

SERVICE AGREEMENT NO. 2510

SERVICE AGREEMENT NO. 2510
SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT
BETWEEN THE
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.
AND
NEW YORK TRANSCO, LLC
Dated as of December 15, 2023

SERVICE AGREEMENT NO. 2510

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1. DEFINITIONS	2
ARTICLE 2. EFFECTIVE DATE AND TERM	6
2.1. Effective Date	6
2.2. Filing	7
2.3. Term of Agreement.....	7
ARTICLE 3. TRANSMISSION PROJECT DEVELOPMENT AND CONSTRUCTION	7
3.1. Application for Required Authorizations and Approvals.....	7
3.2. Development and Construction of Transmission Project	8
3.3. Milestones	9
3.4. Modifications to Required Project In-Service Date	10
3.5. Modifications to Transmission Project	10
3.6. Billing and Payment.....	11
3.7. Project Monitoring.....	11
3.8. Right to Inspect.....	11
3.9. Exclusive Responsibility of Developer	11
3.10. Subcontractors	11
3.11. No Services or Products Under NYISO Tariffs.....	12
3.12. Tax Status	12
ARTICLE 4. COORDINATION WITH THIRD PARTIES.....	12
4.1. Interconnection Requirements for Transmission Project	12
4.2. Interconnection with Affected System	13
4.3. Coordination of Interregional Transmission Project	13
ARTICLE 5. OPERATION REQUIREMENTS FOR THE TRANSMISSION PROJECT.....	13
ARTICLE 6. INSURANCE	13
ARTICLE 7. BREACH AND DEFAULT	16
7.1. Breach	16
7.2. Default.....	16
7.3. Remedies	17
ARTICLE 8. TERMINATION	17
8.1. Termination by the NYISO	17
8.2. Reporting of Inability to Comply with Provisions of Agreement.....	18

8.3. Transmission Project Transfer Rights Upon Termination.....18

ARTICLE 9. LIABILITY AND INDEMNIFICATION.....18

SERVICE AGREEMENT NO. 2510

9.1.	Liability	18
9.2.	Indemnity.....	19
ARTICLE 10. ASSIGNMENT		19
ARTICLE 11. INFORMATION EXCHANGE AND CONFIDENTIALITY		20
11.1.	Information Access	20
11.2.	Confidentiality	20
ARTICLE 12. REPRESENTATIONS, WARRANTIES AND COVENANTS		21
12.1.	General	21
12.2.	Good Standing	21
12.3.	Authority	21
12.4.	No Conflict	21
12.5.	Consent and Approval.....	21
12.6.	Compliance with All Applicable Laws and Regulations	22
ARTICLE 13. DISPUTE RESOLUTION.....		22
ARTICLE 14. SURVIVAL		22
ARTICLE 15. MISCELLANEOUS.....		22
15.1.	Notices.....	22
15.2.	Entire Agreement.....	23
15.3.	Cost Recovery.....	23
15.4.	Binding Effect.....	23
15.5.	Force Majeure.....	23
15.6.	Disclaimer	24
15.7.	No NYISO Liability for Review or Approval of Developer Materials	24
15.8.	Amendment	24
15.9.	No Third Party Beneficiaries.....	25
15.10.	Waiver	25
15.11.	Rules of Interpretation	25
15.12.	Severability	25
15.13.	Multiple Counterparts	26
15.14.	No Partnership	26
15.15.	Headings.....	26
15.16.	Governing Law	26
15.17.	Jurisdiction and Venue.....	26

SERVICE AGREEMENT NO. 2510

APPENDICES

APPENDIX A	Project Description
APPENDIX B	Scope of Work
APPENDIX C	Development Schedule

SERVICE AGREEMENT NO. 2510

THIS SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT

("Agreement") is made and entered into this 15th day of December 2023, by and between New York Transco, LLC, a limited liability company organized and existing under the laws of the State of New York ("Developer" or "Transco"), and the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York ("NYISO"). Developer or NYISO each may be referred to as a "Party" or collectively referred to as the "Parties."

RECITALS

WHEREAS, the NYISO administers the Comprehensive System Planning Process ("CSPP") in the New York Control Area pursuant to the terms set forth in Attachment Y of the NYISO's Open Access Transmission Tariff ("OATT"), as accepted by the Federal Energy Regulatory Commission ("FERC");

WHEREAS, as part of the CSPP, the NYISO administers a Public Policy Transmission Planning Process pursuant to which Public Policy Transmission Need(s) are identified; proposed solutions to the identified need(s) are solicited by the NYISO; and the more efficient or cost-effective transmission solution to satisfy the identified need(s) is selected by the NYISO and reported in the NYISO's Public Policy Transmission Planning Report;

WHEREAS, Transco and Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") jointly proposed a Public Policy Transmission Project to satisfy an identified Public Policy Transmission Need ("Transmission Project");

WHEREAS, the NYISO selected the Transmission Project as the more efficient or cost-effective transmission solution to satisfy an identified Public Policy Transmission Need and directed Transco and National Grid to proceed with the Transmission Project;

WHEREAS, Transco and National Grid agreed to obtain the required authorizations and approvals from Governmental Authorities needed for the Transmission Project, to develop and construct the Transmission Project, and to abide by the related requirements in Attachment Y of the OATT, the ISO Tariffs, and the ISO Procedures;

WHEREAS, Transco, National Grid, and the NYISO agreed to enter into a Public Policy Transmission Planning Process Development Agreement pursuant to Section 31.4.12.2 of Attachment Y of the OATT for the purpose of ensuring that the Transmission Project will be constructed and in service in time to satisfy the Public Policy Transmission Need ("Required Project In-Service Date");

WHEREAS, Transco and National Grid agreed to construct, and the NYISO has requested that the Developer proceed with construction of, the Transmission Project to address the identified Public Policy Transmission Need by the Required Project In-Service Date;

WHEREAS, Transco, National Grid, and the NYISO fully executed a Public Policy Transmission Planning Process Development Agreement on January 12, 2020 (“Development

SERVICE AGREEMENT NO. 2510

Agreement”), which FERC accepted for filing in Docket No. ER20-865 on March 10, 2020 as Service Agreement No. 2510 under the OATT;

WHEREAS, National Grid assigned its rights and obligations under the Development Agreement to Transco, and the NYISO consented to such assignment on March 20, 2020 pursuant to the terms of the Development Agreement;

WHEREAS, Transco, as the sole developer, has agreed to continue with the construction of the Transmission Project to address the identified Public Policy Transmission Need by the Required Project In-Service Date;

WHEREAS, the Transmission Project has been evaluated pursuant to the NYISO’s Transmission Interconnection Procedures located in Attachment P of the OATT and Transco has entered into several Transmission Project Interconnection Agreements with NYISO and the relevant Connecting Transmission Owners (“Interconnection Agreements”) and several other Engineering, Procurement, and Construction Agreements with affected systems (“EPC Agreements”);

WHEREAS, Transco notified the NYISO of certain modifications to the Transmission Project on July 22, 2021, April 6, 2022, July 5, 2022, and August 5, 2022, which proposed modifications the NYISO reviewed and consented to in accordance with Article 3.5 of the Development Agreement;

WHEREAS, the Parties amended and restated the Development Agreement on January 17, 2023 (“First Amended and Restated Development Agreement”): (i) to memorialize the assignment of National Grid’s rights and obligations under the Development Agreement to Transco and (ii) to incorporate the modifications to the Transmission Project;

WHEREAS, Transco notified the NYISO of delays to certain components of the Transmission Project related to permitting and submitted a request, on November 21, 2023, to extend the Required Project In-Service Date to June 30, 2025, which the NYISO reviewed and consented to in accordance with Article 3.4 of the First Amended and Restated Development Agreement; and

WHEREAS, the Parties have determined to amend and restate the First Amended and Restated Development Agreement to modify the Required Project In-Service Date in accordance with Article 3.4 of that agreement.

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

ARTICLE 1. DEFINITIONS

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

meanings specified in this Article 1. Terms used in this Agreement with initial capitalization that are not defined in this Article 1 shall have the meanings specified in Section 31.1.1 of Attachment Y of the OATT or, if not therein, in Article 1 of the OATT.

SERVICE AGREEMENT NO. 2510

Advisory Milestones shall mean the milestones set forth in the Development Schedule in Attachment C to this Agreement that are not Critical Path Milestones.

Affected System Operator shall mean any Affected System Operator(s) identified in connection with the Transmission Project pursuant to Attachment P of the ISO OATT.

Applicable Laws and Regulations shall mean: (i) all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority, and (ii) all applicable requirements of the ISO Tariffs, ISO Procedures, and ISO Related Agreements.

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

Applicable Reliability Requirements shall mean the requirements, criteria, rules, standards, and guidelines, as they may be amended and modified and in effect from time to time, of: (i) the Applicable Reliability Organizations, (ii) the Connecting Transmission Owner(s), and (iii) any Affected System Operator; provided, however, that no Party shall waive its right to challenge the applicability or validity of any requirement, criteria, rule, standard, or guideline as applied to it in the context of this Agreement.

Breach shall have the meaning set forth in Article 7.1 of this Agreement.

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

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

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

Change of Control shall mean a change in ownership of more than 50% of the membership or ownership interests or other voting securities of the Developer to a third party in one or more related transactions, or any other transaction that has the effect of transferring control of the Developer to a third party.

Confidential Information shall mean any information that is defined as confidential by Article 11.2.

Connecting Transmission Owner shall be the Connecting Transmission Owner(s) identified in connection with the Transmission Project pursuant to Attachment P of the ISO OATT.

Critical Path Milestones shall mean the milestones identified as such in the Development Schedule in Attachment C to this Agreement that must be met for the Transmission Project to be constructed and operating by the Required Project In-Service Date.

Default shall mean the failure of a Party in Breach of this Agreement to cure such Breach in accordance with Article 7.2 of this Agreement.

SERVICE AGREEMENT NO. 2510

Developer shall have the meaning set forth in the introductory paragraph.

Development Schedule shall mean the schedule of Critical Path Milestones and Advisory Milestones set forth in Appendix C to this Agreement.

Effective Date shall mean the date upon which this Agreement becomes effective as determined in Article 2.1 of this Agreement.

FERC shall mean the Federal Energy Regulatory Commission or its successor.

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

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

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

In-Service Date shall mean the date upon which the Transmission Project is energized consistent with the provisions of the Transmission Project Interconnection Agreement and available to provide Transmission Service under the NYISO Tariffs.

ISO/TO Agreement shall mean the *Agreement Between the New York Independent System Operator and Transmission Owners*, as filed with and accepted by the Commission in *Cent. Hudson Gas & Elec. Corp., et al.*, 88 FERC ¶ 61,138 (1999) in Docket Nos. ER97-1523, *et al.*, and as amended or supplemented from time to time, or any successor agreement thereto.

New York State Transmission System shall mean the entire New York State electrical transmission system, which includes: (i) the Transmission Facilities Under ISO Operational

SERVICE AGREEMENT NO. 2510

Control; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.

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

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

NYPSC shall mean the New York State Public Service Commission or its successor.

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

OATT shall mean the NYISO's Open Access Transmission Tariff, as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff thereto.

Party or Parties shall mean the NYISO, the Developer, or both.

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

Project Description shall mean the description of the Transmission Project set forth in Appendix A to this Agreement that is consistent with the project proposed and evaluated in the NYISO's Public Policy Transmission Planning Process and selected by the NYISO Board of Directors as the more efficient or cost-effective transmission solution to the identified Public Policy Transmission Need.

Public Policy Transmission Planning Process Manual shall mean the NYISO's manual adopted by the NYISO stakeholder Operating Committee describing the NYISO's procedures for implementing the Public Policy Transmission Planning Process component of the NYISO's Comprehensive System Planning Process, as the manual is amended or supplemented from time to time, or any successor manual thereto.

Required Project In-Service Date shall mean the In-Service Date by which the Transmission Project must be constructed and operating, which date shall be: (i) the date by which the Public Policy Transmission Need must be satisfied as prescribed by the NYPSC in its order identifying the need or in a subsequent order, or (ii) if the NYPSC has not prescribed a date, the date proposed by the Developer and reviewed and accepted by the NYISO, which date may be either: (A) the In-Service Date specified by the Developer in the project information it submitted under Attachment Y of the OATT for use by the NYISO in its selection of the Transmission Project as the more efficient or cost-effective transmission solution to satisfy the Public Policy Transmission Need, or (B) such other date accepted by the NYISO as reasonable in light of the Public Policy Transmission Need. The Required Project In-Service Date is set forth in the Development Schedule contained in Appendix C to this Agreement.

SERVICE AGREEMENT NO. 2510

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

Significant Modification shall mean a Developer's proposed modification to its Transmission Project that: (i) could impair the Transmission Project's ability to meet the identified Public Policy Transmission Need, (ii) could delay the In-Service Date of the Transmission Project beyond the Required Project In-Service Date, or (iii) would constitute a material change to the project information submitted by the Developer under Attachment Y of the OATT for use by the NYISO in evaluating the Transmission Project for purposes of selecting the more efficient or cost-effective transmission solution to meet the identified Public Policy Transmission Need.

Scope of Work shall mean the description of the work required to implement the Transmission Project as set forth in Appendix B to this Agreement. The Scope of Work shall be drawn from the Developer's submission of the "Information for a Proposed Solution to a Public Policy Transmission Need" and the "Data Submission for Public Policy Transmission Projects," which are set forth in Attachments B and C of the NYISO Public Policy Transmission Planning Process Manual, as may be updated as agreed upon by the Parties. The Scope of Work shall include, but not be limited to, a description of: the acquisition of required rights-of-ways, the work associated with the licensing, design, financing, environmental and regulatory approvals, engineering, procurement of equipment, construction, installation, testing, and commissioning of the Transmission Project; the relevant technical requirements, standards, and guidelines pursuant to which the work will be performed; the major equipment and facilities to be constructed and/or installed in connection with the Transmission Project, and the cost estimates for the work associated with the Transmission Project.

Transmission Owner Technical Standards shall mean the technical requirements and standards (e.g., equipment or facilities electrical and physical capabilities, design characteristics, or construction requirements), as those requirements and standards are amended and modified and in effect from time to time, of: (i) the Connecting Transmission Owner(s) and (ii) any Affected System Operator.

Transmission Project shall mean the Developer's proposed Public Policy Transmission Project selected by the NYISO as the more efficient or cost-effective transmission solution to a Public Policy Transmission Need that is subject to this Agreement, as described in the Project Description set forth in Appendix A to this Agreement.

ARTICLE 2. EFFECTIVE DATE AND TERM

2.1. Effective Date

This Agreement shall become effective on the date it has been executed by all Parties; *provided, however*, if the Agreement is filed with FERC as a non-conforming or an unexecuted agreement pursuant to Section 31.4.12.2 of Attachment Y of the OATT, the Agreement shall become effective on the effective date accepted by FERC.

SERVICE AGREEMENT NO. 2510

2.2. Filing

If the Agreement must be filed with FERC pursuant to Section 31.4.12.2 of Attachment Y of the OATT, the NYISO shall file this Agreement for acceptance with FERC within the timeframe set forth for the filing in Section 31.4.12.2 of Attachment Y of the OATT. The Developer shall cooperate in good faith with the NYISO with respect to such filing and provide any information requested by the NYISO to comply with Applicable Laws and Regulations. Any Confidential Information shall be treated in accordance with Article 11.2 of this Agreement.

2.3. Term of Agreement

Subject to the termination provisions in Article 8 of this Agreement, this Agreement shall remain in effect from the Effective Date until: (i) the Developer executes an operating agreement with the NYISO, and (ii) the Transmission Project: (A) has been completed in accordance with the terms and conditions of this Agreement, and (B) is in-service; *provided, however*, that the terms of this Agreement shall continue in effect to the extent provided in Article 14 of this Agreement.

ARTICLE 3. TRANSMISSION PROJECT DEVELOPMENT AND CONSTRUCTION

3.1. Application for Required Authorizations and Approvals

The Developer shall timely seek and obtain all authorizations and approvals from Governmental Authorities required to develop, construct, and operate the Transmission Project by the Required Project In-Service Date. The required authorizations and approvals shall be listed in the Scope of Work in Appendix B to this Agreement. The Developer shall seek and obtain the required authorizations and approvals in accordance with the milestones set forth in the Development Schedule in Appendix C to this Agreement. The milestones for obtaining the required authorizations and approvals shall be included in the Development Schedule as Critical Path Milestones and Advisory Milestones, as designated by the Parties under Article 3.3.1. The Developer shall notify the NYISO in accordance with the notice requirements in Article 3.3 if it has reason to believe that it may be unable to timely obtain or is denied an approval or authorization by a Governmental Authority required for the development, construction, or operation of the Transmission Project, or if such approval or authorization is withdrawn or modified.

3.2. Development and Construction of Transmission Project

The Developer shall design, engineer, procure, install, construct, test and commission the Transmission Project in accordance with: (i) the terms of this Agreement, including, but not limited to, the Project Description in Appendix A to this Agreement, the Scope of Work in Appendix B to this Agreement, and the Development Schedule in Appendix C to this Agreement; (ii) Applicable Reliability Requirements; (iii) Applicable Laws and Regulations; (iv) Good Utility Practice; (v) the Transmission Owner Technical Standards, and (vi) any interconnection agreement(s) entered into by and among the NYISO, Developer, and Connecting

Transmission Owner(s) for the Transmission Project to interconnect to the New York State Transmission System.

SERVICE AGREEMENT NO. 2510

3.3. Milestones

- 3.3.1. The NYISO shall provide the Developer with the Required Project In-Service Date that is set forth in the Public Policy Transmission Planning Report in accordance with Section 31.4.11 of Attachment Y of the OATT. Prior to executing and/or filing this Agreement with FERC, the NYISO and the Developer shall agree to the Critical Path Milestones and Advisory Milestones set forth in the Development Schedule in Appendix C to this Agreement for the development, construction, and operation of the Transmission Project by the Required Project In-Service Date in accordance with Section 31.4.12.2 of Attachment Y of the OATT; provided that any such milestone for the Transmission Project that requires action by a Connecting Transmission Owner or Affected System Operator to complete must be included as an Advisory Milestone.
- 3.3.2. The Developer shall meet the Critical Path Milestones in accordance with the Development Schedule set forth in Appendix C to this Agreement. The Developer's inability or failure to meet a Critical Path Milestone specified in the Development Schedule, as such Critical Path Milestone may be amended with the agreement of the NYISO under this Article 3.3, shall constitute a Breach of this Agreement under Article 7.1.
- 3.3.3. The Developer shall notify the NYISO thirty (30) Calendar Days prior to the date of each Critical Path Milestone specified in the Development Schedule whether, to the best of its knowledge, it expects to meet the Critical Path Milestone by the specified date; *provided, however*, that notwithstanding this requirement:
- (i) the Developer shall notify the NYISO as soon as reasonably practicable, and no later than fifteen (15) Calendar Days, following the Developer's discovery of a potential delay in meeting a Critical Path Milestone, including a delay caused by a Force Majeure event; and
 - (ii) the NYISO may request in writing at any time, and the Developer shall submit to the NYISO within five (5) Business Days of the request, a written response indicating whether the Developer will meet, or has met, a Critical Path Milestone and providing all required supporting documentation for its response.
- 3.3.4. The Developer shall not make a change to a Critical Path Milestone without the prior written consent of the NYISO. To request a change to a Critical Path Milestone, the Developer must: (i) inform the NYISO in writing of the proposed change to the Critical Path Milestone and the reason for the change, including the occurrence of a Force Majeure event in accordance with Section 15.5, (ii) submit to the NYISO a revised Development Schedule containing any necessary changes to Critical Path Milestones and Advisory Milestones that provide for the Transmission Project to be completed and achieve its In-Service Date no later than the Required Project In-Service Date, and (iii) submit a notarized officer's certificate certifying the Developer's capability to complete

the Transmission Project in accordance with the modified schedule. If the Developer: (i) must notify the NYISO of a potential delay in meeting a Critical Path Milestone in

SERVICE AGREEMENT NO. 2510

accordance with one of the notification requirements in Section 3.3.3 or (ii) is requesting a change to a Critical Path Milestone to cure a Breach in Section 7.2, the Developer shall submit any request to change the impacted Critical Path Milestone(s) within the relevant notification timeframe set forth in Section 3.3.3 or the cure period set forth in Section 7.2, as applicable. The NYISO will promptly review the Developer's requested change. The Developer shall provide the NYISO with all required information to assist the NYISO in making its determination and shall be responsible for the costs of any study work the NYISO performs in making its determination. If the Developer demonstrates to the NYISO's satisfaction that the delay in meeting a Critical Path Milestone will not delay the Transmission Project's In-Service Date beyond the Required Project In-Service Date, then the NYISO's consent to extending the Critical Path Milestone date will not be unreasonably withheld, conditioned, or delayed. The NYISO's written consent to a revised Development Schedule proposed by the Developer will satisfy the amendment requirements in Article 15.8, and the NYISO will not be required to file the revised Development Schedule with FERC.

- 3.3.5. Within fifteen (15) Calendar Days of the Developer's discovery of a potential delay in meeting an Advisory Milestone, the Developer shall inform the NYISO of the potential delay and describe the impact of the delay on meeting the Critical Path Milestones. The Developer may extend an Advisory Milestone date upon informing the NYISO of such change; *provided, however*, that if the change to the Advisory Milestone will delay a Critical Path Milestone, the NYISO's written consent to make such change is required as described in Article 3.3.4.

3.4. Modifications to Required Project In-Service Date

- 3.4.1. The Developer shall not make a change to the Required Project In-Service Date without the prior written consent of the NYISO. To request a change, the Developer must: (i) inform the NYISO in writing of the proposed change to the Required Project In-Service Date and the reason for the change, including the occurrence of a Force Majeure event, (ii) submit to the NYISO a revised Development Schedule that provides for the Transmission Project to be completed and achieve its In-Service Date no later than the proposed, modified Required Project In-Service Date, and (iii) demonstrate that the Developer has made reasonable progress against the milestones set forth in the Development Schedule, and is capable of completing the Transmission Project in accordance with the modified schedule. If the Required Project In-Service Date is the date prescribed by the NYPSC in its order identifying the Public Policy Transmission Need or in a subsequent order, the Developer must also demonstrate that the NYPSC has issued an order modifying its prescribed date.
- 3.4.2. The NYISO will promptly review Developer's requested change to the Required Project In-Service Date. The Developer shall provide the NYISO with all required information to assist the NYISO in making its determination and shall be responsible for the costs of any study work the NYISO performs in making its determination. If the Developer fails to provide the NYISO with the information required to make its determination, the

NYISO shall not be obligated to make this determination. The NYISO's consent to extend the Required Project In-Service Date will not be unreasonably withheld,

SERVICE AGREEMENT NO. 2510

conditioned, or delayed if the Developer demonstrates to the NYISO's satisfaction that: (i) its proposed modified Required Project In-Service Date is reasonable in light of the Public Policy Transmission Need, (ii) it has made reasonable progress against the milestones set forth in the Development Schedule, and (iii) its proposed modified date will not result in a significant adverse impact to the reliability of the New York State Transmission System. The Parties shall amend this Agreement in accordance with Article 15.8 to incorporate a revised Required Project In-Service Date and Development Schedule.

3.5. Modifications to Transmission Project

The Developer shall not make a Significant Modification to the Transmission Project without the prior written consent of the NYISO, including, but not limited to, modifications necessary for the Developer to obtain required approvals or authorizations from Governmental Authorities; *provided, however*, that a proposed Significant Modification that is a proposed modification to the Required Project In-Service Date shall be addressed in accordance with Article 3.4. The NYISO's determination regarding a Significant Modification to the Transmission Project under this Agreement shall be separate from, and shall not replace, the NYISO's review and determination of material modifications to the Transmission Project under Attachment P of the OATT. The Developer may request that the NYISO review whether a modification to the Transmission Project would constitute a Significant Modification. The Developer shall provide the NYISO with all required information to assist the NYISO in making its determination regarding a Significant Modification and shall be responsible for the costs of any study work the NYISO must perform in making its determination. The NYISO's consent to the Significant Modification will not be unreasonably withheld, conditioned, or delayed if the Developer demonstrates to the NYISO's satisfaction that its proposed Significant Modification: (i) does not impair the Transmission Project's ability to satisfy the identified Public Policy Transmission Need, (ii) does not delay the In-Service Date of the Transmission Project beyond the Required Project In-Service Date, (iii) does not change the grounds upon which the NYISO selected the Transmission Project as the more efficient or cost-effective transmission solution to the identified Public Policy Transmission Need, and (iv) will not result in a significant adverse impact to the reliability of the New York State Transmission System. The NYISO's performance of this review shall not constitute its consent to delay the completion of any Critical Path Milestone.

3.6. Billing and Payment

The NYISO shall charge, and the Developer shall pay, the actual costs of: (i) any study work performed by the NYISO or its subcontractor(s) under Articles 3.3, 3.4, and 3.5, or (ii) any assessment of the Transmission Project by the NYISO or its subcontractor(s) under Article 3.8. The NYISO will invoice Developer on a monthly basis for the expenses incurred by the NYISO each month, including estimated subcontractor costs, computed on a time and material basis. The Developer shall pay invoiced amounts to the NYISO within thirty (30) Calendar Days of the NYISO's issuance of a monthly invoice. In the event the Developer disputes an amount to be paid, the Developer shall pay the disputed amount to the NYISO, pending resolution of the

dispute. To the extent the dispute is resolved in the Developer's favor, the NYISO will net the disputed amount, including interest calculated from Developer's date of payment at rates

SERVICE AGREEMENT NO. 2510

applicable to refunds under FERC regulations, against any current amounts due from the Developer and pay the balance to the Developer. This Article 3.6 shall survive the termination, expiration, or cancellation of this Agreement.

3.7. Project Monitoring

The Developer shall provide regular status reports to the NYISO in accordance with the monitoring requirements set forth in the Development Schedule, the Public Policy Transmission Planning Process Manual and Attachment Y of the OATT.

3.8. Right to Inspect

Upon reasonable notice, the NYISO or its subcontractor shall have the right to inspect the Transmission Project for the purpose of assessing the progress of the development and construction of the Transmission Project and satisfaction of milestones. The exercise or non-exercise by the NYISO or its subcontractor of this right shall not be construed as an endorsement or confirmation of any element or condition of the development or construction of the Transmission Project, or as a warranty as to the fitness, safety, desirability or reliability of the same. Any such inspection shall take place during normal business hours, shall not interfere with the construction of the Transmission Project and shall be subject to such reasonable safety and procedural requirements as the Developer shall specify.

3.9. Exclusive Responsibility of Developer

As between the Parties, the Developer shall be solely responsible for all planning, design, engineering, procurement, construction, installation, management, operations, safety, and compliance with Applicable Laws and Regulations, Applicable Reliability Requirements, and Transmission Owner Technical Standards associated with the Transmission Project, including, but not limited to, scheduling, meeting Critical Path Milestones and Advisory Milestones, timely requesting review and consent to any project modifications, and obtaining all necessary permits, siting, and other regulatory approvals. The NYISO shall have no responsibility and shall have no liability regarding the management or supervision of the Developer's development of the Transmission Project or the compliance of the Developer with Applicable Laws and Regulations, Applicable Reliability Requirements, and Transmission Owner Technical Standards. The NYISO shall cooperate with the Developer in good faith in providing information to assist the Developer in obtaining all approvals and authorizations from Governmental Authorities required to develop, construct, and operate the Transmission Project by the Required Project In-Service Date, including, if applicable, information describing the NYISO's basis for selecting the Transmission Project as the more efficient or cost-effective transmission solution to satisfy an identified Public Policy Transmission Need.

3.10. Subcontractors

3.10.1. Nothing in this Agreement shall prevent a Party from using the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement;

provided, however, that each Party shall require, and shall provide in its contracts with its subcontractors, that its subcontractors comply with all applicable terms and conditions of

SERVICE AGREEMENT NO. 2510

this Agreement in providing such services; *provided, further*, that each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 3.10.2. The creation of any subcontractor relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made.

3.11. No Services or Products Under NYISO Tariffs

This Agreement does not constitute a request for, nor agreement by the NYISO to provide, Transmission Service, interconnection service, Energy, Ancillary Services, Installed Capacity, Transmission Congestion Contracts or any other services or products established under the ISO Tariffs. If Developer wishes to receive or supply such products or services, the Developer must make application to do so under the applicable provisions of the ISO Tariffs, ISO Related Agreements, and ISO Procedures.

3.12. Tax Status

Each Party shall cooperate with the other Party to maintain each Party's tax status to the extent the Party's tax status is impacted by this Agreement. Nothing in this agreement is intended to affect the tax status of any Party.

ARTICLE 4. COORDINATION WITH THIRD PARTIES

4.1. Interconnection Requirements for Transmission Project

The Developer shall satisfy all requirements set forth in the Transmission Interconnection Procedures in Attachment P of the OATT applicable to a "Transmission Project" to interconnect the Transmission Project to the New York State Transmission System by the Required Project In-Service Date, including, but not limited to, submitting a Transmission Interconnection Application; participating in all necessary studies; executing, and/or requesting the NYISO to file for FERC acceptance, a Transmission Project Interconnection Agreement; and constructing, or arranging for the construction of, all required Network Upgrade Facilities; *provided, however*, if the Developer began the interconnection process in Attachment X of the OATT or the transmission expansion process in Sections 3.7 or 4.5 of the OATT prior to the effective date of the Transmission Interconnection Procedures, the Developer shall satisfy the requirements of the Transmission Interconnection Procedures in accordance with the transition rules in Section 22.3.3 of Attachment P of the OATT.

If the NYISO determines that the proposed interconnection of a "Transmission Project" under Attachment P could affect the Transmission Project under this Agreement, the Developer shall participate in the Transmission Interconnection Procedures as an Affected System Operator in accordance with the requirements set forth in Section 22.4.4 of Attachment P. If the NYISO determines that the proposed interconnection of a "Large Generating Facility," "Small

Generating Facility,” or “Class Year Transmission Project” under Attachments X or Z of the OATT could affect the Transmission Project, the Developer shall participate in the

SERVICE AGREEMENT NO. 2510

interconnection process as an Affected System Operator in accordance with the requirements set forth in Section 30.3.5 of Attachment X of the OATT. If the NYISO determines that a proposed transmission expansion under Sections 3.7 and 4.5 of the OATT could affect the Transmission Project, the Developer shall participate in the transmission expansion process as an affected Transmission Owner in accordance with the requirements set forth in Sections 3.7 and 4.5 of the OATT.

4.2. Interconnection with Affected System

If part of the Transmission Project will affect the facilities of an Affected System as determined in Attachment P of the OATT, the Developer shall satisfy the requirements of the Affected System Operator for the interconnection of the Transmission Project.

4.3. Coordination of Interregional Transmission Project

If the Transmission Project is or seeks to become an Interregional Transmission Project selected by the NYISO and by the transmission provider in one or more neighboring transmission planning region(s) to address an identified Public Policy Transmission Need, the Developer shall coordinate its development and construction of the Transmission Project in New York with its responsibilities in the relevant neighboring transmission planning region(s) and must satisfy the applicable planning requirements of the relevant transmission planning region(s).

ARTICLE 5. OPERATION REQUIREMENTS FOR THE TRANSMISSION PROJECT

If the Developer is a Transmission Owner, the Developer shall comply with the operating requirements set forth in the ISO/TO Agreement. If the Developer is not a Transmission Owner, the Developer shall: (i) execute, and/or obtain a FERC accepted, interconnection agreement for the Transmission Project in accordance with the requirements in Attachment P of the OATT; (ii) satisfy the applicable requirements set forth in the interconnection agreement and ISO Procedures for the safe and reliable operation of the Transmission Project consistent with the Project Description set forth in Appendix A by the In-Service Date, including satisfying all applicable testing, metering, communication, system protection, switching, start-up, and synchronization requirements; (iii) enter into required operating protocols as determined by the NYISO; (iv) register with NERC as a Transmission Owner, be certified as a Transmission Operator unless otherwise agreed by the Parties, and comply with all NERC Reliability Standards and Applicable Reliability Requirements applicable to Transmission Owners and Transmission Operators; and (v) prior to energizing the Transmission Project, execute an operating agreement with the NYISO.

ARTICLE 6. INSURANCE

The Developer shall, at its own expense, maintain in force throughout the period of this Agreement, and until released by the NYISO, the following minimum insurance coverages, with insurers authorized to do business in the state of New York and rated "A- (minus) VII" or better

by A.M. Best & Co. (or if not rated by A.M. Best & Co., a rating entity acceptable to the NYISO):

SERVICE AGREEMENT NO. 2510

6.1 Workers' Compensation and Employers' Liability Insurance providing statutory benefits in accordance with the laws and regulations of New York State under NCCI Coverage Form No. WC 00 00 00, as amended or supplemented from time to time, or an equivalent form acceptable to the NYISO; *provided, however*, if the Transmission Project will be located in part outside of New York State, Developer shall maintain such Employers' Liability Insurance coverage with a minimum limit of One Million Dollars (\$1,000,000).

6.2 Commercial General Liability Insurance - under ISO Coverage Form No. CG 00 01 (04/13), as amended or supplemented from time to time, or an equivalent form acceptable to the NYISO - with minimum limits of Two Million Dollars (\$2,000,000) per occurrence/Four Million Dollars (\$4,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

6.3 Commercial Business Automobile Liability Insurance - under ISO Coverage Form No. CA 00 01 10 13, as amended or supplemented from time to time, or an equivalent form acceptable to the NYISO - for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

6.4 Umbrella/Excess Liability Insurance over and above the Employers' Liability, Commercial General Liability, and Commercial Business Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty-Five Million Dollars (\$25,000,000) per occurrence/Twenty-Five Million Dollars (\$25,000,000) aggregate.

6.5 Builder's Risk Insurance in a reasonably prudent amount consistent with Good Utility Practice.

6.6 The Commercial General Liability Insurance, Commercial Business Automobile Liability Insurance and Umbrella/Excess Liability Insurance policies of Developer shall name the NYISO and its respective directors, officers, agents, servants and employees ("NYISO Parties") as additional insureds. For Commercial General Liability Insurance, Developer shall name the NYISO Parties as additional insureds under the following ISO form numbers, as amended or supplemented from time to time, or an equivalent form acceptable to the NYISO: (i) ISO Coverage Form No. CG 20 37 04 13 ("Additional Insured - Owners, Lessees or Contractors - Completed Operations") and (ii) (A) ISO Coverage Form No. CG 20 10 04 13 ("Additional Insured - Owner, Lessees or Contractors - Scheduled Person or Organization"), or (B) ISO Coverage Form No. CG 20 26 04 13 ("Additional Insured - Designated Person or Organization"). For Commercial Business Automobile Liability Insurance, Developer shall name the NYISO Parties as additional insureds under ISO Coverage Form No. CA 20 48 10 13 ("Designated Insured for Covered Autos Liability Coverage"), as amended or supplemented from time to time, or an equivalent form acceptable to the NYISO.

6.7 All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the NYISO Parties and provide

SERVICE AGREEMENT NO. 2510

thirty (30) Calendar days advance written notice to the NYISO Parties prior to non-renewal, cancellation or any material change in coverage or condition.

6.8 The Commercial General Liability Insurance, Commercial Business Automobile Liability Insurance and Umbrella/Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. The Developer shall be responsible for its respective deductibles or retentions.

6.9 The Commercial General Liability Insurance, Commercial Business Automobile Liability Insurance and Umbrella/Excess Liability Insurance policies, if written on a Claims First Made Basis in a form acceptable to the NYISO, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of an extended reporting period (ERP) or a separate policy, if agreed by the Developer and the NYISO.

6.10 The requirements contained herein as to the types and limits of all insurance to be maintained by the Developer are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Developer under this Agreement.

6.11 The Developer shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer: (A) within ten (10) days following: (i) execution of this Agreement, or (ii) the NYISO's date of filing this Agreement if it is filed unexecuted with FERC, and (B) as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within thirty (30) days thereafter.

6.12 Notwithstanding the foregoing, the Developer may self-insure to meet the minimum insurance requirements of Articles 6.2 through 6.10 to the extent it maintains a self-insurance program; *provided that*, the Developer's senior debt is rated at investment grade, or better, by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 6.2 through 6.10. For any period of time that the Developer's senior debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, the Developer shall comply with the insurance requirements applicable to it under Articles 6.2 through 6.11. In the event that the Developer is permitted to self-insure pursuant to this Article 6.12, it shall notify the NYISO that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 6.11.

6.13 The Developer and the NYISO agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

6.14 Notwithstanding the minimum insurance coverage types and amounts described in this Article 6, the Developer: (i) shall also maintain any additional insurance coverage types and amounts required under Applicable Laws and Regulations, including New York State law, and

SERVICE AGREEMENT NO. 2510

under Good Utility Practice for the work performed by the Developer and its subcontractors under this Agreement, and (ii) shall satisfy the requirements set forth in Articles 6.6 through 6.13 with regard to the additional insurance coverages, including naming the NYISO Parties as additional insureds under these policies.

ARTICLE 7. BREACH AND DEFAULT

7.1. Breach

A Breach of this Agreement shall occur when: (i) the Developer notifies the NYISO in writing that it will not proceed to develop the Transmission Project for reasons other than those set forth in Articles 8.1(i) through (iv); (ii) the Developer fails to meet a Critical Path Milestone, as the milestone may be extended with the agreement of the NYISO under Article 3.3.4 of this Agreement, set forth in the Development Schedule in Appendix C to this Agreement; (iii) the Developer makes a Significant Modification to the Transmission Project without the prior written consent of the NYISO; (iv) the Developer fails to pay a monthly invoice within the timeframe set forth in Article 3.6; (v) the Developer misrepresents a material fact of its representations and warranties set forth in Article 12; (vi) a Party assigns this Agreement in a manner inconsistent with the terms of Article 10 of this Agreement; (vii) the Developer fails to comply with any other material term or condition of this Agreement; (viii) a custodian, receiver, trustee or liquidator of the Developer, or of all or substantially all of the assets of the Developer, is appointed in any proceeding brought by the Developer; or (ix) any such custodian, receiver, trustee, or liquidator is appointed in any proceeding brought against the Developer that is not discharged within ninety (90) Days after such appointment, or if the Developer consents to or acquiesces in such appointment. A Breach shall not occur as a result of a Force Majeure event in accordance with Article 15.5. A Breach shall also not occur as a result of a delay caused by a Connecting Transmission Owner or an Affected System Operator.

7.2. Default

Upon a Breach, the non-Breaching Party shall give written notice of the Breach to the Breaching Party describing in reasonable detail the nature of the Breach and, where known and applicable, the steps necessary to cure such Breach, including whether and what such steps must be accomplished to complete the Transmission Project by the Required Project In-Service Date. The Breaching Party shall have thirty (30) Calendar Days from receipt of the Breach notice to cure the Breach, or such other period of time as may be agreed upon by the Parties, which agreement the NYISO will not unreasonably withhold, condition, or delay if it determines a longer cure period will not threaten the Developer's ability to complete the Transmission Project by the Required Project In-Service Date; *provided, however*, that if the Breach is the result of a Developer's inability or failure to meet a Critical Path Milestone, the Developer may only cure the Breach if either: (i) it meets the Critical Path Milestone within the cure period and demonstrates to the NYISO's satisfaction that, notwithstanding its failure to timely meet the Critical Path Milestone, the Transmission Project will achieve its In-Service Date no later than the Required Project In-Service Date, or (ii) the Developer requests in writing within the cure period, and the NYISO consents to, a change to the missed Critical Path Milestone in accordance

with Article 3.3.4. If the Breach is cured within such timeframe, the Breach specified in the notice shall cease to exist. If the Breaching Party does not cure its Breach within this timeframe

SERVICE AGREEMENT NO. 2510

or cannot cure the Breach in a manner that provides for the Transmission Project to be completed by the Required Project In-Service Date, the non-Breaching Party shall have the right to declare a Default and terminate this Agreement pursuant to Article 8.1.

7.3. Remedies

Upon the occurrence of an event of Default, the non-defaulting Party shall be entitled: (i) to commence an action to require the defaulting Party to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof; and (ii) to exercise such other rights and remedies as it may have in equity or at law; *provided, however*, the defaulting Party's liability under this Agreement shall be limited to the extent set forth in Article 9.1. No remedy conferred by any provision of this Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies. This Article 7.3 shall survive the termination, expiration, or cancellation of this Agreement.

ARTICLE 8. TERMINATION

8.1. Termination by the NYISO

The NYISO may terminate this Agreement by providing written notice of termination to the Developer in the event that: (i) the Developer notifies the NYISO that it is unable to or has not received the required approvals or authorizations by Governmental Authorities required to develop, construct, and operate the Transmission Project by the Required Project In-Service Date; (ii) the Developer notifies the NYISO that its required approvals or authorizations by Governmental Authorities have been withdrawn by the Governmental Authorities; (iii) the Developer cannot complete the Transmission Project by the Required Project In-Service Date for any reason: (A) including the occurrence of a Force Majeure event that will prevent the Developer from completing the Transmission Project by the Required Project In-Service Date, but (B) excluding a delay caused by a Connecting Transmission Owner or an Affected System Operator; or (iv) the NYISO declares a default pursuant to Article 7.2 of this Agreement.

If the NYISO identifies grounds for termination under Articles 8.1(iii) or (iv) or receives notice from the Developer under Articles 8.1(i) or (ii), the NYISO may, prior to providing a written notice of termination, take action in accordance with Section 31.4.12.3.1.3 of Attachment Y of the OATT to address the Public Policy Transmission Need and, notwithstanding the confidentiality provisions in Article 11.2, may disclose information regarding the Transmission Project to Governmental Authorities as needed to implement such action. If the NYISO decides to terminate this Agreement under Article 8.1(i), (ii), (iii), or (iv), it will provide written notice of termination to the Developer, which notice will specify the date of termination. If the Agreement was filed and accepted by FERC pursuant to Section 31.4.12.2 of Attachment Y of the OATT, the NYISO will, following its provision of a notice of termination to the Developer, promptly file with FERC for its acceptance a notice of termination of this Agreement.

SERVICE AGREEMENT NO. 2510

In the event of termination under Articles 8.1 (i) or (ii), the Developer may be eligible for cost recovery under the OATT in the manner set forth in Attachment Y and Schedule 10 of the OATT. In the event of termination under Articles 8.1(iii) or (iv), cost recovery may be permitted as determined by FERC. In the event of termination for any reason under this Article 8.1, the Developer shall use commercially reasonable efforts to mitigate the costs, damages, and charges arising as a consequence of termination and any transfer or winding up of the Transmission Project.

8.2. Reporting of Inability to Comply with Provisions of Agreement

Notwithstanding the notification requirements in Article 3 and this Article 8 of this Agreement, each Party shall notify the other Party promptly upon the notifying Party becoming aware of its inability to comply with any provision of this Agreement. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply.

8.3. Transmission Project Transfer Rights Upon Termination

If the NYISO terminates this Agreement pursuant to Article 8.1, the NYISO shall have the right, but shall not be required, to request an entity other than the Developer to complete the Transmission Project. The NYISO may exercise this right by providing the Developer with written notice within sixty (60) days after the date on which this Agreement is terminated. If the NYISO exercises its right under this Article 8.3 and Section 31.4.12.3.1.3 of Attachment Y of the OATT, the Developer shall work cooperatively with the NYISO's designee pursuant to the requirements set forth in Section 31.4.12.3.1.4 of Attachment Y of the OATT to implement the transition, including entering into good faith negotiations with the NYISO's designee to transfer the Transmission Project to the NYISO's designee. All liabilities under this Agreement existing prior to such transfer shall remain with the Developer, unless otherwise agreed upon by the Developer and the NYISO's designee as part of their good faith negotiations regarding the transfer. This Article 8.3 shall survive the termination, expiration, or cancellation of this Agreement.

ARTICLE 9. LIABILITY AND INDEMNIFICATION

9.1. Liability

Notwithstanding any other provision in the NYISO's tariffs and agreements to the contrary, neither Party shall be liable, whether based on contract, indemnification, warranty, equity, tort, strict liability, or otherwise, to the Other Party or any Transmission Owner, NYISO Market Participant, third party or any other person for any damages whatsoever, including, without limitation, direct, incidental, consequential (including, without limitation, attorneys' fees and litigation costs), punitive, special, multiple, exemplary, or indirect damages arising or resulting from any act or omission under this Agreement, except in the event the Party is found

liable for gross negligence or intentional misconduct in the performance of its obligations under this Agreement, in which case the Party's liability for damages shall be limited only to direct

SERVICE AGREEMENT NO. 2510

actual damages. This Article 9.1 shall survive the termination, expiration, or cancellation of this Agreement.

9.2. Indemnity

Notwithstanding any other provision in the NYISO's tariffs and agreements to the contrary, each Party shall at all times indemnify and save harmless, as applicable, the other Party, its directors, officers, employees, trustees, and agents or each of them from any and all damages (including, without limitation, any consequential, incidental, direct, special, indirect, exemplary or punitive damages and economic costs), losses, claims, including claims and actions relating to injury to or death of any person or damage to property, liabilities, judgments, demands, suits, recoveries, costs and expenses, court costs, attorney and expert fees, and all other obligations by or to third parties, arising out of, or in any way resulting from this Agreement, *provided, however*, that the Developer shall not have any indemnification obligation under this Article 9.2 with respect to any loss to the extent the loss results from the gross negligence or intentional misconduct of the NYISO; *provided, further*, that the NYISO shall only have an indemnification obligation under this Article 9.2 with respect to any loss resulting from its gross negligence or intentional misconduct to the same extent as provided in Section 2.11.3(b) of the ISO OATT. This Article 9.2 shall survive the termination, expiration, or cancellation of this Agreement.

ARTICLE 10. ASSIGNMENT

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

- (i) any Change of Control shall be considered an assignment under this Article 10 and shall require the other Party's prior written consent;
- (ii) an assignment by the Developer shall be contingent upon the Developer or assignee demonstrating to the satisfaction of the NYISO prior to the effective date of the assignment that: (A) the assignee has the technical competence, financial ability, and materials, equipment, and plans to comply with the requirements of this Agreement and to construct and place in service the Transmission Project by the Required Project InService Date consistent with the assignor's cost estimates for the Transmission Project; and (B) the assignee satisfies the requirements for a qualified developer pursuant to Section 31.4.4 of Attachment Y of the OATT; and
- (iii) the Developer shall have the right to assign this Agreement, without the consent of the NYISO, for collateral security purposes to aid in providing financing for the Transmission Project and shall promptly notify the NYISO of any such assignment; *provided, however*, that such assignment shall be subject to the following: (i) prior to or upon the exercise of the secured creditor's, trustee's, or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee, or the mortgagee will

notify the NYISO of the date and particulars of any such exercise of assignment right(s), and (ii) the secured creditor, trustee, or mortgagee must demonstrate to the satisfaction of

SERVICE AGREEMENT NO. 2510

the NYISO that any entity that it proposes to complete the Transmission Project meets the requirements for the assignee of a Developer described in Article 10(ii).

For all assignments by any Party, the assignee must assume in a writing, to be provided to the other Party, all rights, duties, and obligations of the assignor arising under this Agreement, including the insurance requirements in Article 6 of this Agreement. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reasons thereof, absent the written consent of the other Party. Where required, consent to assignment will not be unreasonably withheld, conditioned, or delayed. Any attempted assignment that violates this Article 10 is void and ineffective, is a Breach of this Agreement under Article 7.1 and may result in the termination of this Agreement under Articles 8.1 and 7.2.

ARTICLE 11. INFORMATION EXCHANGE AND CONFIDENTIALITY

11.1. Information Access

Subject to Applicable Laws and Regulations, each Party shall make available to the other Party information necessary to carry out obligations and responsibilities under this Agreement and Attachment Y of the OATT. The Parties shall not use such information for purposes other than to carry out their obligations or enforce their rights under this Agreement or Attachment Y of the OATT.

11.2. Confidentiality

11.2.1. Confidential Information shall mean: (i) all detailed price information and vendor contracts; (ii) any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential Information"; and (iii) information designated as Confidential Information by the NYISO Code of Conduct contained in Attachment F of the OATT; *provided, however*, that Confidential Information does not include information: (i) in the public domain or that has been previously publicly disclosed; (ii) required by an order of a Governmental Authority to be publicly submitted or divulged (after notice to the other Party); or (iii) necessary to be divulged in an action to enforce this Agreement.

11.2.2. The NYISO shall treat any Confidential Information it receives in accordance with the requirements of the NYISO Code of Conduct contained in Attachment F of the OATT. If the Developer receives Confidential Information, it shall hold such information in confidence, employing at least the same standard of care to protect the Confidential Information obtained from the NYISO as it employs to protect its own Confidential Information. Each Party shall not disclose the other Party's Confidential Information to any third party or to the public without the prior written authorization of the Party providing the information, except: (i) to the extent required for the Parties to perform their obligations under this Agreement, the ISO Tariffs, ISO Related Agreements, or ISO

Procedures, or (ii) to fulfill legal or regulatory requirements, provided that if the Party must submit the information to a Governmental Authority in response to a request by the

SERVICE AGREEMENT NO. 2510

Governmental Authority on a confidential basis, the Party required to disclose the information shall request under applicable rules and regulations that the information be treated as confidential and non-public by the Governmental Authority.

ARTICLE 12. REPRESENTATIONS, WARRANTIES AND COVENANTS

12.1. General

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

12.2. Good Standing

The Developer is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable. The Developer is qualified to do business in the state or states in which the Transmission Project is located. The Developer has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and to perform and carry out covenants and obligations on its part under and pursuant to this Agreement.

12.3. Authority

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

12.4. No Conflict

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

12.5. Consent and Approval

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

SERVICE AGREEMENT NO. 2510

12.6. Compliance with All Applicable Laws and Regulations

The Developer will comply with all Applicable Laws and Regulations, including all approvals, authorizations, orders, and permits issued by any Governmental Authority; all Applicable Reliability Requirements, and all applicable Transmission Owner Technical Standards in the performance of its obligations under this Agreement.

ARTICLE 13. DISPUTE RESOLUTION

If a dispute arises under this Agreement between, the Parties shall use the dispute resolution process described in Article 11 of the NYISO's Services Tariff, as such process may be amended from time to time. Notwithstanding the process described in Article 11 of the NYISO's Services Tariff, the NYISO may terminate this Agreement in accordance with Article 8 of this Agreement.

ARTICLE 14. SURVIVAL

The rights and obligations of the Parties in this Agreement shall survive the termination, expiration, or cancellation of this Agreement to the extent necessary to provide for the determination and enforcement of said obligations arising from acts or events that occurred while this Agreement was in effect. The remedies and rights and obligation upon termination provisions in Articles 7.3 and 8.3 of this Agreement, the liability and indemnity provisions in Article 9, and the billing and payment provisions in Article 3.6 of this Agreement shall survive termination, expiration, or cancellation of this Agreement.

ARTICLE 15. MISCELLANEOUS

15.1. Notices

Any notice or request made to or by any Party regarding this Agreement shall be made to the Parties, as indicated below:

New York Independent System Operator, Inc.

Attn: Zachary G. Smith
Vice President, System and Resource Planning
10 Krey Boulevard
Rensselaer, NY 12144
Phone: (518) 356-6000
Fax: (518) 356-6118

Transco

Attn: Victor Mullin
President
New York Transco

One Hudson Center
Hudson, New York 12534

SERVICE AGREEMENT NO. 2510

Phone: (518) 444-4684
Victor.Mullin@NYTransco.com

With copy to:

Attn: Kathleen Carrigan
General Counsel
New York Transco
One Hudson Center
Hudson, New York 12534
Phone: (518) 444-4310
Kathleen.Carrigan@NYTransco.com

15.2. Entire Agreement

Except as described below in this Section 15.2, this Agreement, including all Appendices attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings of agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants that constitute any part of the consideration for, or any condition to, either Party's compliance with its obligation under this Agreement.

Notwithstanding the foregoing, this Agreement is in addition to, and does not supersede or limit the Developer's and NYISO's rights and responsibilities, under any interconnection agreement(s) entered into by and among the NYISO, Developer, and Connecting Transmission Owner(s) for the Transmission Project to interconnect to the New York State Transmission System, as such interconnection agreements may be amended, supplemented, or modified from time to time.

15.3. Cost Recovery

The Developer may recover the costs of the Transmission Project in accordance with the cost recovery requirements in the ISO Tariffs.

15.4. Binding Effect

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

15.5. Force Majeure

A Party that is unable to carry out an obligation imposed on it by this Agreement due to Force Majeure shall notify the other Party in writing as soon as reasonably practicable after the occurrence of the Force Majeure event and no later than the timeframe set forth in Article 3.3.3(i) if the Force Majeure event will result in a potential delay for the Developer to meet a

SERVICE AGREEMENT NO. 2510

Critical Path Milestone. If the notifying Party is the Developer, it shall indicate in its notice whether the occurrence of a Force Majeure event has the potential to delay its meeting one or more Critical Path Milestones and/or completing the Transmission Project by the Required Project In-Service Date. If the Force Majeure will delay the Developer's ability to meet one or more Critical Path Milestones, the Developer shall request with its notice a change to the impacted milestones in accordance with the requirements in Section 3.3.4 and must satisfy the requirements in Section 3.3.4 to change any Critical Path Milestones. A Party shall not be responsible for any non-performance or considered in Breach or Default under this Agreement, for any failure to perform any obligation under this Agreement to the extent that such failure is due to Force Majeure and will not delay the Developer's ability to complete the Transmission Project by the Required Project In-Service Date. A Party shall be excused from whatever performance is affected only for the duration of the Force Majeure and while the Party exercises reasonable efforts to alleviate such situation. As soon as the nonperforming Party is able to resume performance of its obligations excused because of the occurrence of Force Majeure, such Party shall resume performance and give prompt notice thereof to the other Party. In the event that Developer will not be able to complete the Transmission Project by the Required Project In-Service Date because of the occurrence of Force Majeure, the NYISO may terminate this Agreement in accordance with Section 8.1 of this Agreement.

15.6. Disclaimer

Except as provided in this Agreement, the Parties make no other representations, warranties, covenants, guarantees, agreements or promises regarding the subject matter of this Agreement.

15.7. No NYISO Liability for Review or Approval of Developer Materials

No review or approval by the NYISO or its subcontractor(s) of any agreement, document, instrument, drawing, specifications, or design proposed by the Developer nor any inspection carried out by the NYISO or its subcontractor(s) pursuant to this Agreement shall relieve the Developer from any liability for any negligence in its preparation of such agreement, document, instrument, drawing, specification, or design, or its carrying out of such works; or for its failure to comply with the Applicable Laws and Regulations, Applicable Reliability Requirements, and Transmission Owner Technical Standards with respect thereto, nor shall the NYISO be liable to the Developer or any other person by reason of its or its subcontractor's review or approval of an agreement, document, instrument, drawing, specification, or design or such inspection.

15.8. Amendment

The Parties may by mutual agreement amend this Agreement, including the Appendices to this Agreement, by a written instrument duly executed by both of the Parties. If the Agreement was filed and accepted by FERC pursuant to Section 31.4.12.2 of Attachment Y of the OATT, the NYISO shall promptly file the amended Agreement for acceptance with FERC.

SERVICE AGREEMENT NO. 2510

15.9. No Third Party Beneficiaries

With the exception of the indemnification rights of the NYISO's directors, officers, employees, trustees, and agents under Article 9.2, this Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and their permitted assigns.

15.10. Waiver

The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

15.11. Rules of Interpretation

This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement, such Appendix to this Agreement, or such Section of this Agreement, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

15.12. Severability

Each provision of this Agreement shall be considered severable and if, for any reason, any provision is determined by a court or regulatory authority of competent jurisdiction to be

invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect and shall in no way be affected, impaired, or invalidated, and such invalid, void,

SERVICE AGREEMENT NO. 2510

or unenforceable provision should be replaced with valid and enforceable provision or provisions that otherwise give effect to the original intent of the invalid, void, or unenforceable provision.

15.13. Multiple Counterparts

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

15.14. No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or otherwise bind, any other Party.

15.15. Headings

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

15.16. Governing Law

This Agreement shall be governed, as applicable, by: (i) the Federal Power Act, and (ii) the substantive law of the State of New York, without regard to any conflicts of laws provisions thereof (except to the extent applicable, Sections 5-1401 and 5-1402 of the New York General Obligations Law).

15.17. Jurisdiction and Venue

Any legal action or judicial proceeding regarding a dispute arising out of or relating to this Agreement or any performance by either Party pursuant thereto that: (i) is within the primary or exclusive jurisdiction of FERC shall be brought in the first instance at FERC, or (ii) is not within the primary or exclusive jurisdiction of FERC shall be brought in, and fully and finally resolved in, either, as applicable, the courts of the State of New York situated in Albany County, New York or the United States District Court of the Northern District of New York situated in Albany, New York.

SERVICE AGREEMENT NO. 2510

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

New York Independent System Operator, Inc.

By:

Zachary G. Smith
Title: Vice President, System & Resource Planning

Date:

New York Transco, LLC

By:

Victor Mullin
Title: President

Date:

SERVICE AGREEMENT NO. 2510

Appendix A

Project Description

1. Transmission Project Overview

The transmission project is the New York Energy Solution Project (“Transmission Project”) that was submitted by the Developer, evaluated as part of the NYISO’s Public Policy Transmission Planning Process, and selected by the NYISO Board of Directors on April 8, 2019 as the more efficient or cost-effective transmission solution to the need to increase the UPNY/SENY transfer capability, which constitutes Segment B of the AC Transmission Public Policy Transmission Needs identified by the New York State Public Service Commission (“NYPSC”) in its December 17, 2015 order in Case No. 12-T-0502. The Transmission Project, as described below, contains modifications that the Developer requested to make on July 22, 2021, April 6, 2022, July 5, 2022, and August 5, 2022, and that the NYISO consented to in accordance with Article 3.5 of the Agreement.

The Transmission Project will be mainly located in three counties (Rensselaer, Columbia and Dutchess) in the northern and mid-Hudson Valley, New York and will consist of the components described in Sections 2 and 3 below. The Transmission Project will be built entirely within existing transmission line corridors and property owned by the incumbent Transmission Owners, including National Grid.

2. Components of the Transmission Project

a. The Transmission Project consists of the following components:

- A new 345 kV/115 kV double-circuit transmission line from a new Knickerbocker switching station to the existing Pleasant Valley substation, and the rebuild of approximately 2.1 miles of the 115 kV Blue Stores Tap;
- A new 345 kV Knickerbocker switching station at the proposed, greenfield site in Schodack, New York, which will house a two-step series compensator (33.3% and 16.67%) for the new 345 kV Knickerbocker to Pleasant Valley transmission line;
- Rebuild of the existing NYSEG Churchtown 115 kV switching station in Claverack, New York, which will require decommissioning of the existing facility; and
- Two (2) new 135 MVAR 345 kV capacitor banks located in a new capacitor bank station (“Van Wagner Capacitor Bank Station”) that will bifurcate the Athens to Pleasant Valley 345 kV line (Line #91) and the Leeds to Pleasant Valley 345 kV Line (Line #92).

SERVICE AGREEMENT NO. 2510

The Transmission Project also includes additional upgrades to existing transmission facilities as identified by the NYPSC in its December 17, 2015, order identifying the AC Transmission Public Policy Transmission Needs—*i.e.*, upgrades to the Rock Tavern 345 kV substation and Coopers Corners substation and upgrades to the Shoemaker to Sugarloaf 138 kV facilities. The Developer modified the upgrades identified by the NYPSC after performing engineering and design work, and such upgrades are generally referred to as the “Rock Tavern to Sugarloaf component.” Specifically, the Rock Tavern to Sugarloaf component contains the following facilities and related work:

- Terminal upgrades to the Rock Tavern 345 kV substation and Coopers Corners substation;
- Rebuild of the existing 115 kV Sugarloaf switching station, located in Chester, New York, as a four-breaker ring bus substation with a 115 kV/138 kV autotransformer;
- Replacement of an existing 12-mile overhead 115 kV transmission line with a new 115 kV transmission line, beginning at the existing 115 kV Rock Tavern substation, located in New Windsor, New York, and terminating at the rebuilt 115 kV Sugarloaf switching station; and
- A new 138 kV transmission line beginning at the existing, rebuilt 115 kV Sugarloaf switching station and terminating at the existing Orange and Rockland 138 kV Sugarloaf switching station.; and
- Terminal upgrades to the Orange and Rockland 138 kV Sugarloaf switching station to accommodate the new 138 kV transmission line.

The Transmission Project has also been modified to include the installation of two (2) phase angle regulators (“PARs”) on the Cricket Valley - Long Mountain 345 kV line (Line #398), together with a spare PAR, that will be housed in a new substation to be located in Dutchess County, New York. The new substation will be located approximately 400 feet south of Consolidated Edison Company of New York, Inc.’s right of way for its Line #398. The PARs and substation will be developed, constructed, and owned by the Developer. The PARs are required to address thermal degradation between the New York Control Area and New England, which need was originally identified in the System Impact Study for the Transmission Project pursuant to the NYISO’s Transmission Interconnection Procedures under Attachment P and was common across the proposals to address Segment B of the AC Transmission Public Policy Transmission Needs.

b. Network Upgrade Facilities:

The Transmission Project requires upgrades and expansions to existing transmission facilities owned by Transmission Owners that will be identified as Network Upgrade Facilities and addressed in Transmission Project Interconnection Agreements or engineering, procurement, and construction agreements, as described below:

SERVICE AGREEMENT NO. 2510

- Equipment replacements and/or additions at existing terminal facilities to interconnect the Transmission Project, which include, but are not limited to, the addition or replacement of circuit breakers, switches, metering equipment, and/or protective relay modifications. The following substations that will be modified by such Network Upgrade Facilities include, but are not limited to:
 - 345 kV Alps,
 - 345 kV New Scotland
 - 345 kV Pleasant Valley,
 - 345 kV Coopers Corners,
 - 345 kV Cricket Valley,
 - 345 kV Long Mountain,
 - 345 kV Rock Tavern,
 - 138 kV Sugarloaf,
 - 115 kV Blue Stores,
 - 115 kV North Catskill,
 - 115 kV Milan,
 - 115 kV Pleasant Valley,
 - 115 kV Rock Tavern,
 - 115 kV Hudson,
 - 115 kV Schodack,
 - 115 kV LaFarge,
 - 115 kV Valkin,
 - 115 kV Falls Park,
 - 115 kV Craryville,
 - 115 kV Klinekill,
 - 115 kV Buckley Corners,
 - 115 kV ADM Milling,
 - 115 kV Greenbush, and
 - 115 kV Fort Orange.
- Removal of various 115 kV transmission lines will need to occur to accommodate the construction of the new 345 kV/115 kV lines.

3. Interconnection Facilities

The Developer submitted an Interconnection Request for the Transmission Project to be studied in the NYISO's Transmission Interconnection Procedures under Attachment P to the NYISO's Open Access Transmission Tariff ("OATT"). The NYISO assigned the Transmission Project Queue No. 543. The NYISO evaluated the impact of the Transmission Project on the New York State Transmission System through Transmission Interconnection Studies. These studies determined that the interconnection and operation of the Transmission Project will

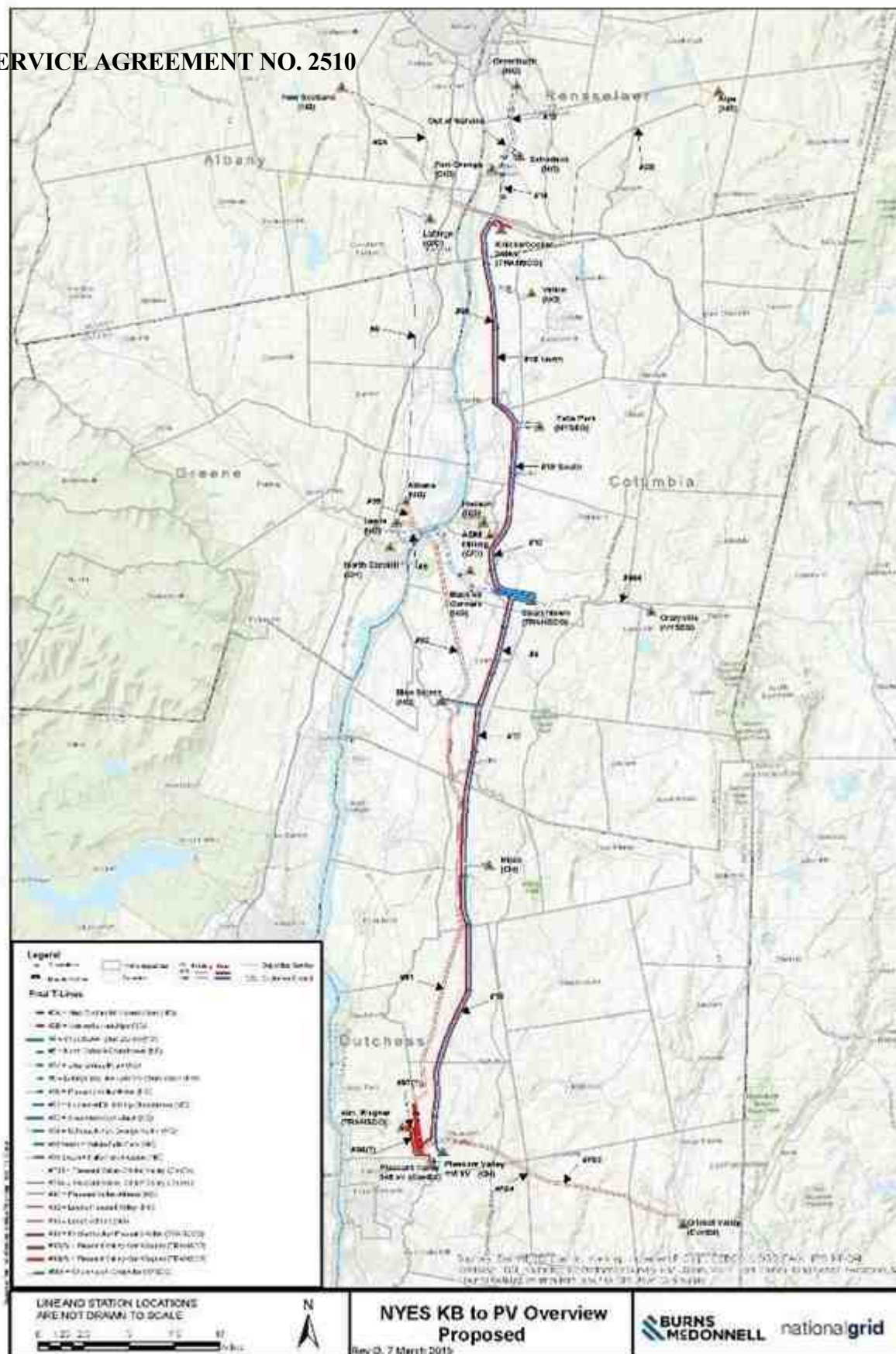
require the construction of certain Network Upgrade Facilities identified in the Facilities Study and include, but not be limited to, modifications to existing transmission facilities that the Developer proposed as a component of the Transmission Project in the Public Policy

SERVICE AGREEMENT NO. 2510

Transmission Planning Process identified in this Appendix A, Section 2. The identified facilities and associated responsibilities in designing, engineering, procuring, installing, constructing, testing, and commissioning are or will be addressed in the Transmission Project Interconnection Agreements and associated engineering, procurement, and construction agreements among the Developer, the Connecting Transmission Owner(s) and/or the Affected System Operator(s), and the NYISO. If there is a conflict between the Project Description in Appendix A or the Scope of Work in Appendix B to this Agreement as it relates to Network Upgrade Facilities or interconnection-specific details and any executed Interconnection Agreement and/or engineering, procurement, and construction agreement, the description of the Network Upgrade Facilities or interconnection-specific details included in the executed Interconnection Agreements and/or engineering, procurement, and construction agreements shall control.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SERVICE AGREEMENT NO. 2510



SERVICE AGREEMENT NO. 2510

Appendix B

Scope of Work

1. Components of the Transmission Project and Network Upgrade Facilities:

The Developer shall design, engineer, procure, install, construct, test, and commission the Transmission Project as described in Appendix A of this Agreement, and pursuant to this Appendix B. Certain Network Upgrade Facilities, including those described in Appendix A, have been identified in the Transmission Interconnection Procedures and, while listed in this Scope of Work, are addressed in the Transmission Project Interconnection Agreements and/or associated engineering, procurement, and construction agreements among the NYISO, Developer, and the Connecting Transmission Owner(s) and/or Affected System Operator(s). Based on a preliminary design, the components of the Transmission Project and Network Upgrade Facilities will consist of the following major electrical and physical equipment:

(a) New Knickerbocker 345 kV switching station with a ring bus configuration and a two-step 33.3% and 16.67% series compensation system

- Three (3) dead-tank gas circuit breakers, 362 kV, 4000 A;
- Eleven (11) disconnect switches, 362 kV, 4000 A continuous and three (3) disconnect switches, 362 kV, 5000A continuous;
- Three (3) line traps, 362 kV, 5000A;
- Nine (9) coupling capacitor voltage transformers (CCVTs), 362 kV, 1800/3000:1;
- Three (3) line tuners;
- One (1) set of three (3) Metering Instrument Transformers (VT/CTs) in accordance with NYPSC requirements;
- Twenty-four (24) surge arresters, 220 kV maximum continuously operating voltage (MCOV);
- Two (2) station service voltage transformers (SSVT);
- A two-step 33.3% and 16.67% Series Compensation system with bypass switching rated 1.28% X PU, 15.23 Ohms, 681 MVAR at normal rating of 3862A;
- Structures, foundations, bus, insulators, grounding, trench, conduit and control

cable;

SERVICE AGREEMENT NO. 2510

- Site development, grading and fencing; and
- One (1) 65-ft x 16-ft (size to be finalized by the Developer in detailed engineering) control house, including: approximately twenty (20) panels for Protection, Control, Communications, Series Compensation system, Metering, Remote Terminal Unit (RTU), SCADA, Digital Fault Recorder (DFI), Human Machine Interface (HMI), Sequence of Events Recorder (SOER), Phasor Measurement Unit (PMU); two (2) battery banks; DC panelboards; AC panelboards; Automatic Transfer Switch (ATS). The actual number of protection panels will be determined by the Developer in the detailed engineering in conjunction with the Connecting Transmission Owner(s) and as approved in the NPCC approval process.

(b) Rebuild of the Churchtown 115 kV switching station with breaker and a half configuration

- Eight (8) dead-tank gas circuit breakers, 123 kV, 4000 A;
- Sixteen (16) disconnect switches, 123 kV, 4000 A and five (5) disconnect switches 123 kV, 2000 A;
- Twenty-three (23) CCVTs, 115 kV;
- One (1) set of three (3) Metering Instrument Transformers (VT/CTs) in accordance with NYPSC requirements;
- Seventeen (17) surge arresters, 96 kV MCOV;
- Two (2) station service voltage transformers (SSVT);
- Structures, foundations, bus, insulators, grounding, conduit and control cable;
- Site development, grading and fencing; and
- One (1) 66-ft x 15-ft (size to be finalized by Developer in detailed engineering) control house, including: approximately twenty-six (26) panels for Protection, Control, Communications, Metering, Security, Remote Terminal Unit (RTU), SCADA, Digital Fault Recorder (DFI), Human Machine Interface (HMI), Sequence of Events Recorder (SOER); two (2) battery banks; DC panelboards; AC panelboards; Automatic Transfer Switch (ATS). The actual number of protection panels will be determined by the Developer in the detailed engineering in conjunction with the Connecting Transmission Owner(s).

SERVICE AGREEMENT NO. 2510

(c) Installation of two new 135 MVAR 345 kV capacitor banks at a new capacitor bank station (“Van Wagner Capacitor Bank Station”) that intercepts the Athens to Pleasant Valley 345 kV line (Line #91) and the Leeds to Pleasant Valley 345 kV Line (Line #92) with reconductoring of the existing feeder segments into Pleasant Valley 345 kV substation (redesignated as Y58 and Y59, respectively)

- Two (2) 135MVAR, 345 kV capacitor banks with center tap VT and reactors;
- Eight (8) dead-tank gas circuit breakers, 362 kV, 4000 A;
- Eighteen (18) disconnect switches, 362 kV, 4000 A continuous;
- Twenty (20) CCVTs, 362 kV, 1800/3000:1;
- Twenty (20) surge arresters, 220 kV MCOV;
- Two (2) station service voltage transformers (SSVT);
- Reconductoring of the Y58 and Y59 transmission lines between Van Wagner and Pleasant Valley with Puffin conductor, double-bundled, 795 kcmil, 22/7 stranded aluminum conductor steel supported (ACSS) with E3X coating;
- Structures, foundations, bus, insulators, grounding, trench, conduit and control cable;
- Site development, grading and fencing for Van Wagner Capacitor Bank Station installation; and
- One (1) 16-ft x 42-ft (size to be finalized by Developer in the detailed engineering) control house addition, including approximately eight (8) panels for Line and Capacitor bank Protection, Control and Communications. The actual number of protection panels will be determined by the Developer in the detailed engineering in conjunction with the Connecting Transmission Owner(s) and as approved in the NPCC approval process.

(d) New double-circuit 345/115 kV transmission line from a new Knickerbocker 345 kV switching station to Churchtown

- Install a new double circuit 345 kV transmission line of approximately 21.9 miles on new steel structures in the existing right-of-way from the new Knickerbocker 345 kV switching station to Churchtown;
- Install Cardinal conductor, double-bundled, 954 kcmil, 54/7 stranded aluminum conductor steel supported (ACSS);

- Install single shield wire 3/8" -7 stranded EHS steel; and

SERVICE AGREEMENT NO. 2510

- Install optical fiber ground wire with 36 fibers.

(e) New double-circuit 345/115 kV transmission line from Churchtown to the existing Pleasant Valley substation

- Install a new double-circuit 345 kV transmission line of approximately 32.3 miles on new steel structures in the existing right-of-way from Churchtown to Pleasant Valley substation;
- Install Cardinal conductor, double-bundled, 954 kcmil, 54/7 stranded aluminum conductor steel supported (ACSS);
- Install single shield wire 3/8" -7 stranded EHS steel; and
- Install optical fiber ground wire with 36 fibers.

(f) Rebuild of the 115 kV transmission line from Blue Stores Junction to Blue Stores substation

- Rebuild 2.1 miles of the existing 115 kV transmission line from Blue Stores Junction to Blue Stores substation;
- Install Drake conductor, 795 kcmil, 26/7 stranded aluminum conductor steel reinforced (ACSR);
- Install single shield wire 3/8" -7 stranded EHS steel; and
- Install optical fiber ground wire with 36 fibers.

(g) Decommissioning of existing infrastructure between Greenbush 115 kV substation and Pleasant Valley 115 kV substation

- Remove 21.9 miles of the existing 115 kV #14 and #15 transmission lines;
- Remove 32.3 miles of the existing 115 kV #8, #10, #12 and #13 transmission lines; and
- Disconnect #8, #10 and #12 circuits in the 115 kV Pleasant Valley substation.

(h) Terminal work at the 345 kV Pleasant Valley substation

- Build out of Bay 1 North and reconstruction of Bay 1 south, including installation of breakers, disconnect switches, structures, and buswork; relocation of the F83 and F84 transmission lines to Bay 1 north and Bay 2 north; termination of the Y57 transmission line into Bay 3 north; terminal upgrades to support the termination of the reconductored Y58 and Y59 transmission lines

into Bay 4 north and Bay 5 north, relay and control upgrades; installation of separate control house enclosure; replacement of primary and back-up battery

SERVICE AGREEMENT NO. 2510

systems; and site work including foundations, grounding and conduit installation.

(i) Terminal work at the 345 kV Coopers Corner substation

- Modification of existing transformer tap settings, relay setting evaluation, and resetting, as necessary, to achieve a rating of 1464/1874/2258 MVA (Summer) on Coopers Corners to Middletown 345 kV line 34.

(j) Terminal work at the 345 kV Rock Tavern substation

- Replacement of conductor drops and relay setting evaluation and resetting, as necessary, to achieve a rating of 1793/1990/2195 MVA (Summer) on Dolson Ave. to Rock Tavern 345 kV line 44.

(k) Terminal work at the 345 kV New Scotland substation

- Relay and protection upgrades on the 345 kV Alps #2 transmission line to achieve new line ratings of 1423/1762/1912 (Summer), 1852/1912/1912 (Winter) on New Scotland to Knickerbocker 345 kV #2 transmission line.

(l) Terminal work at the 345 kV Alps switching station

- Relay and protection upgrades at the Alps switching station on the 345 kV Knickerbocker to Alps #6 transmission line.

(m) Terminal work at the 115 kV Pleasant Valley substation

- The existing #12 transmission line to Hudson (ADM Milling), #13 transmission line to Churchtown (Blue Stores Tap), and #8 transmission line to LaFarge (Blue Stores Tap & Buckley Corners) will be de-terminated from the existing 115 kV Pleasant Valley Substation and existing conductor from the lattice tower line take-off structures will be removed. The existing #10 transmission line to Milan will be reconducted and connected to the existing R10 line terminal position.

(n) Terminal work at the 115 kV Blue Stores substation

- Install one (1) 115 kV circuit breaker, two (2) breaker disconnect switches, six (6) CCVTs, three (3) 115 kV CT/PT metering units, surge arresters, and new 16-ft x 42-ft control enclosure. The upgraded Blue Stores Substation will serve as the terminus for the new Churchtown #4 transmission line and the Milan #T7 transmission line.

(o) Terminal work at the 115 kV North Catskill substation

- Relay and protection upgrades for line protection and serve as terminus for the Churchtown #5 transmission line and the Feura Bush #2 transmission line.

SERVICE AGREEMENT NO. 2510

(p) Terminal work at the 115 kV Milan substation

- Relay and protection upgrade for line protection and serve as terminus for the Blue Stores #T7 transmission line and Pleasant Valley #10 transmission line.

(q) Terminal work at the 115 kV Hudson substation

- Relay and protection upgrades for line protection, installation of ADSS fiber from the Hudson tap to Hudson substation, surge arresters, and serve as terminus for the Churchtown #12 transmission line (ADM Milling tap) and newly configured Falls Park #20-731 transmission line.

(r) Terminal work at the 115 kV Schodack substation

- Install seven (7) 115 kV CCVTs, two (2) 115 kV circuit breakers, two (2) breaker disconnect switches, surge arresters, relay, and protection upgrades and serve as terminus for the Greenbush #13 transmission line and newly configured Valkin #14 transmission line.

(s) Terminal work at the 115 kV Lafarge substation

- Relay and protection upgrades, including installation of one (1) 115 kV CCVT and one (1) 115 kV line trap, and serve as terminus for the Longlane #6 transmission line and the Churchtown #8 line.

(t) Terminal work at the 115 kV Valkin substation

- Serve as terminus for the new Schodack #14 transmission line configuration and new Falls Park #19-730 transmission line configuration.

(u) Terminal work at the 115 kV Falls Park substation

- Relay and protection upgrades for line protection and serve as terminus for the new Valkin #19-730 transmission line configuration and Hudson #20-731 transmission line.

(v) Terminal work at the 115 kV Craryville substation

- Install three (3) 115 kV CT/PT metering units and one (1) blocking line trap and serve as terminus for Churchtown #984 transmission line.

(w) Terminal work at the 115 kV Klinekill substation

- Install one (1) 115 kV CCVT, one (1) line trap, relay, and protection upgrades for line protection and serve as terminus for Churchtown #984 transmission line.

SERVICE AGREEMENT NO. 2510

(x) Terminal work at the 115 kV Buckley Corners substation

- Installation of one (1) blocking line trap and re-route # 8 transmission line and terminate it at the new Churchtown Switching Station.

(y) Terminal work at the 115 kV ADM Milling substation

- Re-route #12 transmission line and terminate it at the new 115 kV Churchtown Switching Station.

(z) Terminal work at the 115 kV Greenbush substation

- Decommission #15 transmission line and terminal equipment. Relay and Protection upgrades to line protection and updating #13 transmission line settings.

(aa) Terminal work at the 115 kV Fort Orange substation

- Greenbush #15 transmission line terminal will be decommissioned. Fort Orange will tap reconducted #14 transmission line between Schodack and Valkin and include installation of disconnect switches at the Fort Orange tap.

(bb) Installation of two (2) new 750 MVA 345 kV phase angle regulators (“PARs”) at a new station (“Dover Station”) that bifurcates the Cricket Valley - Long Mountain 345 kV line (Line #398)

- Three (3) 345 kV, 4000 A line circuit breakers, 63 kA interrupting rating, 1300 kV BIL;
- Eight (8) 345 kV, 4000 A motor operated disconnect switches, double-sided break style, 75 kA, 1300 kV BIL;
- Two (2) 345 kV, 4000 A motor operated disconnect switches, vertical break style, 75 kA, 1300 kV BIL;
- Two (2) 345 kV 450/600/750 MVA +/- 40° PARs (maximum advance phase shift capability at 750 MVA = 32°) with a spare PAR of equivalent specifications;
- Twelve (12) 345 kV CCVTs, 199.2 kV - 115/69 V, 400 VA, 4000 pf, 63 kV withstand rating, 1550 kV BIL;
- Six (6) 345 kV SSVTs, 199.2 kV - 240/120 V, 100 kVA, 63 kV withstand rating, 1300 kV BIL;
- Twenty-one (21) line lightning arrestors 276 kV duty cycle, 220 MCOV;

SERVICE AGREEMENT NO. 2510

- Three (3) 345 kV metering VTs, 199.2 kV- 115/69 V ratio, 0.15 accuracy class, 400 VA thermal burden, 63 kA short circuit rating, 1300 kV BIL;
- One (1) pre-engineered control enclosure;
- One (1) new double circuit steel monopole dead-end structure (to be identified as L62-2);
- One (1) new single circuit steel monopole dead-end structure (to be identified as L62-3);
- Twin-bundled 795 kcmil ACSS Mallard conductor;
- Single shield wire 7#5 Alumoweld aluminum clad steel;
- One (1) OPGW with 72 fibers; and
- One (1) ADSS fiber optic cable with min 48 fibers.

(cc) Terminal work at the 345 kV Cricket Valley substation

- Relay and protection upgrades for the Y17 transmission line between Cricket Valley and Dover.

(dd) Terminal work at the 345 kV Long Mountain substation

- Relay and protection upgrades for the #398 transmission line between Dover and Long Mountain.

(ee) Rock Tavern to Sugarloaf Component

- Rebuild of the existing 115 kV Sugarloaf switching station as a four-breaker ring bus substation with a 115 kV/138 kV autotransformer;
 - Four (4) dead tank gas breakers, 123 kV, 4000 A and one (1) dead tank gas breaker 145 kV 4000 A;
 - Nine (9) disconnect switches 123kV, 4000 A, Three (3) disconnect switches 123 kV, 2000 A and one (1) disconnect switch 145 kV 2000 A;
 - Twelve (12) CCVTs 115 kV and three (3) CCVTs 138 kV;
 - Twelve (12) surge arresters 96 kV MCOV and three (3) surge arresters 108 kV MCOV;
 - Three (3) station service voltage transformers (SSVTs);

- One (1) 138/115/13.8 kV 168/223/280 MVA autotransformer with LTC with a spare autotransformer of equivalent specifications;

SERVICE AGREEMENT NO. 2510

- Structures, foundations, bus, insulators, grounding, conduit and control cable;
- Site development, grading and fencing; and
- One (1) 26-ft x 55-ft control house, including: approximately 19 panels for Protection, Control, Communications, Metering, Security, Remote Terminal Unit (RTU), SCADA, Digital Fault recorder (DFR), Human Machine Interface (HMI), Sequence of Event Recorder (SOER); two (2) battery banks; DC panelboards; AC panelboards; Automatic Transfer Switch (ATS).
- Replace an existing 12-mile overhead 115 kV transmission line with a new 115 kV transmission line, beginning at the existing 115 kV Rock Tavern substation, located in New Windsor, New York, and terminating at the rebuilt 115 kV Sugarloaf switching station;
 - Install a new single-circuit 115kV transmission line of approximately 12 miles on new steel structures in the existing right-of-way from Rock Tavern to the rebuilt 115 kV Sugarloaf switching station;
 - Install Lapwing conductor, 1590 kcmil, 45/7 stranded aluminum conductor steel reinforced (ACSR); and
 - Install optical fiber ground wire with 72 fibers.
- Install a new 138 kV transmission line beginning at the existing, rebuilt 115 kV Sugarloaf switching substation and terminating at the existing 138 kV Sugarloaf switching station; and
 - Install a new single-circuit 138 kV transmission line of approximately 0.8 miles on new steel structures on utility owned property from the rebuilt Sugarloaf switching station to the existing 138 kV Sugarloaf switching station;
 - Install Lapwing conductor, 1590 kcmil, 45/7 stranded aluminum conductor steel reinforced (ACSR); and
 - Install optical fiber ground wire with 72 strands.
- Replace the first structure (Structure 1241) outside of the existing, rebuilt 115 kV Sugarloaf switching station located on the SD and SJ lines.
 - Replace one (1) double circuit structure on the SD and SJ lines just outside the rebuilt 115 kV Sugarloaf switching station; and

- Reconductor one (1) span on the SD and SJ lines with Penguin conductor, 4/0, 6/1 stranded aluminum conductor steel reinforced (ACSR).

SERVICE AGREEMENT NO. 2510

(ff) Terminal work at the 115 kV Rock Tavern substation

- Install three (3) 115 kV CT/PT metering units, replacement of two (2) 115 kV disconnect switches, relay and protection upgrades to support the terminus of the rebuilt SL transmission line.

(gg) Terminal work at the 138 kV Sugarloaf switching station

- Install two (2) 145 kV 2000 A circuit breakers, six (6) 145 kV 2000 A disconnect switches, four (4) 138 kV potential transformers, three (3) surge arrester 108 kV MCOV, foundations, grounding, conduit, structures, buswork, control cable, and relay and control equipment to support the terminus of the new #30 transmission line.

2. Permitting - Licensing, Environmental, and Regulatory Approvals

In accordance with Section 3.9 of this Agreement, the Developer shall be responsible for applying for and obtaining all necessary licensing, environmental, and regulatory approvals for the Transmission Project. Such approvals may include the following:

- (a) Public Service Law Article VII Certificate of Environmental Compatibility and Public Need (“CECPN”);
- (b) Certificate of Public Convenience and Necessity issued pursuant to Section 68 of the New York State Public Service Law;
- (c) State Pollutant Discharge Elimination System (“SPDES”) General Permit from the New York State Department of Environmental Conservation (“NYSDEC”) for Stormwater Discharge during Construction Activities (GP-0-15-002);
- (d) Utility Work Permit from the New York State Department of Transportation (“NYSDOT”) (for highway crossings);
- (e) Work Permit from New York State Thruway Authority (“NYSTA”) (for crossing of New York State Thruway I-90), and utility crossings as needed;
- (f) Environmental Management and Construction Plan (“EM&CP”) from the NYPSC following issuance of the Article VII Certificate;
- (g) NYSDEC freshwater wetland and stream disturbance permits;
- (h) Section 401 Water Quality Certification from the NYSDEC;
- (i) Section 10/404 permits from the U.S. Army Corps of Engineers (“USACE”);
- (j) Municipal Stormwater (MS4) permit from all applicable municipalities;

SERVICE AGREEMENT NO. 2510

- (k) Cultural Resources Information System (CRIS) determination from New York State Historic Preservation Office (“NYSHPO”); and
- (l) Endangered Species Act Section 7 (ESA), Migratory Bird Treaty Act and Bald and Golden Eagle Protection Act consultation and Special Use Permit, if applicable, from United States Fish and Wildlife Service (“USFWS”).

3. Site Control / Rights of Way Acquisition

The Developer is responsible for obtaining the necessary site control and/or rights of way (“ROWs”) for the construction of the Transmission Project in accordance with the milestones set forth in Appendix C of this Agreement.

4. Financing

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

5. Engineering and Design

The Developer is responsible for preparing the engineering design work. All engineering design work must comply with the Applicable Reliability Standards, in addition to all relevant guidelines and design standards, including, but not limited to:

- ANSI C2-2017 National Electrical Safety Code
- ASCE 48 Design of Steel Transmission Pole Structures
- IEEE Std. 524 Guide to the Installation of Overhead Transmission Line Conductors
- IEEE Std. 691 Guide for Transmission Structure Foundation Design and Testing
- NYPP Tie-Line Ratings Task Force 1995 Report
- ASCE Manual of Practice 113 Substation Structure Design Guide
- IEEE Std. 80 Guide for Safety in AC Substation Grounding
- ANSI C37, Standards Series for substations and circuit breakers
- ANSI C57, Standards Series for power and Instrument Transformers
- IEEE and ANSI standards for transmission lines and substations, as applicable.

- National Grid, Consolidated Edison Company of New York, Inc., Orange & Rockland Utilities, Inc., Central Hudson Gas & Electric Corporation, New York

SERVICE AGREEMENT NO. 2510

State Electric & Gas Corporation, New York Power Authority, and Affected Transmission Owners local transmission design criteria, as applicable.

6. Estimated Cost

The cost estimate (2018 U.S. dollars) for the Transmission Project is \$479 million, including 30% contingency, consistent with the independent cost estimate used by the NYISO in the evaluation and selection and as documented in the AC Transmission Public Policy Transmission Planning Report, dated April 8, 2019. The estimated cost is not all inclusive and does not include, among other things, (i) the creation of the Van Wagner Capacitor Bank Station to house the two new 135 MVAR 345 kV capacitor banks, (ii) the Rock Tavern to Sugarloaf component, (iii) the installation of two new 750 MVA 345 kV PARs at a new Dover station, (iv) real estate and land acquisition costs, facility acquisition and removal costs, and costs incurred as a result of the Connecting Transmission Owner(s) to the extent that the foregoing costs were not assumed in the NYISO's evaluation and selection, and (v) project development costs incurred by the Developer prior to selection of the Transmission Project by the NYISO Board of Directors.

SERVICE AGREEMENT NO. 2510

Appendix C

The Developer shall demonstrate to the NYISO that it timely meets the below Critical Path Milestones and Advisory Milestones contained herein and that such milestones remain in good standing.

1	Commence Preliminary Engineering and Design of Principal Project Component ¹	Developer	Advisory	Completed	Completed
2	Commence Public Involvement Plan	Developer	Advisory	Completed	Completed
3	Commence Land Acquisition Activities for the Transmission Project	Developer	Advisory	Completed	Completed
4	Commence Facilities Study for Q#543	Developer NYISO Connecting Transmission Owner(s) ²	Advisory	Completed	Completed
5	File Article VII CECPN Application for Principal Project Component	Developer	Critical	Completed	Completed
6	Submit Proof of Insurance Pursuant to Article 6	Developer	Advisory	Within ten (10) days of the execution of this Agreement or the date on which the Agreement is filed with FERC	Completed
7	Demonstrate Adequate Project Financing to NYISO	Developer	Critical	2/1/2020	Completed

¹ References to “Principal Project Component” in the milestones contained in this Appendix C shall include all of the components listed in Appendices A and B of this Agreement with the exception of (i) the Network Upgrade Facilities that will be refined and/or identified in the Facilities Study for Q#543 pursuant to Attachment P to the NYISO Open Access Transmission Tariff (“OATT”), and (ii) the PARs to be installed at a new Dover substation. Milestones related to the Rock Tavern to Sugarloaf component will be separately identified by referring to the “Rock Tavern to Sugarloaf.” Milestones related to the installation of PARs at a new Dover substation will be separately identified by referring to the “Dover PAR Component.”

² The Connecting Transmission Owners are Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”), Consolidated Edison Company of New York, Inc. (“Con Edison”), Orange and Rockland

Utilities, Inc. (“Orange and Rockland”), and New York State Electric & Gas Corporation (“NYSEG”), which were identified in the System Impact Study for Q#543 and are listed in the milestones solely for informational purposes. Additional Connecting Transmission Owners may be identified in the Facilities Study for Q#543 under Attachment P to the OATT.

1

SERVICE AGREEMENT NO. 2510

8	NYISO Quarterly Report ³	Developer	Advisory	3/16/2020	Completed
9	NYISO Quarterly Report	Developer	Advisory	6/15/2020	Completed
10	Preliminary Detailed Engineering and Design of Principal Project Component Complete	Developer	Advisory	6/30/2020	Completed
11	Completion of TIP Facilities Study for Q#543 ⁴	NYISO Connecting Transmission Owner(s)	Advisory	6/30/2020	Completed
12	Article VII CECPN Application for Principal Project Component Deemed Complete	NYPSC	Critical	7/30/2020	Completed
13	Notification of Developer's Plan for Operation of the Transmission Project ⁵	Developer	Advisory	8/1/2020	Completed
14	NYISO Quarterly Report	Developer	Advisory	9/15/2020	Completed
15	Apply for All Required Federal and Other Permits or Approvals	Developer	Advisory	10/15/2020	Completed
16	NYISO Quarterly Report	Developer	Advisory	12/15/2020	Completed
17	File Article VII CECPN Application for Rock Tavern to Sugarloaf Component	Developer	Critical	12/31/2020	Completed
18	Execution of Asset Purchase Agreement(s) with National Grid for real property rights, license to access the property, and/or transmission facilities for the Principal Project Component	Developer National Grid ⁶	Critical	12/31/2020	Completed

³ For purposes of the milestones in this Appendix C, the quarterly reports will be for the three-month period ending on the last day of the month prior to the due date contained in the milestone.

⁴ This milestone date is based upon the Facilities Study Agreement for Q#543, dated September 20, 2019, which identifies June 30, 2020 as the completion date of the Facilities Study using Reasonable Efforts as defined by Attachment P to the OATT.

⁵ For purposes of the milestones set forth in this Appendix C, the notification shall inform the NYISO as to the Developer's plan for operating the Transmission Project. Such notification will include, but not limited to, whether the Developer intends to construct a new control center for the Transmission Project or enter into an agreement with a Connecting Transmission Owner to operate the Transmission Project from an NPCC-certified control center.

⁶ For purposes of this milestone, National Grid is not acting in its capacity as a Connecting Transmission Owner or an Affected System Operator.

		2			

SERVICE AGREEMENT NO. 2510

with the Exception of the Churchtown Switching Station

19	Execution of Asset Purchase Agreement(s) or comparable agreement(s) with NYSEG for real property rights, license to access the property, and/or transmission facilities for the Churchtown Switching Station	Developer NYSEG	Advisory	12/31/2020	Completed
20	File Section 70 Petitions for Principal Project Components with NYPSC for Approval	Developer National Grid NYSEG	Advisory	12/31/2020	Completed
21	Preliminary Detailed Engineering and Design of Rock Tavern to Sugarloaf Component Complete	Developer	Advisory	1/30/2021	Completed
22	Execution of Transmission Project Interconnection Agreement(s) for Q#543	Developer NYISO Connecting Transmission Owner(s)	Advisory	3/1/2021	Completed
23	NYISO Quarterly Report	Developer	Advisory	3/15/2021	Completed
24	Submit Construction Outage and Restoration Coordination Plan	Developer	Advisory	5/1/2021	Completed
25	NYISO Quarterly Report	Developer	Advisory	6/15/2021	Completed
26	Approval of Section 70 Petitions Filed by National Grid and NYSEG	NYPSC	Critical	6/30/2021	Completed
27	Article VII Certificate Issued for Principal Project Component	NYPSC	Critical	6/30/2021	Completed
28	Status Update Meeting to Discuss Article VII CECPN and Section 68 Approvals	Developer NYISO	Advisory	7/31/2021	Completed
29	Detailed Engineering and Design Finalized for Principal Project Component	Developer	Critical	7/31/2021	Completed
30	General Construction Contractor(s) Agreements Fully Executed for Principal Project Component	Developer	Advisory	7/31/2021	Completed
31	Completion of All Required Environmental Field Studies for Principal Project Component	Developer	Advisory	8/1/2021	Completed

		3			

SERVICE AGREEMENT NO. 2510

32	Submit EM&CP for Principal Project Component	Developer	Advisory	8/1/2021	Completed
33	Submit Proposed Protection for the BPS Element to NPCC for Approval (if applicable) of Principal Project Component	Developer	Advisory	8/31/2021	Not Applicable
34	Initiate NERC Certification and Registration related to the Principal Project Component	Developer	Advisory	8/31/2021	Not Applicable
35	NYISO Quarterly Report	Developer	Advisory	9/15/2021	Completed
36	Article VII CECPN Application for Rock Tavern to Sugarloaf Component Deemed Complete	NYPSC	Advisory	9/30/2021	Completed
37	Obtain NPCC Approval of the Protection for the BPS Element (if applicable) for Principal Project Component	Developer	Advisory	10/30/2021	Not Applicable
38	Approval of Construction Outage and Restoration Coordination Plan for Principal Project Component	NYISO Connecting Transmission Owner(s)	Advisory	11/1/2021	
39	Complete Procurement of Major Electrical Equipment and Materials for Principal Project Component ⁷	Developer	Critical	11/1/2021	Completed
40	NYPSC Order Approving EM&CP for Principal Project Component ⁸	NYPSC	Critical	12/1/2021	Completed
41	All Required Federal and Other Permits or Approvals Received for Construction of Principal Project Component	Developer	Advisory	12/1/2021	Completed

⁷ For purposes of the milestones set forth in this Appendix C, “major electrical equipment and materials” shall include, but is not limited to, station service voltage transformers, disconnect switches, circuit breakers, shunt capacitors, series capacitor, conductor, and towers. Further, “complete procurement” of major electric equipment and materials shall mean that the Developer has a valid and effective purchase order, agreement, or commercially recognized instrument with a vendor for the design, manufacture, and/or delivery of such equipment and materials, and the Developer has paid in full or made all applicable deposits for vendor to begin designing, manufacturing, and/or shipping such equipment and materials.

⁸ While there could be multiple, phased EM&CP approvals from the NYPSC for the various components of the Transmission Project, this Critical Path Milestone serves as the date by which the Developer must have all necessary EM&CP approvals for the Principal Project Component.

		4			

SERVICE AGREEMENT NO. 2510

42	Construction Mobilization ⁹	Developer	Advisory	12/15/2021	Completed
43	NYISO Quarterly Report	Developer	Advisory	12/15/2021	Completed
44	Commence Substantial Site Work ¹⁰ in accordance with EM&CP for Churchtown Switching Station	Developer	Advisory	12/31/2021	Completed
45	Execution of Asset Purchase Agreement(s) or comparable agreement(s) with Orange and Rockland for real property rights and/or license to access the property for Rock Tavern to Sugarloaf Component	Developer Orange and Rockland	Advisory	12/31/2021	Completed
46	File Sections 68 and 70 Petitions for Rock Tavern to Sugarloaf Component	Developer Orange and Rockland	Advisory	1/1/2022	Completed
47	Finalize Local Control Center Facility Plans ¹¹	Developer	Advisory	1/1/2022	Not Applicable
48	Detailed Engineering and Design Finalized for Rock Tavern to Sugarloaf Component	Developer	Critical	01/30/2022	Completed
49	Approval Section 68 Petition for Principal Project Component	NYPSC	Critical	1/31/2022	Completed
50	Execute Amendment to NYISO/Transco Operating Agreement Appendix A	Developer	Advisory	1/31/2022	N/A
51	Start of Outage(s) Pursuant to Approved Construction Outage and Restoration Plan	Developer	Critical	1/31/2022	Completed

⁹ For purposes of this milestone, “construction mobilization” means activation of the contractor’s physical and workforce resources to the construction site of any portion of the Transmission Project.

¹⁰ For purposes of the milestones set forth in this Appendix C, “substantial site work” shall mean civil site construction, such as tree cutting, site clearing and grading, construction of ingress and egress routes associated with any part of the Transmission Project in accordance with the approved EM&CP.

¹¹ For purposes of finalizing the Local Control Center Facility Plans, if the Developer intends to operate the Transmission Project by constructing a new control center, the plan should detail the minimum needs in order to properly size and site the local control center to operate the Transmission Project including, but not limited to,

security concerns, local permitting requirements, ability to construct/lease facility, reliable distribution feed(s), reliable voice and data communication feed(s), physical security, computer system requirements, and backup generator/uninterruptible power supply ("UPS") capacity.

		5			

SERVICE AGREEMENT NO. 2510

52	Commence Substantial Site Work in accordance with EM&CP for Transmission Line Segment 1 ¹²	Developer	Advisory	1/31/2022	Completed
53	Commence Foundations for Churchtown Switching Station	Developer	Advisory	2/1/2022	Completed
54	NYISO Quarterly Report	Developer	Advisory	3/15/2022	Completed
55	Commence Foundations for Transmission Line Segment 1	Developer	Advisory	3/31/2022	Completed
56	Commence Electrical Work ¹³ for Churchtown Switching Station	Developer	Advisory	4/1/2022	Completed
57	Commence Substantial Site Work in accordance with EM&CP for the 345 kV Capacitor Banks	Developer	Advisory	4/30/2022	Completed
58	Commence Substantial Site Work in accordance with EM&CP for the Knickerbocker Switching Station	Developer	Advisory	4/30/2022	Completed
59	Commence Erection of Structures for Transmission Line Segment 1	Developer	Advisory	6/1/2022	Completed
60	NYISO Quarterly Report	Developer	Advisory	6/15/2022	Completed
61	Approval of Section 68 and 70 Petitions for Rock Tavern to Sugarloaf Component	NYPSC	Critical	6/30/2022	Completed
62	Article VII Certificate Issued for Rock Tavern to Sugarloaf Component	NYPSC	Critical	6/30/2022	Completed
63	Commence Foundations for 345 kV Capacitor Banks	Developer	Advisory	7/31/2022	Completed

¹² For purposes of the milestones set forth in this Appendix C, the construction of the transmission line for the Principal Project Component will be segmented and referred to as follows: “Transmission Line Segment 1” shall be the portion of the transmission line from approximately Knickerbocker to Churchtown; “Transmission Line Segment 2” shall be the portion of the transmission line from approximately Churchtown to Pleasant Valley; “Transmission Line Segment 3” shall be the portion of the transmission line from approximately Bluestores to Churchtown/Milan; and “Transmission Line Segment 4” shall be the portion of the transmission line connecting the shunt capacitors to Pleasant Valley.

¹³ For purposes of the milestones set forth in this Appendix C, “electrical work” shall mean work that is above-grade electrical construction including, but not limited to, installation of wiring, electrical bus, circuit breakers,

disconnect switches, ground grid, relay protection, and or other components normally associated with an electrical substation.

		6			

SERVICE AGREEMENT NO. 2510

64	Commence Foundations for Knickerbocker Switching Station	Developer	Advisory	7/31/2022	Completed
65	Commence Conducting for Transmission Line Segment 1	Developer	Advisory	8/1/2022	Completed
66	NYISO Quarterly Report	Developer	Advisory	9/15/2022	Completed
67	Churchtown Substation Complete	Developer	Advisory	10/31/2022	Completed
68	Commence Electrical Work for the 345 kV Capacitor Banks	Developer	Advisory	10/31/2022	Completed
69	Commence Electrical Work for Knickerbocker Switching Station	Developer	Advisory	10/31/2022	Completed
70	Commence Substantial Site Work in accordance with EM&CP for Transmission Line Segment 2	Developer	Advisory	11/1/2022	Completed
71	Commence Substantial Site Work in accordance with EM&CP for Transmission Line Segment 3	Developer	Advisory	12/1/2022	Completed
72	Commence Foundations for Transmission Line Segment 2	Developer	Advisory	12/1/2022	Completed
73	NYISO Quarterly Report	Developer	Advisory	12/15/2022	Completed
74	NYPSC Order Approving EM&CP for Rock Tavern to Sugarloaf Component	NYPSC	Critical	11/30/2022	Completed
75	Complete Procurement of Major Electrical Equipment and Materials for Rock Tavern to Sugarloaf Component	Developer	Advisory	12/31/2022	Completed
76	Commence Substantial Site Work in accordance with Applicable EM&CP for Rock Tavern to Sugarloaf Component	Developer	Advisory	12/31/2022	Completed
77	Execution of Operation and Maintenance Agreement(s) (if applicable) ¹⁴	Developer	Advisory	1/31/2023	Completed
78	Commence Erection of Structures for Transmission Line Segment 2	Developer	Advisory	2/1/2023	Completed

¹⁴ For purposes of this milestone, the Developer will, if applicable, enter into Operation and Maintenance Agreements for the Transmission Project with a New York Transmission Owner for the operation of the Transmission Project consistent with the Developer's plan.

		7			

SERVICE AGREEMENT NO. 2510

79	Commence Foundations for Transmission Line Segment 3	Developer	Advisory	2/1/2023	Completed
80	Execution of Interconnection Agreement for Dover PAR Component	NYISO Connecting Transmission Owner(s)	Advisory	3/1/2023	Completed
81	NYISO Quarterly Report	Developer	Advisory	3/15/2023	Completed
82	Commence Substantial Site Work in accordance with EM&CP for Transmission Line Segment 4	Developer	Advisory	4/1/2023	Completed
83	Commence Erection of Structures for Transmission Line Segment 3	Developer	Advisory	4/3/2023	Completed
84	Commence Conductoring for Transmission Line Segment 2	Developer	Advisory	4/1/2023	Completed
85	Commence Conductoring for Transmission Line Segment 3	Developer	Advisory	5/1/2023	Completed
86	NYISO Quarterly Report	Developer	Advisory	6/15/2023	Completed
87	Commence Conductoring and/or Electrical Work for Rock Tavern to Sugarloaf Component	Developer	Advisory	6/30/2023	Completed
88	Commence Substation and Transmission Line Site Prep for Dover PAR Component	Developer	Critical	5/1/2023	Completed
89	All Major Equipment, Transmission Line, and Materials for the Principal Project Component are Available ¹⁵	Developer	Critical	7/1/2023	Completed
90	Commence Foundations for Transmission Line Segment 4	Developer	Advisory	8/1/2023	Completed
91	Submit Final Energization Plan to NYISO and Connecting Transmission Owner(s)	Developer	Advisory	8/31/2023	Completed
92	NYISO Quarterly Report	Developer	Advisory	9/15/2023	Completed

¹⁵ For purposes of this milestone, major electrical equipment and materials shall be “available” if they are (i) located on the appropriate construction site or designated marshalling yard(s) in reasonable proximity to the site where

it will be installed, (ii) located in the Developer's warehouse or other inventory stocking location of the Developer, or (iii) on order from the vendor with a scheduled delivery date prior to the time scheduled for its use in the applicable transmission facility.

		8			

SERVICE AGREEMENT NO. 2510

93	<i>Intentionally Omitted</i>				
94	Commence Erection of Structures for Transmission Line Segment 4	Developer	Advisory	10/9/2023	Completed
95	Commence Conductoring for Transmission Line Segment 4	Developer	Advisory	10/16/2023	Completed
96	Knickerbocker Substation Complete	Developer	Advisory	10/31/2023	Completed
97	345 kV Capacitor Banks Complete	Developer	Advisory	10/31/2023	Completed
98	Network Upgrade Facilities for Principal Project Component and Rock Tavern to Sugarloaf Component Complete	Developer	Advisory	10/31/2023	Completed
99	Transmission Line of Principal Project Component Complete	Developer	Advisory	11/30/2023	Completed
100	NYISO Quarterly Report	Developer	Advisory	12/15/2023	
101	Rock Tavern to Sugarloaf Component Complete	Developer	Critical	12/29/2023	Completed
102	<i>Intentionally Omitted</i>				
103	NYISO Quarterly Report	Developer	Advisory	3/15/2024	
104	All Permitting Complete for Dover PAR Component	Developer	Critical	9/1/2024	
105	NYISO Quarterly Report	Developer	Advisory	6/15/2024	
106	Re-commence Substation and Transmission Line Site Prep for Dover PAR Component	Developer	Advisory	10/1/2024	
107	NYISO Quarterly Report	Developer	Advisory	9/15/2024	
108	NYISO Quarterly Report	Developer	Advisory	12/15/2024	
109	All Major Equipment for Dover PAR Component Is Available ¹⁵	Developer	Critical	12/31/2024	
110	NYISO Quarterly Report	Developer	Advisory	3/15/2024	

111	NYISO Quarterly Report	Developer	Advisory	6/15/2024
-----	------------------------	-----------	----------	-----------

[illegible]

SERVICE AGREEMENT NO. 2510

112	Network Upgrade Facilities for Dover PAR Complete	Developer	Advisory	6/25/2025
113	Dover PAR Component Complete	Developer	Critical	6/25/2025
114	Perform Final Connections to the New York State Transmission System and Complete Verification and Testing in Accordance with the Final Energization Plan ¹⁶	Developer	Advisory	6/29/2025
115	Transmission Project Complete by Required Project In-Service Date	Developer	Critical	6/30/2025

¹⁶ This milestone shall be completed in accordance with the Final Energization Plan but no later than the Transmission Project's Required In-Service Date (*i.e.*, Milestone No. 114).

		10			
