start procurement for System

Upgrade Facilities and   
Connecting Transmission   
Owner’s Interconnection   
Facilities

11. Start procurement for

Interconnection Customer’s Interconnection Facilities

12. Complete procurement for

Interconnection Customer’s Interconnection Facilities

13. Deliver property rights to

Connecting Transmission Owner for System Upgrade Facilities

14. Complete engineering on

Interconnection Customer’s Interconnection Facilities (including Connecting

Transmission Owner approvals)

15. Start construction of

Interconnection Customer’s Interconnection Facilities

16. Complete engineering on

System Upgrade Facilities and Connecting

Transmission Owner’s   
Interconnection Facilities

17. Telco fiber facility: make

ready work completed at Flat Hill Solar Collector

Substation

18. Start construction of System

Upgrade Facilities and   
Connecting Transmission

DATE RESPONSIBLE

PARTY

01/2024 Connecting Transmission

Owner

03/2024 Interconnection Customer

06/2024 Interconnection Customer

08/2024 Interconnection Customer

08/2024 Connecting Transmission

Owner/Interconnection Customer

08/2024 Interconnection Customer

08/2024 Connecting Transmission

Owner

10/2024 Interconnection Customer

10/2024 Connecting Transmission

Owner

4-2

SERVICE AGREEMENT NO. 2777

MILESTONE

Owner’s Interconnection Facilities

19. Complete procurement for

System Upgrade Facilities and Connecting

Transmission Owner’s   
Interconnection Facilities

20. Complete construction of

Interconnection Customer’s Interconnection Facilities

21. Telco fiber facilities installed

and RTU MPLS circuit tested and turned up

22. Provide Connecting

Transmission Owner the   
NYISO assigned PTID   
number and associated

project name. (Needs to be   
provided at least 2 months in   
advance of synchronization.)

23. Complete construction and

testing of System Upgrade Facilities and Connecting Transmission Owner’s

Interconnection Facilities

24. Field verification and

witness testing of

Interconnection Customer’s Interconnection Facilities

25. Initial Synchronization Date

26. Complete testing and

commissioning

27. In Service Date

28. Commercial Operations Date

DATE RESPONSIBLE

PARTY

12/2024 Connecting Transmission

Owner

12/2024 Interconnection Customer

01/2025 Interconnection Customer

01/2025 Interconnection Customer

03/2025 Connecting Transmission

Owner

03/2025 Connecting Transmission

Owner/Interconnection Customer

03/2025 Interconnection

Customer/Connecting   
Transmission Owner

03/2025 Interconnection Customer

03/2025 Interconnection Customer   
03/2025 Interconnection Customer

4-3

SERVICE AGREEMENT NO. 2777

MILESTONE

29. Submit Interconnection

Customer’s Interconnection Facilities as builts

30. Complete System Upgrade

Facilities and Connecting Transmission Owner’s

Interconnection Facilities as builts

31. Complete review /

acceptance of

Interconnection Customer’s   
Interconnection Facilities as   
builts

32. Complete project closeout

and final invoicing

DATE RESPONSIBLE

PARTY

06/2025 Interconnection Customer

07/2025 Connecting Transmission

Owner

08/2025 Connecting Transmission

Owner

11/2025 Connecting Transmission

Owner

These milestones are contingent upon, but not limited to, outage scheduling, and the

Interconnection Customer’s successful compliance with all interconnection requirements and   
timely completion of its obligations in the Project Specific Specifications and milestones in this   
Agreement. Due to the impacts of the COVID-19 pandemic on equipment lead times, the   
Connecting Transmission Owner’s ability to deliver this project in accordance with these   
milestones may be at risk. Any such impacts shall be addressed in accordance with Article 6.2   
of this Agreement.

2. Security Arrangement

At least twenty (20) Business Days prior to Interconnection Customer’s issuance of written authorization to proceed with engineering and procurement contemplated by Milestone 3 in the table contained in Section 1 of this Attachment 4, Interconnection Customer shall provide to Connecting Transmission Owner security in the form of a letter of credit in accordance with Section 6.3 of this Agreement in the amount of $1,943,000 for the estimated cost of the Connecting Transmission Owner’s Interconnection Facilities and System Upgrade Facilities described in Attachment 2 and Attachment 6 of this Agreement.

4-4

SERVICE AGREEMENT NO. 2777

Attachment 5

Additional Operating Requirements for the New York State Transmission System, the Distribution System and Affected Systems Needed to Support the Interconnection   
 Customer’s Needs

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

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

(b) To the extent not inconsistent with the terms of this Agreement, the ISO OATT, or   
applicable NYISO procedures, Interconnection Customer must comply with Connecting   
Transmission Owner’s operating instructions and requirements, which requirements shall include the dedicated data circuits, including system protection circuits, to be maintained by   
Interconnection Customer in accordance with Article 1.5 of this Agreement. Interconnection   
Customer must also comply with the applicable requirements as set out in the Connecting   
Transmission Owner’s ESBs, which have been identified and provided to the Interconnection   
Customer as amended from time to time, to the extent not inconsistent with the terms of this   
Agreement or applicable NYISO tariffs and procedures. Upon the Connecting Transmission   
Owner’s notice to the Interconnection Customer of amendments to the ESBs, the Interconnection Customer has 30 days to comply with such amendments.

5-1

SERVICE AGREEMENT NO. 2777

Attachment 6

Connecting Transmission Owner’s Description of its Upgrades and Best Estimate of   
 Upgrade Costs

The NYISO, in consultation with the Connecting Transmission Owner, shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the   
Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Connecting Transmission Owner shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

The cost estimate for System Upgrade Facilities and System Deliverability Upgrades

shall be taken from the ISO OATT Attachment S cost allocation process or applicable

Interconnection Study, as required by Section 32.3.5.3.2 of Attachment Z. The cost estimate for Distribution Upgrades shall include the costs of Distribution Upgrades that are reasonably   
allocable to the Interconnection Customer at the time the estimate is made, and the costs of any Distribution Upgrades not yet constructed that were assumed in the Interconnection Studies for the Interconnection Customer but are, at the time of the estimate, an obligation of an entity other than the Interconnection Customer.

The cost estimates for Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades are estimates. The Interconnection Customer is ultimately responsible for the actual cost of the Distribution Upgrades, System Upgrade Facilities, and System   
Deliverability Upgrades needed for its Small Generating Facility, as that is determined under Attachments S, X, and Z of the ISO OATT.

A. DISTRIBUTION UPGRADES

None.

B. STAND-ALONE SYSTEM UPGRADE FACILITIES (“SUF”)

None.

C. OTHER SYSTEM UPGRADE FACILITIES (“SUF”)

The interconnection of the Small Generating Facility will require the following System   
Upgrade Facilities at the Connecting Transmission Owner’s Inghams and Valley Substations.

1. Inghams Substation

a) Protection

The existing Line 27 relays will be reset for the new line configuration. DTT transmit   
and receive will be added between the Flat Hill Solar Collector Substation and Inghams   
Substation and between Inghams Substation and Valley Substation. Two (2) RFL GARDPro   
relays will be added for these DTT packages. DTT receive from the Flat Hill Solar Collector

6-1

SERVICE AGREEMENT NO. 2777

Substation will be supervised by the ‘A’ package line relay and will trip the Line 27 breakers and drive the reclosing to lockout.

b) Controls and Integration

The existing RTU is sufficient for the scope of this project. Spare I/O points will be used to accommodate the additions required.

c) Telecommunications

The Inghams Substation has an existing Verizon fiber facility. For the Line 27

telecommunications connectivity and DTT protection schemes, two (2) new DS1 circuits will be provisioned: one between the Flat Hill Solar Collector Substation and Inghams Substation and one between Inghams Substation and Valley Substation.

2. Valley Substation

Due to the addition of the Small Generating Facility, auxiliary contacts will need to be added to switch 214 at Valley Substation, and the following protection, control and integration, and telecommunications work will be required:

a) Protection

The existing Line 27 ‘A’ and ‘B’ protection systems relays are obsolete and will be

replaced with two (2) SEL-311C relays. DTT transmit and receive will be added between the Flat Hill Solar Collector Substation and Valley Substation and between Inghams Substation and Valley Substation. Two (2) RFL GARDPro relays will be added for these DTT packages. DTT receive from the Flat Hill Solar Collector Substation will be supervised by the ‘A’ package line relay and will trip the Line 27 breakers and drive the reclosing to lockout.

b) Controls and Integration

The existing RTU is sufficient for the scope of this project. No new I/O points are expected to be added for this project.

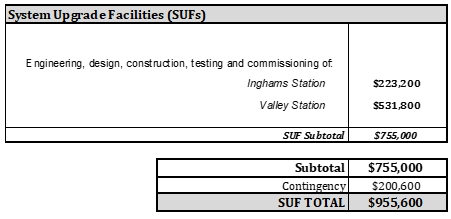
c) Telecommunications

A new Verizon fiber facility will need to be installed at Valley Substation. Once

installed, two (2) new DS1 circuits will be provisioned for the Line 27 telecommunications   
connectivity and DTT protection schemes. One circuit will be between the Flat Hill Solar   
Collector Substation and Valley Substation and one between Inghams Substation and Valley   
Substation.

Due to the addition of the Small Generating Facility an area coordination study will be completed during final engineering and may result in resetting of relays in the area. The   
Interconnection Customer shall be responsible for all costs associated with this.

6-2



SERVICE AGREEMENT NO. 2777

D. COST ESTIMATES RELATED TO DISTRIBUTION UPGRADES AND SYSTEM

UPGRADE FACILITIES

The total estimated costs (+30%/-15%) of the work associated with the System Upgrade   
Facilities required for the interconnection of the Small Generating Facility are presented in the   
table below.

As described in the Facilities Study for the Small Generating Facility, the estimates provided herein:

Assume:

• 5X10 construction work week;

• outages are available;

• all major material is delivered to site (i.e., no costs are included for transport from   
 storage);

• existing equipment to remain is functional; and

• mobile generation will be required for approximately seven (7) calendar days.

Exclude (as applicable):

• discussions and negotiations of issued interconnection study;

• application fees;

• applicable surcharges;

• overall project sales tax;

• property taxes;

• line switching;

• property/easement acquisitions;

• access roads and associated matting;

• future operation and maintenance costs;

• recurring monthly communications circuits’ charges, if any, responsible by the   
 Interconnection Customer to the communications utility;

6-3

SERVICE AGREEMENT NO. 2777

• soil testing;

• adverse field conditions such as rock, water, weather, and Interconnection Customer   
 electrical equipment obstructions;

• environmental mitigation;

• extended engineering to minimize outage time or Connecting Transmission Owner’s   
 public duty to serve;

• extended craft labor hours, to minimize outage and/or construction time; and

• any required permits.

6-4

SERVICE AGREEMENT NO. 2777

Attachment 7

Insurance Coverage

Interconnection Customer shall, at its own expense, maintain in force throughout the

period of this Agreement, the following minimum insurance coverage, with insurers authorized to do business in the State of New York.

Commercial General Liability Insurance including, but not limited to, bodily injury, property damage, products/completed operations, contractual and personal injury liability with a   
combined single limit of $2 million per occurrence, $5 million annual aggregate.

7-1

SERVICE AGREEMENT NO. 2777

Attachment 8

Initial Synchronization Date

[Date]

New York Independent System Operator, Inc. Attn: Vice President, Operations

10 Krey Boulevard

Rensselaer, NY 12144

Niagara Mohawk Power Corporation d/b/a National Grid Attention: Kevin Reardon - Commercial Services   
170 Data Drive

Waltham, MA 02541

Re: Flat Hill Solar Project Small Generating Facility

Dear :

On [Date] [Interconnection Customer] initially synchronized the Small Generating Facility [specify units, if applicable]. This letter confirms that [Interconnection Customer]’s Initial Synchronization Date was [specify].

Thank you.

[Signature]

[Interconnection Customer Representative]

8-1

SERVICE AGREEMENT NO. 2777

Attachment 9

Commercial Operation Date

[Date]

New York Independent System Operator, Inc. Attn: Vice President, Operations

10 Krey Boulevard

Rensselaer, NY 12144

Niagara Mohawk Power Corporation d/b/a National Grid Attention: Kevin Reardon - Commercial Services   
170 Data Drive

Waltham, MA 02541

Re: Flat Hill Solar Project Small Generating Facility

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. \_\_\_. This   
letter confirms that [Interconnection Customer] commenced Commercial Operation of the   
Small Generating Facility [specify units, as applicable], effective as of [Date plus one day].

Thank you.

[Signature]

[Interconnection Customer Representative]

9-1