AMENDED AND RESTATED INTERCONNECTION AGREEMENT
BY AND BETWEEN
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AND
ASTORIA ENERGY LLC

DATED AS OF November 3, 2011

DESIGNATED SERVICE AGREEMENT NO. 330
UNDER
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.
FERC OPEN ACCESS TRANSMISSION TARIFF
ORIGINAL VOLUME NO. 1

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This AMENDED AND RESTATED INTERCONNECTION AGREEMENT (including the Schedules hereto, this "Agreement") dated as of November 3, 2011, by and between CONSOLIDATED EDISON COMPANY OF NEW YORK, INC., a New York corporation ("Con Edison"), and ASTORIA ENERGY LLC, a Delaware corporation("Generator", and collectively with Con Edison, the "Parties"),

WITNESSES

WHEREAS, Generator proposes to construct and operate a nominal 550 MW electric generating facility and to install it at 17-10 Steinway Street in the Borough of Queens, New York:

WHEREAS, Con Edison intends to continue to conduct its transmission and distribution operations from their present locations;

WHEREAS, Generator desires to interconnect its proposed generating facility with Con Edison's transmission and distribution facilities;

WHEREAS, Con Edison and Generator have entered into a Master Power Purchase and Sale Agreement ("Master Agreement"), dated April 29, 2003, providing for the sale and purchase of capacity and energy produced by Generator's proposed generating facility; and

WHEREAS, the Parties desire to define their responsibilities and obligations with respect to the interconnection and operation of their assets and facilities as set forth herein.

NOW, THEREFORE, in consideration of the mutual representations, covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definitions. As used in this Agreement, all capitalized terms shall have the following meanings:

"Agreement" shall have the meaning set forth in the Preamble.

"Applicable Legal Requirements" shall have the meaning set forth in Section 2.01(b).

"Attachment Facilities" means all equipment owned by Generator that is installed in the Substation on Generator's side of the Point of Interconnection, including a portion of the Generator Lead, potheads, grounding equipment, and disconnect switches.

"Code of Conduct" shall have the meaning set forth in Section 2.02(c).

"Con Edison" shall have the meaning set forth in the Preamble.

"Con Edison Assets" means the Transmission System (including the Substation) and related property, machinery, equipment, facilities and systems owned by Con Edison.

"Con Edison Indemnitee" shall have the meaning set forth in Section 5.15(b)

"Con Edison Senior System Operator" shall have the meaning set forth in Section 3.12(b).

"Confidential Information" shall have the meaning set forth in Section 5.03(a).

"Decommissioning" means the complete retirement and removal of the Generating Facilities from service and the restoration of the site of the facilities (and all surface and subsurface elements thereof including soils, surface water and groundwater), as well as any planning and other activities relating thereto, including (i) the dismantlement, removal, or storage of the Generating Facilities, in whole or in part, and (ii) any activities necessary for the retirement, dismantlement, removal, and storage of the Generating Facilities to comply with Applicable Laws (including Environmental Laws). "Decommission" shall have a correlative meaning.

"Delivery Revenue Meter" means a Revenue Meter and associated current transformers and potential transformers that comprises part of a Delivery Revenue Meter System.

"Delivery Revenue Meter Systems" means Revenue Meter Systems used to measure the transfer of Station-Use Energy from Con Edison to Generator (not including any Primary Revenue Meters that are designated as bi-directional on Schedule 3.05 (a)(i)).

"Disclosing Party" shall have the meaning set forth in Section 5.03(a).

"Energy Control Center" means the headquarters of Con Edison's transmission operations.

"Environmental Laws" means all applicable federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), Environmental Permits and New York State Department of Environmental Conservation Technical Administrative Guidance Memoranda and other guidance documents issued or published by any Governmental Authority, in each case, relating to pollution, protection of the environment, natural resources or human health and safety, including laws relating to the presence, Release of, or exposure to, Hazardous Substances, or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or arrangement for such activities with respect to, Hazardous Substances.

"Environmental Permits" means the permits, licenses, consents, approvals and other governmental authorizations with respect to Environmental Laws relating primarily to the power generation operations of the Generating Plant.

"Entering Party" shall have the meaning set forth in Section 2.02(b).

"FERC" means the Federal Energy Regulatory Commission.

"Force Majeure Event" shall have the meaning set forth in Section 5.02(a).

"Generating Facilities" means the Generating Units and any additional generating plants, gas turbines or other generating facilities constructed by Generator after the Interconnection Date at the site of the Generating Units.

"Generating Units" means the steam and gas turbine electric generators listed on Schedule 1.01(a).

"Generator" shall have the meaning set forth in the Preamble.

"Generator Assets" means the Generating Facilities and related property, machinery, equipment, facilities and systems, including the Generator Leads and Attachment Facilities, delineated on Annex II as owned by Generator.

"Generator Indemnitee" shall have the meaning set forth in Section 5.15(a).

"Generator Lead" means one of the two electric transmission circuits, consisting of aerial, surface, and subsurface transmission facilities and supporting structures, appurtenances, equipment, and fittings, that connect the bus on Generator's premises to the potheads in the Substation.

"Generator Operations Manager" shall have the meaning set forth in Section 3.12(a).

"Good Utility Practice" shall have the meaning set forth in Section 2.01.

"Governmental Authority" means any federal, state, local, domestic or foreign government or any court, administrative or regulatory agency, board, committee or commission or other governmental entity or instrumentality, domestic, foreign or supranational or any department thereof.

"Hazardous Substances" means (i) any petroleum, petroleum products or byproducts and all other hydrocarbons, petrochemicals, crude oil or any fraction thereof, coal ash, radon gas, asbestos, asbestos-containing material, urea formaldehyde, polychlorinated biphenyls, chlorofluorocarbons and other ozone-depleting substances; and (ii) any chemical, material, substance or waste (including thermal discharges) that is prohibited, limited or regulated by or pursuant to any Environmental Law.

"Indemnitee" shall mean Con Edison Indemnitee or Generator Indemnitee, as applicable.

"Interconnection" means the act of electrically connecting the Generating Facilities to Con Edison's Transmission System so that the Generating Facilities can deliver their output to the Transmission System.

"Interconnection Date" means the date on which the Interconnection first occurs; if the Generator Assets are constructed in phases, "Interconnection Date" shall mean the earliest date on which the output from any Generating Unit can be delivered to the Transmission System.

"ISO" means the New York Independent System Operator or any successor entity.

"ISO Rules" means the ISO automated billing system procedures, operating procedures, and market rules, as well as any other rules, requirements, and procedures adopted by the ISO pursuant to the ISO Services Tariff or otherwise from time to time in effect and the related ISO agreements.

"Law" means any statute, law (including common law), treaty, order, judgment, decree, directive, code, ordinance, rule or regulation or similar issuance by a Governmental Authority having the effect of law.

"Master Agreement", as referenced in the Preamble, means the Master Power Purchase and Sale Agreement, dated April 29, 2003, between the Parties, including the associated Cover Sheet and Confirmation for Transaction.

"NERC" means North American Electric Reliability Council or any successor entity.

"NPCC" means the Northeast Power Coordinating Council or any successor entity.

"NYPSC" means the New York State Public Service Commission.

"NYSRC" means the New York State Reliability Council or any successor entity.

"Operating Procedures" means the agreements, procedures, practices and/or rules (including Annex I hereto) agreed to by the Parties, as amended from time to time, governing the Parties' implementation of their respective duties and responsibilities under this Agreement.

"Operations Manager" means Generator's Operations Manager or the Con Edison Senior System Operator.

"Party" shall have the meaning set forth in the Preamble.

"Permits" means all certificates, permits, licenses, consents, approvals and other governmental authorizations (other than Environmental Permits) relating primarily to the Generating Facilities or the ownership, operation or use thereof.

"Points of Interconnection" means the points on the Transmission System, as listed on Schedule 3.04(b)(i), where electrical power generated by Generator will be delivered by Generator to the Transmission System or, under certain circumstances, where electric power will be delivered from the Transmission System, including through any intermediate distribution facilities, to Generator.

"Primary Revenue Meter" means a Revenue Meter that comprises part of a Primary Revenue Meter System.

"Primary Revenue Meter System" means Revenue Meter Systems used to measure the transfer and delivery of energy output from the Generating Facilities to Points of Interconnection (and may include bi-directional meters capable of measuring the delivery of Station-Use Energy to the Generating Facilities).

"Protective Relaying System" means the system relating to the Generator Assets comprised of components collectively used to detect defective power system elements or other conditions of an abnormal nature, initiate appropriate control circuit action in response thereto and isolate the appropriate system elements in order to ensure the safety of personnel and to minimize damage to equipment and interruption to service.

"Receiving Party" shall have the meaning set forth in Section 5.03(a).

"Release" means any actual or threatened release, spill, emission, emptying, escape, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment or within any building, structure, facility or fixture.

"Representatives" shall have the meaning set forth in Section 5.03(a).

"Revenue Meter" means all meters required by Con Edison or the ISO to measure the transfer of energy across the Points of Interconnection for billing or for other purposes.

"Revenue Meter Systems" means Revenue Meters and associated wiring and equipment.

"Station-Use Energy" shall mean all power and associated energy that Con Edison delivers at a Point of Interconnection for consumption in the Generator Assets.

"Substation" means Con Edison's Astoria East 138 kV substation.

"Substation Interface Cables" means (i) control cables and associated conduits located in the Substation which connect the Generating Facilities with Generator Assets located in the Substation and (ii) control and low voltage power cables and associated conduits located in the Substation which connect Con Edison Assets with Generator Assets.

"Substation Modifications" means the construction and modification of Substation facilities provided in Section 3.04(a)(i).

"Substation Modification Costs" means all costs associated with the Substation Modifications (including engineering, procurement, and construction costs) as provided in Section 3.04(a).

"Switching Rules" shall have the meaning set forth in Section 3.04(e).

"System Integrity" means the adequate and reliable state of operation of the Transmission System providing electric service to customers who purchase power and related services delivered through the Transmission System.

"System Upgrade Facilities" shall have the meaning set forth in Section 3.04(a)(ii).

"Tax Benefit" means, with respect to any Indemnifiable Loss for any person, the positive excess, if any, of the tax liability of such person without regard to such Indemnifiable Loss over the tax liability of such person taking into account such Indemnifiable Loss, with all other circumstances remaining unchanged.

"Tax Cost" means, with respect to any indemnity payment for any person, the positive excess, if any, of the tax liability of such person taking such indemnity payment into account over

the tax liability of such person without regard to such payment, with all other circumstances remaining unchanged.

"Transmission System" means the transmission and distribution assets owned, controlled or operated by Con Edison for purposes of providing transmission service (including point-to-point transmission service), network integration service and distribution service and other related purposes, including the real property and equipment located at the Substation, used in controlling continuity between the Generating Plant and the transmission and distribution facilities and for other purposes.

"Transmission System Operator" means the Con Edison's Energy Control Center staff operating all or any portion of the Transmission System, including the transmission facilities under the operational control of the ISO.

"Trip-Out" means the automatic opening of disconnecting devices located in the Substation or the Generating Facilities, such as circuit breakers, which is caused by the Protective Relaying System in order to isolate faulty facilities, equipment or systems.

ARTICLE II

General

SECTION 2.01. Compliance with Laws and Good Utility Practice. (a) Compliance. Notwithstanding any other provision in this Agreement, Con Edison shall conduct all its operations in connection with and maintain the Con Edison Assets in accordance with (a) Applicable Legal Requirements, (b) Good Utility Practice, and (c) Con Edison's specifications and procedures. Notwithstanding any other provision in this Agreement, Generator shall conduct all its operations in connection with and maintain the Generator Assets in accordance with (a) Applicable Legal Requirements, and (b) Good Utility Practice. Each of Generator and Con Edison shall make all modifications to facilities, equipment or systems that could reasonably be expected to impact the Generating Facilities or the Transmission System in accordance with Applicable Legal Requirements and Good Utility Practice. Except as otherwise provided herein, Con Edison shall not be responsible for the operation or maintenance of, or for providing, procuring or storing spare parts for, the Generator Assets and Generator shall not be responsible for the operation or maintenance of, or for providing, procuring or storing spare

parts for, the Con Edison Assets, regardless of the location of such Generator Assets or Con Edison Assets, as applicable.

(b) "Applicable Legal Requirements" means all Laws, including Environmental Laws, Environmental Permits, and Permits, from time to time in effect applicable to Con Edison or the Con Edison Assets or Generator or the Generator Assets, as applicable.

(c) "Good Utility Practice" means any of the applicable acts, practices or methods from time to time (i) (A) required by the NYSRC, NPCC, NERC or the ISO or any successor thereto, or any other organization with similar duties, including any local, state, regional, national or international reliability organization, or required by any rules issued pursuant to the authority of any such organization, in each case, with jurisdiction or authority in respect of Con Edison or the Con Edison Assets or Generator or the Generator Assets and whether or not the Party whose conduct is at issue is a member thereof, or by any other person acting pursuant to the authority of any of the foregoing entities or organizations or (B) required by the provisions of this Agreement or (ii) engaged in or approved by a significant portion of the electric utility industry in the United States at the relevant time, including reliability, operating, planning and engineering specifications, if in any case there are no acts, practices or methods required by clauses (i)(A) or (i)(B) applicable at such time; provided, however, that, in the event of any conflict among the requirements of the foregoing clauses (i)(A) and (i)(B), Good Utility Practice shall be determined by reference exclusively to the requirements and terms of clause (i)(A) and not by reference to clause (i)(B).

SECTION 2.02. Inspections, Maintenance, Access and Information. (a) Inspections and Maintenance. Except as otherwise provided herein, each Party shall, and shall have the right, from time to time upon reasonable advance notice and in accordance with Applicable Legal Requirements, Good Utility Practice, and Con Edison's specifications and procedures to perform routine inspections, measurements, meter readings and maintenance of any facilities, equipment or systems owned by such Party that are located on the premises of the other Party, and such inspecting Party, subject to Section 2.02(b), shall reimburse the other Party for its reasonable costs and expenses in connection therewith, including that of any escort designated by such other Party to observe such inspection; provided, however, that the Party performing such inspections, measurements, meter readings and maintenance shall use its

reasonable best efforts to ensure that such activities do not interfere with the other Party's ordinary course of operations.

(b) Access. Except as provided for herein or otherwise consented to in advance by the other Party, in no event shall any employee, contractor, agent or other representative of either Party (the "Entering Party") enter into or be present on the premises of such other Party for any purpose without being accompanied by an escort designated by such other Party; provided that, as required by emergency conditions and upon notice to Generator's Operation Manager, or as required for meter reading, Con Edison and its employees, contractors, agents and other representatives shall have unescorted access to Generator's property, facilities equipment, and systems. To the extent any such Entering Party enters or is present on the premises of such other Party, it shall comply in all respects with, and perform any service or maintenance work in respect of any facilities, equipment or systems located on the premises of such other Party in accordance with such other Party's work rules and procedures, including in respect of the issuance of and requirements for work permits, and other safety, security and operating protocols and procedures, from time to time in effect. Each Party agrees to be solely responsible, and assume all liability, for the safety and supervision of its employees, contractors, agents and other representatives. The Entering Party shall reimburse such other Party for its reasonable costs and expenses in connection with the provision of access, including that of any escort designated by such other Party; provided that Con Edison shall not be required to reimburse Generator for any cost or expense in connection with access to any property, facility, equipment or system (including communications facilities, equipment and systems) to which access by Con Edison, its employees, contractors, agents and other representatives is contemplated by this Agreement or as to which an easement has been granted to Con Edison.

(c) Information. (i) General. Each Party shall, upon the reasonable request of the other Party, provide such other Party with information that is reasonably necessary for such requesting Party to perform its obligations under this Agreement and that, when requested by a Party, is not otherwise reasonably obtainable by such Party from the ISO. The Transmission System Operator shall comply with the applicable requirements of Con Edison's code of conduct approved by the FERC, (as the same may be amended from time to time, the "Code of Conduct") with regard to the information that Generator provides pursuant to Section 2.02(c)(ii) or Section 3.06 and with regard to any other information that Generator provides to the Transmission System

Operator pursuant to this Agreement and that is subject to the Code of Conduct. The Transmission System Operator shall not disclose such information except as permitted by the Code of Conduct or in accordance with Applicable Legal Requirements.

(ii) Generating Facilities Output Reduction or Termination. Generator shall give the Transmission System Operator reasonable advance notice of any maintenance activities (including scheduled outages of Generating Facilities), equipment tests, installation, construction or other modification that could reasonably be expected to result in a material reduction or a termination of output from the Generating Facilities.

SECTION 2.03. No Interference.

(a) Con Edison shall maintain (or cause to be maintained) all Generator Assets located within the Substation except for the Generator Leads. Generator shall reimburse Con Edison for the cost of such maintenance in accordance with Section 4.01. Except as provided in this Section 2.03(a) or as otherwise permitted in this Agreement, neither Party shall construct, service, repair or otherwise maintain any facilities, equipment or systems owned by the other Party. To the extent that pursuant to the terms of this Agreement, a Party services, repairs or otherwise maintains or has any other obligations in respect of any facilities, equipment or systems owned by the other Party, it shall perform such services, repairs and maintenance, and otherwise discharge such duties in accordance with Applicable Legal Requirements and Good Utility Practice and, subject to reasonable consultation with the other Party in accordance with procedures to be agreed upon by the Parties, in a manner consistent with that which it applies to facilities, equipment or systems it owns.

(b) Generator shall not operate the Generating Facilities and Con Edison shall not operate the Con Edison Assets in any manner that has caused or could reasonably be expected to cause physical damage to the Con Edison Assets or the Generator Assets, respectively, or otherwise results in or could reasonably be expected to result in personal injury or loss of life, physical damage or physical harm to property, the Generating Facilities, the Transmission System or any other transmission system to which it is interconnected, or damage or harm to System Integrity or public safety; provided that nothing in this Agreement shall prevent Con Edison from using a rapid restoration procedure in accordance with its established operating practice.

SECTION 2.04. Emergency Procedures. (a) If an emergency results in or could reasonably be expected to result in personal injury or loss of life or damage or harm to property, the Generating Facilities, the Transmission System or another transmission system to which it is interconnected, System Integrity or public safety, the Party recognizing such emergency shall provide immediate oral notification to the other Party's Operations Manager, and the Parties agree to cooperate in good faith (including in respect of the sharing of information) in order to prevent, avoid or mitigate personal injury or loss of life or damage or harm to property, the Generating Facilities, the Transmission System or another transmission system to which it is interconnected, System Integrity or public safety. If requested by the notified Party, the notifying Party shall confirm the emergency notification in writing as soon as reasonably practicable.

(b) Without limiting the generality of Section 2.04(a) and to the extent permitted by Applicable Legal Requirements and Good Utility Practice, in the case of a Trip-Out, each Party shall provide the other Party's Operations Manager with immediate oral notification, which shall include, to the extent possible, all information necessary to determine the cause of the Trip-Out and the steps necessary for the restoration of service. If requested by the notified Party, the notifying Party shall confirm the emergency notification in writing as soon as reasonably practicable.

SECTION 2.05. Additional Agreements. The Parties agree to, from time to time upon the reasonable request of either Party, negotiate in good faith and execute and deliver such amendments, additional contracts, agreements, instruments and documents (including Operating Procedures) to implement the terms of this Agreement, and the Parties agree to cooperate in making such filings or submissions in connection with such amendments, contracts, agreements, instruments and documents with the appropriate Governmental Authority or other organization as are required. The Parties further agree to, from time to time upon the reasonable request of either Party, negotiate in good faith amendments to this Agreement in response to changed circumstances (including regulatory, technological, or operational circumstances) or requirements imposed by the ISO or by Law, which circumstances or requirements materially affect the Generating Facilities or the Transmission System or the electric power industry generally.

ARTICLE III

Rights, Obligations and Responsibilities

SECTION 3.01. Testing and Maintenance.

(a) Generator's Equipment. Generator shall at appropriate intervals (at its own expense) or more frequently upon Con Edison's reasonable request (in which case Con Edison shall reimburse Generator for its reasonable costs and expenses in connection therewith) (i) test, calibrate, adjust and maintain pursuant to Good Utility Practice the remote reading equipment, data acquisition, Protective Relaying Systems owned by Generator and control equipment or other facilities, equipment or systems or software that Generator owns and is connected or related to the Transmission System or has or could be reasonably expected to have a material adverse effect on the Transmission System or on System Integrity, and (ii), if requested by Con Edison, promptly supply Con Edison with copies of inspection reports, installation and maintenance documents, test and calibration records, verifications and validations with respect thereto; provided that all such information shall be deemed Confidential Information and subject to Section 5.03 of this Agreement.

(b) Con Edison's Equipment. (i) General. Generator shall, at its own expense, have the right to inspect or observe Con Edison's testing, calibration and maintenance and similar activities in respect of, and installation, construction or other modifications to, Protective Relaying Systems, Revenue Meter Systems, Substation Interface Cables owned by Con Edison, and Substation Modifications in order to verify the adequate protection and safe operation thereof. Con Edison shall give Generator reasonable advance notice of any such activities that it is planning to undertake.

(ii) Protective Relaying Systems. Con Edison shall at appropriate intervals (at its own expense), or more frequently upon Generator's reasonable request, test, calibrate, adjust and maintain pursuant to Good Utility Practice all Protective Relaying Systems owned by Con Edison and all auxiliary and monitoring relays and alarms relating thereto which are owned by Con Edison and located in the Substation and related to the Generating Facilities. Generator shall have the right, upon the completion of such testing, calibration, adjustment and maintenance, to approve any necessary re-sealing of such Protective Relaying Systems and, upon written request to Con Edison, to receive copies of relevant settings, tests and work order data sheets. Con Edison reserves the right to take any

such Protective Relaying System out of service as may be required in accordance with Applicable Legal Requirements and Good Utility Practice and shall provide Generator with reasonable advance notice thereof. Generator shall have the sole responsibility to provide, procure or store spare parts for such Protective Relaying Systems and Con Edison shall have no responsibility in respect thereof. The Parties shall endeavor in good faith to determine appropriate inventory levels for such spare parts. Generator shall reimburse Con Edison for its reasonable costs and expenses incurred in performing work on Protective Relaying System equipment owned by Generator.

(iii) Substation Interface Cables. Con Edison shall maintain the Substation Interface Cables that are not owned by Generator pursuant to Good Utility Practice, and Generator shall reimburse Con Edison for its reasonable costs and expenses incurred in connection therewith.

(iv) Generator shall bear all liabilities and obligations arising after the Interconnection in respect of damage to property, personal injury, death or economic loss relating to, resulting from or arising out of any Protective Relaying System or Substation Interface Cables owned, maintained or controlled by Con Edison, regardless of whether such liabilities or obligations are caused by a Con Edison Indemnitee (except where caused by the gross negligence or wilful misconduct of a Con Edison Indemnitee).

(v) Generator shall have the sole responsibility for the maintenance, removal and installation of any distribution transformers owned by Con Edison and located on Generator□s property at or about the site of the Generator Assets and Con Edison shall have the sole responsibility to provide and procure any such replacement distribution transformers. Any such distribution transformers removed by Generator shall be left at Generator's property line nearest the public road for Con Edison to retrieve, and any such replacement transformers provided by Con Edison shall be left at such property line for Generator to retrieve and install.

(c) Con Edison shall, consistent with the Code of Conduct, consult with Generator regarding the timing of scheduled maintenance of the Con Edison Assets that could reasonably be expected to affect operation of the Generating Facilities. Each Party shall coordinate inspections and maintenance of the Generating Facilities on the one hand and the Transmission System on the other hand so as to minimize the unavailability of transmission to and from the Generating Facilities and maximize

the reliability and security of the Transmission System. Con Edison shall use all commercially reasonable efforts to schedule any testing, shutdown or withdrawal of the Transmission System to coincide with Generator's scheduled outages for the Generating Facilities. In the event Con Edison is unable to schedule the outage of its facilities to coincide with Generator's schedule, Con Edison shall notify Generator as soon as practicable of the reasons for the facilities' outage, of the time scheduled for the outage, and of its expected duration.

SECTION 3.02. Operation of Equipment on Substation Property. Con Edison shall, in accordance with Applicable Legal Requirements, Good Utility Practice and Section 3.04 of this Agreement, operate all facilities, equipment or systems owned by Generator that are located in the Substation, including circuit breakers, disconnect switches and ground switches, to the extent such facilities, equipment or systems are operated locally, and such operations shall be performed in accordance with Section 2.03(a). Generator shall not operate any such facilities, equipment or systems, except to the extent operated remotely and in accordance with Annex I hereto, and Con Edison shall be permitted to monitor such remote operation, in each case, in accordance with Section 3.04 of this Agreement. Generator shall reimburse Con Edison for its reasonable costs and expenses incurred in connection with this Section 3.02.

SECTION 3.03. New Construction or Modifications.

(a) Right to Modify or Construct Retained. Except as otherwise provided in this Agreement, as between Con Edison and Generator, Con Edison shall be permitted to add to or modify, or undertake new construction in respect of, the Transmission System in accordance with Applicable Legal Requirements and Good Utility Practice, and Generator shall be permitted to modify or add to the Generating Facilities in accordance with Applicable Legal Requirements and Good Utility Practice.

(b) Certain Installations, Modifications or Construction. Subject to the proviso in Section 3.04(a) and notwithstanding Section 3.03(a), no installation of, modifications to, or new construction of, facilities, equipment, systems or access thereto, including rights of way, fences and gates, shall be made by either Party which results in or could be reasonably expected to result in physical damage to the Con Edison Assets or the Generator Assets, as the case may be, or otherwise results in or could be reasonably expected to result in personal injury or loss of life, physical damage or physical harm

to property, the Generating Facilities, the Transmission System or any other transmission system to which it is interconnected, or damage or harm to System Integrity or public safety.

(c) Modifications Affecting the Transmission System or Generating Facilities. In respect of the construction of the Generator Assets and of all subsequent construction work, modifications or circuit changes involving new or existing facilities, equipment, systems or circuits that could reasonably be expected to affect the operation of the Transmission System, Generator shall provide Con Edison with drawings, plans, specifications and other relevant documentation for review during the design phase of such work and Generator shall not undertake any such work without the Con Edison's consent to the proposed design (which consent shall not be unreasonably withheld or delayed). In respect of the construction of the Substation Modifications and of all subsequent construction work, modifications or circuit changes involving new or existing facilities, equipment, systems or circuits that could reasonably be expected to affect the operations of the Generating Facilities, Con Edison shall provide Generator with drawings, plans, specifications and other relevant documentation for review during the design phase of such work. The Party receiving such documents for review shall promptly review the documents and provide either its consent to the proposed design or a complete list of proposed changes that would render the proposed design acceptable. Except as provided in Section 2.03(a) with respect to the Generator Assets located within the Substation, each Party shall be responsible for its own construction work, modifications and circuit changes, and the other Party's review of, comments on, or consent to any documents, drawings, plans, specifications or other documentation provided by the initiating Party, shall not relieve the initiating Party of, or affect in any way, its responsibility for the work to be performed. The reviewing or consenting Party shall have no liability whatsoever with respect to any review or non-review of, or consent to, any drawings or other documentation submitted to it by the other Party.

(d) Con Edison Facilities and Generator Facilities. Without limiting the generality of Sections 3.03(a), (b) and (c), the applicable Party shall, as between the Parties, be permitted to upgrade, expand, enlarge, relocate or otherwise modify the Con Edison Assets or the Generating Facilities, as applicable, (i) in any manner that could not reasonably be expected to impose a substantial additional, or substantially different, physical burden on the Generating Facilities or Con Edison Assets, as applicable, beyond those in existence on the Interconnection Date, or otherwise interfere with any current or planned use

thereof or (ii) otherwise as expressly permitted pursuant to an easement that is granted.

SECTION 3.04. Interconnection of Transmission System and Generating Facilities.

(a)(i) In order to interconnect the Generating Facilities to the Transmission System, the Substation Modifications must be constructed and the Attachment Facilities must be installed in the Substation. A description of the Substation Modifications is set forth on Schedule 3.04(a)(i) of this Agreement. Con Edison shall engineer and construct the Substation Modifications and the Attachment Facilities (other than the Generator Lead, which Generator shall install) in accordance with the Services Agreement set forth as Annex IV. The Substation Modifications and Attachment Facilities shall be owned as follows and as indicated on Annex II:

(1) Con Edison shall own the equipment encompassed by the Substation Modifications and the leads extending from the bus to the Points of Interconnection;

(2) Generator shall own all equipment on Generator's side of the Points of Interconnection, including the Attachment Facilities and Generator Lead.

(ii) In order for the Interconnection to occur, Con Edison must also procure and install on the Transmission System certain "System Upgrade Facilities", as defined in the ISO's Open Access Transmission Tariff ("ISO OATT") and identified on Schedule 3.04(a)(ii). As provided by the ISO's Final Report for Generator's project, the System Upgrade Facilities shall be constructed as a component of Con Edison's Fault Duty Management Plan in accordance with the procedures established by the NYISO for such facilities. Con Edison shall own the System Upgrade Facilities.

(iii) It is understood that changes in the Substation Modifications and System Upgrade Facilities may be necessary from time to time prior to and during construction. Prior to and during construction, Con Edison shall have the right and authority to make changes in the Substation Modifications, in the location of the Attachment Facilities within the Substation, and in the System Upgrade Facilities if Con Edison, in its reasonable judgment, determines that such changes are necessary or appropriate; provided that any such changes shall not prevent the connection of the Generator Assets to the Substation and that any such changes shall not result in a material change to the reliability or deliverability of the energy output of the

Generator Assets. Con Edison will notify Generator of any major change, but such changes shall not require an amendment to this Agreement. The Parties shall be responsible for the costs of changes associated with the Substation Modifications and Attachment Facilities as provided in Annex IV. Generator's responsibility for the costs of the System Upgrade Facilities is set forth in Section 3.15(c) of this Agreement.

(iv) Generator shall construct and own the Generator Leads.

(b) Con Edison shall permit the Generator Assets to be interconnected with the Transmission System at the point(s) listed on Schedule 3.04(b)(i) in accordance with the terms of this Agreement, subject to Section 3.04(c) and to the following conditions:

(1) The Interconnection shall not occur (*i.e.*, Generator shall not close Breakers Nos. 01 and 02, as shown on Schedule 3.04(b)(ii)) prior to the completion of the installation of the System Upgrade Facilities, unless Generator, the NYISO, and Con Edison agree to, and the NYISO implements, a protocol that restricts the interconnection and operation of generating facilities under circumstances where excessive fault currents might arise on the Transmission System;

(2) Notwithstanding Section 3.04(b)(1), Generator may connect the Generator Assets to the Transmission System prior to the Interconnection Date, for purposes of receiving Station-Use Energy, but Generator shall configure and operate that connection in a manner that prevents the Generator Assets from creating potential fault currents on the Transmission System;

(3) Generator shall (i) demonstrate that the electrical characteristics of the installed Generator Assets are the same as those of the equipment that was contemplated in and studied by the System Reliability Impact Study done by Shaw Power Technologies dated April 21, 2002, or (ii) (A) demonstrate that any difference in the electrical characteristics of such installed and studied equipment will not adversely affect the reliability of the Transmission System or (B) take any action that the ISO deems necessary to eliminate such adverse reliability effect;

(4) If the Interconnection Date does not occur prior to November 1, 2006, and if the ISO determines that the time between the completion of the System Reliability

Impact Study and the completion of the construction of the Generation Facilities has resulted in material changes to the bulk power system and so requires, Generator shall, prior to the Interconnection, demonstrate through an updated technical analysis that the project can be reliably interconnected to the transmission system;

(5) Any expansion of the generating capacity of the Generating Units (including in respect of any repowering of the Generating Units) and the interconnection of any other generating units will require a separate interconnection agreement with Con Edison; and

(6) In accordance with Local Reliability Rule No. 3 of the New York State Reliability Council ("NYSRC") (Con Edison System Operation Procedure SO 3-17-10), the Generating Facilities shall be designed and constructed so that they can automatically switch fuel usage, from natural gas to fuel oil, without interrupting plant output upon notification from the Con Edison System Operator or upon experiencing a low gas pressure condition. The Generating Facilities shall have the required equipment (including storage tanks and control systems) to perform such automatic fuel switching. Generator shall provide a technical description of such automatic switching capability no later than September 1, 2004. Generator shall also physically demonstrate such capability no later than 30 days after the date of "Substantial Completion" of its Generation Facilities, as that term is defined in Generator's contract with its prime contractor. All operations of the Generation Facilities shall be in compliance with all of the NYSRC rules. On any day during the period between the date of Substantial Completion and the date on which Generator physically demonstrates the automatic switching capability, if the Generating Facilities have been selected by the ISO to operate for commercial rather than testing purposes, and if Con Edison has declared a minimum oil burn day in accordance with the applicable rules of the NYSRC and the ISO and with Procedure SO 3-17-10, the Generation Facilities shall burn liquid fuel and not natural gas during the designated hours on that day.

(c) The interconnection of the Generating Facilities with the Transmission System shall be subject to limitation or interruption upon the activation of facilities, equipment and

systems designed to protect any of the Generating Facilities or the Transmission System or System Integrity or public safety and may otherwise be subject to extended outages due to the failure of facilities, equipment or systems or for necessary maintenance, repair, testing, or modification of facilities; provided, however, that Con Edison shall use its reasonable best efforts in accordance with Applicable Legal Requirements and Good Utility Practice to prevent such interruption or limitation and shall restore such interconnection as promptly as possible. Con Edison shall, consistent with the Code of Conduct, give Generator reasonable advance notice of any scheduled interruption of interconnection of the Generating Facilities with the Transmission System. Notwithstanding any other provision in this Agreement to the contrary, except to the extent that any such outage or other interruption in interconnection results in whole or in part from the gross negligence or willful or wanton acts or omissions to act of Con Edison, Con Edison, to the fullest extent permitted by law, shall in no event have any liability whatsoever, whether direct or indirect, to Generator therefor, including in respect of lost revenues or lost power or capacity charges or in respect of deficiency charges.

(d) If Generator fails to operate and maintain the Generating Facilities as provided in this Agreement, Con Edison may, subject to Applicable Legal Requirements and Good Utility Practice, discontinue, curtail, interrupt or reduce Generator's interconnection with the Transmission System until such failure has been corrected, to the extent that such failure has or could be reasonably expected to have a material adverse effect on the Substation or the Transmission System, or otherwise result in personal injury or loss of life or physical damage or physical harm to property, the Generating Facilities, the Substation, the Transmission System or any other transmission system to which it is interconnected, or damage or harm to System Integrity, or public safety. In the absence of an emergency, Con Edison shall provide Generator with reasonable advance notice of its intention to discontinue, curtail, interrupt or reduce interconnection service in response to the interfering condition and where practical allow reasonable time for Generator to remove the interfering condition before the discontinuation, curtailment, interruption or reduction commences. Con Edison’s judgment with regard to the interruption of service under this section shall be made pursuant to Good Utility Practice.

(e) Notwithstanding any other provision of this Agreement or the Operating Procedures, the operational jurisdiction governing the interconnection of the Generating Facilities with the Transmission System (including, but not

limited to, operating and/or notice and/or approval to operate circuit breakers, disconnect switches and ground switches) shall be in accordance with Annexes I and II.

(f) Switching, Tagging and Grounding. Subject to Section 2.01, each Party shall comply with Con Edison's General Instructions Governing Work on System Electrical Equipment, as from time to time in effect (the "Switching Rules"), promulgated pursuant to the requirements of 29 C.F.R. 1910.269, or any successor thereto or replacement thereof. Con Edison shall have no liability to Generator in connection with the compliance or noncompliance by Generator with the Switching Rules and Generator agrees to hold Con Edison harmless from any liability as a result thereof.

SECTION 3.05. Revenue Metering.

(a) General. (i) The Primary Revenue Meters and Delivery Revenue Meters are listed on Schedule 3.05(a)(i) and shall be installed and maintained at the locations designated on that schedule.

(ii) If any Revenue Meter and its associated Point of Interconnection are not at the same location, the readings from such Revenue Meter shall be appropriately adjusted to account for energy losses between such Revenue Meter and such Point of Interconnection as if the meter were located at the Point of Interconnection.

(iii) Each Party shall, upon reasonable notice from the other Party, except in the case of an emergency, comply with any reasonable request of the other concerning the scheduling and performance of manual Revenue Meter readings, the sealing of Revenue Meters, the presence of a representative of the other Party when Revenue Meters are read, Revenue Meter seals are broken and tests are conducted, and other matters affecting the accuracy of the measurement of electricity delivered to or from the Generating Facilities. Without limiting the generality of the foregoing, Generator shall have the right to witness all manual reading and testing, calibration, adjustment and maintenance of Revenue Meters, and any resealing of Revenue Meters. If either Party believes that there has been a failure or stoppage of any Revenue Meter or any associated data acquisition and transmission equipment, it shall immediately notify the other Party orally, such notice to be promptly confirmed in writing, and the Parties shall cooperate in taking all necessary steps to restore to operation all Revenue Meters

and associated data acquisition and transmission equipment as soon as reasonably possible.

(b) Primary Meter Systems. (i) Unless the Parties agree otherwise, Generator shall provide and own all Primary Revenue Meter Systems. The Primary Revenue Meters shall satisfy industry standards for accuracy and shall be subject to Con Edison's approval. If Con Edison provides the Primary Revenue Meter Systems or any portion thereof, Generator shall reimburse Con Edison for its reasonable costs and expenses.

(ii) Notwithstanding Generator’s ownership of the Primary Revenue Meter Systems, Con Edison shall control, have custody of, and read all Primary Revenue Meters. Generator shall reimburse Con Edison for its reasonable costs and expenses in connection with reading the Primary Revenue Meters and processing data received thereby. Generator shall provide reasonable access to Con Edison, at Generator's sole cost and expense, for the purpose of reading Primary Revenue Meters.

(iii) Con Edison will provide (or reimburse Generator for) and own the current transformers and potential transformers associated with the Primary Revenue Meters.

(iv) Con Edison shall arrange for the installation of telephone service from all Primary Revenue Meters. Generator shall reimburse Con Edison for its reasonable costs and expenses in connection therewith. Generator shall arrange for and be responsible for keeping such telephone service in place, including the payment of any telephone service provider charges. Generator shall be permitted, in accordance with Applicable Legal Requirements and any applicable tariff, to arrange at its own expense for Con Edison to install and maintain appropriate equipment for Generator to obtain access to pulse output from each Revenue Meter. Con Edison shall provide a demarcation terminal block that connects to the pulse output from the meters within the revenue metering cabinet. The Generator shall be permitted to install equipment for receiving the pulses and transmitting the associated data.

(v) Con Edison shall at appropriate intervals, or more frequently upon Generator's reasonable request, test, calibrate and maintain the Primary Revenue Meter Systems, and Generator shall reimburse Con Edison for its reasonable costs and expenses in connection therewith.

(vi) If at any time any Primary Revenue Meter is found to be inaccurate by a margin greater than that allowed under

Applicable Legal Requirements or ISO Rules, then Con Edison shall repair or replace such Primary Revenue Meter, and Generator shall reimburse Con Edison for its reasonable costs and expenses in connection with such repair or replacement.

(vii) Notwithstanding other provisions of this Section 3.05, if a Primary Revenue Meter is to be used to measure the delivery of Station-Use Energy to the Generating Facilities, the meter must be certified for revenue billing by the New York State Public Service Commission and must be compatible with Con Edison's meter reading infrastructure.

(c) Delivery Meter Systems. (i) Con Edison shall provide, install, own, and control all Delivery Revenue Meters (including, at Con Edison's option, telephone service from each Delivery Revenue Meter with remote reading capability) in accordance with Con Edison's Schedule for Electricity Service, PSC No. 9 Electricity; General Rules, Regulations, Terms and Conditions; including particularly Sections 9 and 11 thereof. Generator shall reimburse Con Edison (including any tax effects associated with such reimbursement) for any portion of the actual cost of the Delivery Revenue Meters that exceeds the cost of the revenue meters that Con Edison would install for a non-generation customer.

(ii) Generator shall provide, install, and own all portions of the Delivery Revenue Meter Systems other than the Delivery Revenue Meters.

(iii) Con Edison shall test, calibrate, and maintain at appropriate intervals (at its expense), or more frequently upon Generator's request (in which case Generator shall reimburse Con Edison for its reasonable costs and expenses in connection therewith), the Delivery Revenue Meter Systems.

(iv) If, at any time, any Delivery Revenue Meter is found to be inaccurate by a margin greater than that allowed under Applicable Legal Requirements, Con Edison shall repair or replace such Delivery Revenue Meter and adjust the readings. Readings from a Delivery Revenue Meter for any period of inaccuracy shall be adjusted to eliminate the effect of such inaccuracy to the extent the duration of such period can be reasonably ascertained; provided, however, that unless such duration can be reasonably ascertained, readings made during the first half of the period between the last successful test of such Delivery Revenue Meter and its repair or replacement shall not be so adjusted.

SECTION 3.06. Information Reporting Systems and Obligations. Without limiting the generality of Section 2.02(c), Generator shall supply (using facilities, equipment and systems and software compatible with, and in a format comprehensible to, Con Edison's facilities, equipment and systems) accurate, complete and reliable information identified by Con Edison from time to time necessary for operations, maintenance activities, equipment testing and calibration, compliance by Con Edison with Applicable Legal Requirements or analysis of the Transmission System and not obtainable at such time from the ISO; provided that, if Con Edison modifies its facilities or equipment or systems after the Interconnection Date and that modification causes Generator to incur an unreasonable increased cost in complying with this section, Con Edison and Generator shall share the increase in a manner appropriate under the circumstances. Information pertaining to generation, transmission and distribution operating parameters shall be gathered for electronic transmittal to Con Edison using supervisory control and data acquisition (*i.e.*, SCADA), remote terminal unit equipment or remote access pulse recorders or using such other facilities, equipment or systems reasonably acceptable to Con Edison from time to time. Con Edison shall not use or disclose to any other person such information received pursuant to this Section 3.06 other than in accordance with Applicable Legal Requirements and the Code of Conduct.

SECTION 3.07. Nondispatchability Notification. If any unit of any of the Generating Facilities experiences a full or partial forced outage, Generator shall immediately notify Con Edison's Energy Control Center orally of such unit's outage and the expected duration thereof. If Con Edison requests, Generator shall promptly confirm such notice in writing.

SECTION 3.08. Miscellaneous Services.

(a) Services Provided by Con Edison. (i) Subject to any suspension in accordance with Section 3.08(a)(ii), Con Edison shall provide to Generator in respect of facilities, equipment and systems owned by Generator located on Substation property low voltage AC and DC substation service power and Generator agrees to reimburse Con Edison for any reasonable costs and expenses associated with providing such service.

(ii) Subject to Applicable Legal Requirements and Good Utility Practice, Con Edison may from time to time temporarily suspend the services set forth in Section 3.08(a)(i) for repairs,

maintenance, or other reasonable purposes and shall provide Generator reasonable advance notice of any scheduled temporary suspension of services to be provided pursuant to this Section 3.08(a)(ii) reasonably in advance of such suspension. Such notification shall include an estimate of the time duration for a return to normal conditions. In the event of any unplanned or forced suspension of the services set forth in this Section 3.08, Con Edison shall immediately notify Generator orally, such notice to be promptly confirmed in writing. In the event of any suspension pursuant to this Section 3.08(a)(ii), Con Edison shall use its reasonable best efforts to promptly restore such services.

(b) Services Provided by Generator. (i) Generator acknowledges that any feeders owned by Generator and associated electrical facilities, breakers, equipment, systems and transformers owned by Generator and connected thereto and current transformers and potential transformers owned by Generator and used in relay protection circuits that protect the Con Edison Assets are critical for the delivery of Generator's electric energy over the Transmission System and to Con Edison's operations and System Integrity and shall take all measures reasonably required for such breakers, feeders, facilities, equipment, systems and transformers to at all times remain in service. Notwithstanding Section 2.02(b), to the extent that any such feeder, breakers, current transformer or potential transformer fails to remain in service and Generator fails to promptly take any necessary corrective measures, Con Edison reserves the right, but shall have no obligation, to take any such measures or perform servicing or repairs as may be reasonably required in order to cause such feeder, breakers or relay protection circuits to resume service. Generator shall reimburse Con Edison for its reasonable costs and expenses incurred in connection with such corrective measures and servicing and repairs.

SECTION 3.09. Communication Equipment. Generator shall at all times, at its sole cost and expense, maintain and keep available for its sole use two diverse and redundant, in respect of each other, telecommunications links between the Generating Facilities and Con Edison's Energy Control Center for the purpose of providing Con Edison's Energy Control Center with information regarding the Generating Facilities.

SECTION 3.10. Environmental Matters.

(a) Cooperation. Con Edison and Generator agree to cooperate with each other concerning (i) any site plans, surveys, permits and other similar matters that affect or concern the premises of both Parties, including any plans to prevent or respond to spills of oil or Hazardous Substances or to control and monitor storm-water discharges associated with industrial or construction activities, required by any Governmental Authority and (ii) the selection of a response measure or remedial action and any follow-up or other reports required under applicable Environmental Laws in connection with any Release described in paragraph (b).

(b) Notice. Each Party shall upon discovery immediately notify the other Party orally, such notice to be promptly confirmed in writing, of any Release of Hazardous Substances (i) onto or under, or reasonably likely to migrate onto or under, the other Party's premises or (ii) originating from, or relating to, any facilities, equipment or systems owned by the other Party that are located on the premises of, and are operated by, the notifying Party. In the event of any such Release, such notifying Party shall make all initial notifications to Governmental Authorities required under Environmental Laws and shall take all required initial response measures to contain and isolate any such Release, and to the extent the other Party is ultimately responsible under this Agreement or applicable law for remediation of such Release, the other Party shall reimburse the notifying Party for its reasonable costs and expenses incurred in connection with any such initial response measures. The Parties shall cooperate in good faith in order to reduce to the extent reasonably practicable any adverse operational and financial impact of such initial response measures.

SECTION 3.11. Voltage and Frequency Requirements. Unless otherwise agreed to in writing by the Parties or specified by the ISO, Generator shall (a) operate its interconnected Generating Facilities (i) with automatic voltage regulators and minimum excitation limiters and shall maintain voltage at the Points of Interconnection in accordance with Good Utility Practice and Con Edison's Engineering Specification EO-7000 and (ii) at frequency settings from time to time specified by Con Edison with reasonable advance notice to Generator and (b) operate within the underfrequency, overfrequency, undervoltage or overvoltage limits in respect of relays from time to time specified by Con Edison with reasonable advance notice to

Generator. The currently effective EO-7000 is set forth as Annex III to this Agreement.

SECTION 3.12. Authorized Representation.

(a) Generator Representatives. Generator shall designate an individual or individuals who have authority to bind Generator hereunder and Con Edison shall be entitled to rely upon such designation. Generator shall also designate an individual or individuals who will be available at the Generating Facilities 365 days per year and 24 hours per day and who shall be empowered by Generator to make operational decisions hereunder on Generator's behalf ("Generator Operations Manager"). Con Edison shall also be entitled to rely on statements, actions and decisions of the Generator Operations Manager as those of Generator, unless Generator specifies otherwise in writing with respect to certain events.

(b) Con Edison Representatives. Con Edison shall designate an individual or individuals who have authority to bind Con Edison hereunder and Generator shall be entitled to rely upon such designation. Con Edison shall also designate an individual or individuals who will be available at the Con Edison's Energy Control Center 365 days per year and 24 hours per day and shall be empowered by Con Edison to make operational decisions hereunder on Con Edison's behalf ("Con Edison Senior System Operator"). Generator shall also be entitled to rely on statements, actions and decisions of the Con Edison Senior System Operator as those of Con Edison, unless Con Edison specifies otherwise in writing with respect to certain events.

SECTION 3.13. Insurance.

(a) The Parties agree to carry, at their own cost and expense and throughout the term of this Agreement, policies of insurance covering fire, liability, worker's compensation, property all-risk, comprehensive bodily injury, property damage liability and automobile liability, products, completed operations, explosion and collapse, contractual and personal injury liability and other forms of insurance relating to, in the case of Generator, the Generator Assets and, in the case of Con Edison, the Con Edison Assets. Such insurance shall be in such amounts, have such deductibles and retentions and be underwritten by such companies as would be obtained by a reasonably prudent electric power business and shall be primary and noncontributory with any insurance carried by the other Party and it shall not require that such other Party pay any premium thereunder. Notwithstanding the foregoing, either Party may self-insure

against any of the liabilities set forth in the first sentence of this Section 3.13 if such Party satisfies all applicable statutory and regulatory criteria with respect to the self-insurance of the relevant liability. Upon receipt of any notice of cancellation or expiration of any such insurance policy, the Party receiving such notice shall immediately give written notice to the other Party.

(b) The Parties agree to furnish each other with certificates of insurance evidencing the insurance coverage set forth in this Section 3.13 and, upon reasonable request, a copy of any insurance policy referred to therein.

(c) Except for worker's compensation insurance, each Party and its Affiliates shall be named as additional insureds under the general liability insurance policies maintained by each Party pursuant to Section 3.13(a).

(d) Each Party on behalf of itself and its Affiliates shall exclude any right of subrogation under its insurance policies for any liability it has agreed to assume under this Agreement. Evidence of this requirement shall be noted on all certificates of insurance.

SECTION 3.14. Energy Received by Generating Facilities. (a) Services. Generator shall take unbundled delivery service from Con Edison for the Station-Use Energy consumed in the Generating Facilities pursuant to Con Edison's then-effective NYPSC tariff(s) and to the then-effective FERC tariffs of Con Edison and the ISO, in each case as such tariff(s) may be revised or superseded from time to time. In addition, Generator, at its option, may take unbundled commodity service from Con Edison for the electric energy consumed at the Generating Facilities to the extent permitted pursuant to Con Edison's then-effective NYPSC tariff(s), as such tariff(s) may be revised or superseded from time to time. Generator agrees that it will use the Station-Use Energy only to provide light and power to the Generating Facilities and that, without the prior written consent of Con Edison, Generator will not sell or otherwise supply such energy to any third party.

(b) Metering and Netting. The Station-Use Energy that Generator self-supplies may be netted from Generator's total Station-Use Energy for purposes of commodity accounting and transmission charges insofar as such netting is permitted by the ISO's FERC tariff, as such tariff may be revised or superseded from time to time. The Station-Use Energy that Generator self-

supplies (other than energy that Generator self-supplies behind the meters) may be netted from Generator's total Station-Use Energy for purposes of determining Con Edison's charges for distribution service only if such netting is expressly authorized by Con Edison's NYPSC tariff, as such tariff may be revised or superseded from time to time.

Section 3.15. Costs and Expenses.

(a) General. Costs and expenses charged by a Party for operations, maintenance or other work or services required under this Agreement shall be determined in accordance with the invoicing Party's applicable tariff, if any, or its rules, procedures, or practices for billing for labor, equipment, and materials; provided that any written agreement between the Parties in respect of such labor, equipment, and materials and the costs and expenses thereof shall have precedence and shall govern. In accordance with the Master Agreement, Generator shall be responsible for facility costs as set forth in this Section 3.15. Generator shall pay Con Edison the amounts required by this Section 3.15 as such amounts, or portions of them, may be invoiced to Generator from time to time and in accordance with such invoices (including payment of any and all interest or late payment charges).

(b) Substation Modification Costs. (i) Generator shall pay Con Edison, (a) for the actual Substation Modification Costs and (b) the actual costs of engineering and installing the Attachment Facilities in the Substation, in accordance with the terms and procedures set forth in Annex IV; provided that Generator shall not be obligated to pay any such costs as it may prove to have been imprudently incurred. Estimated Substation Modification Costs are set out in Annex IV, as that annex may be supplemented or amended from time to time. However, that estimate shall not diminish, change, or affect Generator's obligation to pay to Con Edison all costs that Con Edison actually incurs, including those that exceed such estimate, in connection with the Substation Modifications and the installation and connection of Generator Assets in the Substation.

(ii) In order to undertake the Substation Modifications and to install and connect Generator Assets in the Substation, it will be necessary for Con Edison to enter into contracts with equipment suppliers and engineering and construction firms (collectively, the "Supplier/Contractor Contracts"). Because of those Supplier/Contractor Contracts and the nature of the Substation Modifications, Con Edison will have only limited ability to terminate the construction of the

Substation Modifications and installation of the Attachment Facilities once such work has commenced. Accordingly, if this Agreement is terminated prior to the completion of the Substation Modifications and the Attachment Facilities for any reason referenced in Section 5.01(b) ("Construction Period Termination"), Con Edison shall have the right, but not the obligation to terminate any Supplier/Contractor Contracts that it executed in connection with the Substation Modifications or the installation and connection of the Generator Assets in the Substation.

(iii) To the extent that Con Edison does not so terminate a Supplier/Contractor Contract, Generator shall remain liable under Section 3.15(b)(i) for the costs incurred pursuant to such contract before and after termination of this Agreement. To the extent that Con Edison does so terminate a Supplier/ Contractor Contract, Con Edison may incur costs and liabilities in connection with the contract termination and/or removal of construction work in progress from the Substation ("Cancellation Costs"). In that event, Generator shall be liable for and pay Con Edison for all Cancellation Costs. If Generator fails to make such payment, Con Edison shall have the right, in addition to any other remedy available to it, to draw down under the letter of credit, described below, in an amount equal to that which Generator has failed to timely pay.

(iv) If a Construction Period Termination occurs and Con Edison terminates any Supplier/Contractor Contract, Con Edison shall have complete discretion with regard to the resolution of any termination-related claim and/or demand by any other party to the Supplier/Contractor Contract. Con Edison shall have complete discretion with respect to the removal or completion of construction work in progress, consistent with the safety, integrity, and reliability of the Transmission System.

(v) In exercising its discretion under the prior paragraphs, Con Edison shall use commercially reasonable efforts to mitigate the costs for which Generator is responsible, provided that such efforts shall not adversely affect Con Edison economically or operationally.

(vi) If the Substation Modifications create electrical capacity or "Headroom" in excess of the electrical capacity used by the Generating Facilities, Con Edison shall support Generator's claims to any economic benefits associated with such "Headroom" to which Generator may be entitled under Attachment S to the ISO Open Access Transmission Tariff.

(c) System Upgrade Facilities Costs. Generator shall pay Con Edison at least the $10,228,000 allocated share of the first $71 million of costs incurred by Con Edison with respect to the System Upgrade Facilities, which $10,228,000 share has previously been allocated to Generator pursuant to Attachment S of the ISO OATT. To the fullest extent permitted by law, Generator irrevocably and unconditionally waives any and all rights and claims whatsoever, now and in the future, to pay a lower allocated share of such costs regardless of whether or not any action or proceeding that was or is now pending or is later brought before any court, agency (including the FERC), the ISO, or any other body or panel (including any arbitration or other dispute resolution body) results in a lower allocated share of such costs for Generator or others. In addition, Generator agrees to pay to Con Edison Generator's allocated share of the costs of System Upgrade Facilities that exceed $71 million, which share of such costs in excess of $71 million is allocated to Generator in accordance with Attachment S of the ISO OATT or is otherwise agreed to by the Parties in writing. Any termination of this Agreement will not reduce or limit Generator's obligation to pay the amounts required by this Section 3.15(c).

(d) Security and Remedies. (i) Unless the Parties agree in writing to an alternative security arrangement, Generator shall cause an irrevocable, transferable, standby letter(s) of credit for the benefit of Con Edison to be furnished to Con Edison for purposes of securing payment by Generator of amounts owed under Paragraphs (b) and (c) of this Section 3.15 (other than Generator's $10,228,000 share of the first $71 million of System Upgrade Facilities costs, which is secured pursuant to the provisions of a separate security agreement). The letter(s) of credit shall be in a form reasonably acceptable to Con Edison and shall require the issuing bank to honor a sight draft(s) drawn on the bank pursuant to the letter of credit. Con Edison shall be permitted to draw against the letter(s) of credit (partial drawings shall be permitted) to satisfy any obligation(s) of Generator under such paragraphs that has (have) not been performed by Generator within the prescribed time for the performance. The letter of credit respecting payments under Paragraph (b) shall be issued in the amount(s) and at the time(s) specified in Annex IV, as may be amended or supplemented from time to time. The letter of credit respecting payments under Paragraph (c) in excess of $10,228,000 (representing Generator's share of the first $71 million referenced above) shall be in an amount equal to Generator's payment obligation under that Paragraph in excess of $10,228,000 (less any amounts previously paid in excess of $10,228,000) and shall be issued within five (5) days of the allocation of such costs to Generator by the ISO

or by agreement of the Parties. The letter(s) of credit shall have an expiration date no earlier than (or be renewed or amended to have an expiration date no earlier than) 60 days after Generator's final payment of amounts owed under Paragraphs (b) and (c) of this Section 3.15.

(ii) Such letter of credit shall be issued by a major U.S. commercial bank or the U.S. branch office of a foreign bank having, in either case, a "Credit Rating" (defined as the rating then assigned to such entity's unsecured, senior long-term debt obligations which are not supported by third party credit enhancements or, if such entity does not have a rating for its senior unsecured long-term debt, the rating then assigned to such entity as an issuer rating) of at least (a) "A-" by the Standard & Poors Rating Group (a division of McGraw-Hill, Inc.) ("S&P") and "A3" by Moody's Investor Services, Inc. ("Moodys") if the issuing bank is rated by both S&P and Moodys, or (b) "A-" by S&P or "A3" by Moody's if the issuing bank is rated by either S&P or Moody's but not both. If the Credit Rating of the bank issuing the letter of credit falls below such levels at any time prior to the expiration of the letter of credit, or if the issuing bank repudiates its obligations under, or fails to honor or pay against, the letter of credit, Generator shall furnish or cause to be furnished to Con Edison a substitute letter of credit, meeting the requirements of Paragraph (i) above, from a bank meeting the requirements of this Paragraph (ii) within three (3) business days after Con Edison provides written notice demanding a substitute letter of credit.

(iii) In the event that Generator fails to establish or maintain the letter of credit, as described in Section 3.15(d)(ii) above, or, in the event that the letter of credit at any time has an expiration date earlier than sixty (60) days after Generator's final payment of amounts owed under Paragraphs (b) and (c) of this Section 3.15 and Generator does not, at least thirty (30) days prior to the expiration date of the letter of credit, provide an amendment to or renewal of such letter of credit to Con Edison, Con Edison may, in addition to any other remedy available to it, suspend construction of the Substation Modifications and installation and connection of the Generator Assets in the Substation.

(iv) In the event that Generator fails to timely make any payment required by Paragraphs (b) or (c) of this Section 3.15, Con Edison shall have the right, in addition to any other remedy available to it, to draw down under the letter of credit in an amount equal to that which Generator has failed to timely pay.

(e) Headroom. Con Edison may interconnect other developers' projects to the Substation, notwithstanding Generator's payment of Substation Modification Costs. Such interconnection by another developer(s) shall not reduce Generator's payment obligation under this Agreement. However, to the extent that Generator's payments for System Upgrade Facilities and Substation Modifications under this Agreement qualify as having created "Headroom" under Attachment S to the ISO OATT, Generator (not Con Edison) shall be entitled to the benefits associated with such Headroom under the ISO OATT.

(f) Maintenance Costs. As provided in the Master Agreement, Generator shall reimburse Con Edison for the cost (including overhead costs) of operating and maintaining the Substation equipment installed in conjunction with the Substation Modifications.

ARTICLE IV

Billing Procedures

SECTION 4.01. Billing Procedures. (a) General. The provisions of this Section 4.01 shall apply to bills and payments required under this Agreement, except with respect to services rendered by Con Edison to Generator pursuant to a filed and approved rate schedule, and unless the Parties agree in writing to different procedures with respect to a particular matter(s).

(b) Procedures. Within ten Business Days after the first day of each month, each Party shall prepare an invoice for those reimbursable costs incurred on behalf of the other Party under this Agreement during the preceding month. Invoices shall be delivered to the following addresses or fax numbers (or to such other address or fax number that a Party shall specify):

if to Generator:

Chief Executive Officer
Astoria Energy LLC
17-10 Steinway Street
Astoria, New York 11105-1012

if to Con Edison:

Vice President
System and Transmission Operations
Consolidated Edison Company of New York, Inc.
4 Irving Place
New York, New York 100003

Each invoice shall delineate when such costs or services were incurred or provided, shall fully describe the costs or services incurred or rendered and shall be itemized to reflect the incurrence of such costs and the provision of such services. The amount of Generator's invoice and amount of Con Edison's invoice for such month shall be netted, and Generator or Con Edison (as the case may be) shall pay the net amount, if any, to the other Party on or before the twentieth Business Day following receipt of the other Party's invoice. All payments shall be made in immediately available funds by wire transfer to a bank named by such Party. Payment of invoices by either Party shall not relieve the paying Party from any responsibilities or obligations it has under this Agreement, nor shall it constitute a waiver of any claims arising hereunder nor shall it prejudice either Party's right to question the correctness of such billing. Any overdue amounts shall bear interest from the due date through the date of payment at the prime rate of the JPMorgan Chase Bank in effect on the due date, except that overdue amounts for services rendered by Con Edison to Generator pursuant to a filed and approved tariff or a separate written agreement between the Parties shall be subject to the interest and late payment charges specified in such tariff or separate written agreement, as applicable. With respect to services rendered by Con Edison to Generator pursuant to a filed and approved rate schedule, the provisions of such schedule shall govern billing procedures and the applicable rate of interest on overdue amounts.

SECTION 4.02. Billing Disputes. In the event of a billing dispute (other than disputes arising under a filed and approved electricity or delivery service rate schedule as to which the provisions of such schedule shall govern), the Parties shall continue to provide services to each other as long as the paying Party (i) continues to make all of the payments not in dispute and (ii) if requested by the billing Party, pays into an escrow account the disputed portion of the applicable invoice, pending resolution of such dispute.

ARTICLE V

Miscellaneous Provisions

SECTION 5.01. Effectiveness and Term.

(a) This Agreement shall be effective as of the date first written above.

(b) This Agreement shall terminate as of the date that either Party gives written notice of such termination following the occurrence of any of the following events:

1) Generator terminates its efforts to obtain Permits for and to construct the Generator Assets*;*

2) A Governmental Authority denies, on a final and non-appealable basis, a Permit essential for the construction and operation of the Generator Assets; or

3) The Interconnection Date does not occur on or before May 1, 2007, subject to extension for a Force Majeure Event (as provided in Section 5.02) or for a delay in completion of the Substation Modifications or for the filing and pendency of any challenge to or appeal of any approval of a Government Authority or the ISO that is necessary or desirable to authorize construction or operation of the Generator Assets,

(c) Section 3.15 and Article IV shall survive the termination or expiration of this Agreement for so long as is necessary for the full satisfaction of the obligations established by that section and other provisions of this Agreement regarding the payment and reimbursement of costs. The termination or expiration of this Agreement shall not alter Generator's cost payment or reimbursement obligations under this Agreement; provided that Con Edison shall, to the extent possible, curtail the accrual of such costs as of the termination date or as soon thereafter as may be possible.

(d) The terms relating to the interconnection of the Generator Assets to the Transmission System may be affected by terms or restrictions that may be imposed by the ISO, the NYPSC or the FERC. The terms of this Agreement shall be revised prospectively to the extent necessary to accord with terms or restrictions that may be imposed by those entities by final and non-appealable actions.

(e) If this Agreement is not terminated pursuant to Section 5.01(b) above, it shall continue in full force and effect

until the earlier of (i) such time as the permanent cessation of power generation functions at the Generating Facilities, together with any associated Decommissioning, has been completed by Generator or (ii) such time as the permanent cessation of interconnection functions in respect of the Transmission System, together with any associated demolition, removal or restoration of the site (to the extent required by Applicable Legal Requirements), has been completed by Con Edison. The applicable provisions of this Agreement shall continue in effect after any termination of this Agreement to the extent necessary to provide for final billings, billing adjustments and payments pertaining to liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

(c) Generator and Con Edison agree that, except as provided in Section 5.01(b), this Agreement may not be terminated under any circumstances by either Party as a result of a breach, whether or not material, of the other Party or otherwise, except pursuant to an agreement in writing executed by each Party.

SECTION 5.02. Force Majeure. (a) Notwithstanding anything in this Agreement to the contrary, neither Party shall have any liability or be otherwise responsible to the other for its failure to carry out its obligations, with the exception of any obligation to pay money, under this Agreement if and only to the extent that it becomes impossible for either Party to so perform as a result of any occurrence or event which is beyond the reasonable control, and does not result from any fault or negligence, of the Party affected (each, a "Force Majeure Event"), including any act of God, strike or any other labor disturbance, act of a public enemy, war, act of terrorism, riot, any other civil disturbance, fire, storm, lightning, flood, earthquake, any other natural disasters, explosion, materials shortage, breakage or accident involving facilities, equipment or systems, any order or regulation or restriction imposed by any Governmental Authority or the ISO, failure of a contractor or subcontractor caused by a Force Majeure Event and transportation delays or stoppages.

(b) If a Party shall rely on the occurrence of a Force Majeure Event as a basis for being excused from performance of its obligations under this Agreement, then the Party relying on such occurrence shall (i) provide prompt oral and written notice of such Force Majeure Event to the other Party giving an estimate of its expected duration and the probable impact on the performance of its obligations hereunder and submitting reasonably satisfactory evidence of the existence of a Force

Majeure Event, (ii) exercise its reasonable best efforts to continue to perform its obligations under this Agreement, (iii) exercise its reasonable best efforts to reasonably and expeditiously take action to correct or cure the Force Majeure Event (provided, however, that settlement of strikes or any other labor disturbance will be completely within the sole discretion of the Party affected by such strike or labor dispute), (iv) exercise its reasonable best efforts to mitigate or limit damages to the other Party and (v) provide prompt oral and written notice to the other Party of the cessation of the Force Majeure Event.

SECTION 5.03. Confidentiality. (a) Each Party (the "Receiving Party") shall, during the term of this Agreement and for two years after its termination, keep confidential and shall cause its directors, officers, affiliates, employees, contractors, agents and other representatives (including financial advisors, attorneys and accountants) (collectively, the "Representatives") to keep confidential (except as required by applicable Law, and then only after compliance with subsection (b) of this Section) any and all documents and information that are designated "confidential" and that are (i) furnished or disclosed by the other Party (the "Disclosing Party") in connection with this Agreement or (ii) learned by the Receiving Party during the course of performance of this Agreement (the "Confidential Information"); provided, however, that the confidentiality obligation hereunder shall expire two years after any such Confidential Information is first furnished, disclosed or learned. The term "Confidential Information" shall not include any such documents or information that (i) is or becomes generally available to the public other than as a result of a disclosure by the Disclosing Party or its Representatives, (ii) is developed by the Receiving Party or its Representatives independently and without use of, and does not contain or reflect, information furnished by the Disclosing Party or its Representatives, or (iii) is or becomes available to the Receiving Party on a non-confidential basis from a source (other than the Disclosing Party or its Representatives) which, to the best of the Receiving Party's knowledge after due inquiry, is not prohibited from disclosing such information to the Receiving Party by a legal, contractual or fiduciary obligation to the Disclosing Party. The Receiving Party shall not release or disclose Confidential Information to any person, other than to its Representatives on a need to know basis and who have first been advised of the confidentiality provisions of this Section and have agreed to comply with such provisions.

(b) In the event that the Receiving Party or any of its Representatives is requested pursuant to, or required by, Applicable Legal Requirements, ISO Rules, or Law to disclose any of the Confidential Information, the Receiving Party shall notify the Disclosing Party promptly so that the Disclosing Party may seek a protective order or other appropriate remedy or, in the Disclosing Party's sole discretion, waive compliance with the terms of this Section.

(i) In the event that no such protective order or other remedy is obtained, or that the Disclosing Party does not waive compliance with the terms of this Section, the Receiving Party shall furnish only that portion of the Confidential Information which the Receiving Party is advised by counsel is legally required and shall exercise its reasonable best efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information so furnished.

(ii) Notwithstanding anything in this Section to the contrary, if the Federal Energy Regulatory Commission ("FERC") or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to the FERC or its staff within the time provided for in the request for information. In providing the information to the FERC or its staff, the Party shall, consistent with 18 C.F.R. Section 388.112, request that the information be treated as confidential and non-public by the FERC and its staff and that the information be withheld from public disclosure. The Party shall notify the other Party, when it is notified by the FERC or its staff, that a request for disclosure of, or decision to disclose, confidential information has been received, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. Section 388.112.

(c) In the event of litigation relating to the confidentiality provisions of this Section, if a court of competent jurisdiction determines in a final, non-appealable order that this Section 5.03 has been breached by a Party or its Representatives, then such breaching Party shall reimburse the other Party for its reasonable costs and expenses (including legal fees and expenses) incurred in connection with all such litigation.

(d) By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential

Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

(e) Each Party shall use at least the same standard of care to protect Confidential Information as it uses to protect its own confidential information from unauthorized disclosure, publication or dissemination.

(f) Upon termination of this Agreement for any reason, each Party shall, promptly upon receipt of a written request from the other Party, destroy, erase or delete or return to the other Party, without retaining copies thereof, any and all written or tangible Confidential Information received from the other Party.

SECTION 5.04. Assignment; No Third Party Beneficiaries. (a) This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any Party, including by operation of law, without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed, except (i) in the case of Con Edison (A) to an Affiliate of Con Edison or a third party in connection with the transfer of the Transmission System to such Affiliate or third party or (B) to a lending institution or trustee in connection with a pledge or granting of a security interest in all or any part of the Transmission System and this Agreement and (ii) in the case of Generator (A) to an Affiliate of Generator in connection with the transfer of the Generating Facilities to such Affiliate, (B) to a lending institution or trustee in connection with a pledge or granting of a security interest in the Generating Facilities and this Agreement, or (C) to any person or entity to which the Master Agreement is assigned pursuant to Section 10.5 of that agreement; provided, however, that no assignment or transfer of rights or obligations by either Party shall relieve it from the full liabilities and the full financial responsibility, as provided for under this Agreement, unless and until the transferee or assignee shall agree in writing to assume such obligations and duties and the other Party has consented in writing to such assumption.

(b) Nothing in this Agreement is intended to confer upon any other person except the Parties any rights or remedies

hereunder or shall create any third party beneficiary rights in any person.

SECTION 5.05. **Independent Contractor Status.** Nothing in this Agreement is intended to create an association, trust, partnership or joint venture between the Parties, or to impose a trust, partnership or fiduciary duty, obligation or liability on or with respect to either Party and nothing in this Agreement shall be construed as creating any relationship between Con Edison and Generator other than that of independent contractors.

SECTION 5.06. **Notices.** Unless otherwise specified herein, all notices and other communications hereunder shall be in writing and shall be deemed given (as of the time of delivery or, in the case of a telecopied communication, of confirmation) if delivered personally, telecopied (which is confirmed) or sent by overnight courier (providing proof of delivery) to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice)

if to Con Edison, to:

Consolidated Edison Company of New York, Inc.
4 Irving Place
New York, NY 10003
Telecopy No.: (212) 677-5850
Attention: Senior Vice President, Central Operations

Copy to:

Consolidated Edison Company of New York, Inc.
4 Irving Place
New York, NY 10003
Telecopy No.: (212) 687-5850
Attention: Senior Vice President and General Counsel

if to Generator, to:

Charles R. McCall
Chief Executive Officer
17-10 Steinway Street
Astoria, New York 11105-1012
Telecopy No.:(718)204-8564

SECTION 5.07. Amendment and Modification; Extension; Waiver. This Agreement may be amended, modified or supplemented only by an instrument in writing signed on behalf of each of the Parties. Any agreement on the part of a Party to any extension or waiver in respect of this Agreement shall be valid only if set forth in an instrument in writing signed on behalf of such Party. If any Governmental Authority or the ISO implements a change in any Law or practice which impedes a Party's performance under this Agreement or may be reasonably expected to impede the Party's performance under this Agreement, the Parties shall negotiate in good faith such amendments to this Agreement as are reasonably necessary to cure such impediment, and Con Edison shall file such amendments with the FERC. If the Parties are unable to reach agreement on such amendments, either Party shall have the right to make a unilateral filing with the FERC to modify this Agreement pursuant to Sections 205 and 206 or any other applicable provisions of the Federal Power Act and the FERC rules and regulations thereunder; provided, that the non-filing Party shall have the right to oppose such filing and to participate fully in any proceeding established by the FERC to address any such amendments. The failure of a Party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights. Notwithstanding anything herein to the contrary, to the extent that either Party fails, in any particular instance, to take affirmative steps to exercise its rights to witness, inspect, observe or approve the activities of the other Party as contemplated by this Agreement, such rights shall, solely with respect to such instance, be deemed waived in respect of such testing, calibration, adjustment and maintenance interval or such operation or maintenance activities, equipment tests, installation, construction or other modifications, respectively.

SECTION 5.08. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable principles of conflicts of law).

SECTION 5.09. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 5.10. Interpretation. When a reference is made in this Agreement to an Article, Section, Schedule or Exhibit, such reference shall be to an Article or Section of, or Schedule or Exhibit to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" or equivalent words. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Any agreement, instrument or Law defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or Law as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of Laws) by succession of comparable Laws and references to all attachments thereto and instruments incorporated therein. References to a person are also to its permitted successors and assigns.

SECTION 5.11. Dispute Resolution. If any dispute, disagreement, claim or controversy exists between the Parties arising out of or relating to this Agreement, such disputed matter shall be submitted to a committee comprised of one designated representative of each Party. Such committee shall be instructed to attempt to resolve the matter within thirty days after such dispute, disagreement, claim or controversy. If such designees do not agree upon a decision within thirty days after the submission of the matter to them, either Party may then pursue remedies available to it.

SECTION 5.12. Jurisdiction and Enforcement. (a) Each of the Parties irrevocably submits to the exclusive jurisdiction of (i) the Supreme Court of the State of New York, New York County and (ii) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction

contemplated hereby. Each of the Parties agrees to commence any action, suit or proceeding relating hereto either in the United States District Court for the Southern District of New York or, if such suit, action or proceeding may not be brought in such court for jurisdictional reasons, in the Supreme Court of the State of New York, New York County. Each of the Parties further agrees that service of process, summons, notice or document by hand delivery or U.S. registered mail at the address specified for such Party in Section 5.06 (or such other address specified by such Party from time to time pursuant to Section 5.06) shall be effective service of process for any action, suit or proceeding brought against such Party in any such court. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the Supreme Court of the State of New York, New York County, or (ii) the United States District Court for the Southern District of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Parties agree that irreparable damage would occur in the event that any of the provisions of Articles II or III of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of those articles and to enforce specifically their terms and provisions, this being in addition to any other remedy to which they are entitled at law or in equity.

SECTION 5.13. Entire Agreement. This Agreement, including the Exhibits, Schedules, Annexes, documents, certificates and instruments referred to herein and other contracts, agreements and instruments contemplated hereby embody the entire agreement and understanding of the Parties in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings other than those expressly set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the transaction contemplated by this Agreement including the Interconnection Agreement between the Parties dated as of February 27, 2004.

SECTION 5.14. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 5.15 Indemnification; No Consequential Damages. (a) Con Edison will indemnify and hold harmless Generator and its Affiliates and their respective directors, officers, employees, agents and representatives (collectively with Generator and its Affiliates, the "Generator Indemnitees") from and against any claims, causes of action, demands, or suits by any person, and all losses, liabilities, damages, obligations, payments (including amounts paid in settlement in accordance with this Section 5.15), judgments, orders, decrees, rulings, liens, charges, costs and expenses (including reasonable legal fees and expenses and including costs and expenses incurred in connection with investigations and settlement proceedings) (each, an "Indemnifiable Loss"), as incurred, asserted against or suffered by any Generator Indemnitee relating to, resulting from or arising out of any breach by Con Edison of any covenant or agreement of Con Edison contained in this Agreement.

(b) Generator will indemnify and hold harmless Con Edison and its Affiliates and their respective directors, officers, trustees, employees, agents and representatives (collectively with Con Edison and its Affiliates, the "Con Edison Indemnitees") from and against any Indemnifiable Losses, as incurred, asserted against or suffered by any Con Edison Indemnitee relating to, resulting from or arising out of any breach by Generator of any covenant or agreement of Generator contained in this Agreement. Generator waives all claims against Con Edison relating to any Indemnifiable Losses caused by any delay in the completion of the Substation Modifications or installation of the Generator Assets within the Substation, except where such delay results from Con Edison's failure to use reasonable efforts to complete the modifications or installation promptly.

(c) The amount of any Indemnifiable Loss shall be reduced to the extent that the relevant Generator Indemnitee or Con Edison Indemnitee (each, an "Indemnitee") receives any insurance proceeds with respect to an Indemnifiable Loss and shall be (i) increased to take account of any Tax Cost incurred by the Indemnitee arising from the receipt of indemnity payments hereunder (grossed up for such increase) and (ii) reduced to take account of any Tax Benefit realized by the Indemnitee arising from the incurrence or payment of any such Indemnifiable Loss. If the amount of any Indemnifiable Loss, at any time subsequent to the making of an indemnity payment in respect thereof, is reduced by recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any claim or cause of action, recovery, settlement or payment by or against any other person, the amount of such reduction, less any costs, expenses or premiums incurred in connection therewith, will promptly be repaid by the Indemnitee to the Party required to provide indemnification hereunder (the "Indemnifying Party") with respect to such Indemnifiable Loss.

(d) To the fullest extent permitted by Law, neither Party nor any Generator Indemnitee or any Con Edison Indemnitee shall be liable to the other Party or any other Generator Indemnitee or Con Edison Indemnitee for any claims or causes of action, demands or suits for consequential, incidental, special, exemplary, punitive, indirect or multiple damages connected with or resulting from any breach of this Agreement or any actions undertaken in connection with or related hereto, including any such damages which are based upon breach of contract, tort (including negligence and misrepresentation), breach of warranty, strict liability, statute, operation of law or any other theory of recovery.

(e) The rights and remedies of Con Edison and Generator under this Section 5.15 are, solely as between Con Edison and Generator, exclusive and in lieu of any other rights and remedies which Con Edison and Generator may have under this Agreement or otherwise for monetary relief with respect to (i) any breach of, or failure to perform, any covenant or agreement set forth in this Agreement by Con Edison or Generator, (ii) any breach of any representation or warranty by Con Edison or Generator. Each Party agrees that the previous sentence shall not limit or otherwise affect any non-monetary right or remedy which either Party may have under this Agreement or otherwise limit or affect either Party's right to seek equitable relief, including the remedy of specific performance.

(f) Generator and Con Edison agree that each Party shall retain, subject to the other provisions of this Agreement, including Section 5.15(d), all remedies at law or in equity with respect to (i) fraud or willful or intentional breaches of this Agreement and (ii) gross negligence or willful or wanton acts or omissions to act of any Indemnitee (or any contractor or subcontractor thereof) on or after the effective date of this Agreement.

(g) If any Indemnitee receives notice of the assertion of any claim or cause of action or of the commencement of any claim, cause of action, or proceeding made or brought by any person who is not a Party or an Affiliate of a Party (a "Third Party Claim") with respect to which indemnification is to be sought from an Indemnifying Party, the Indemnitee will give such Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 20 Business Days after the Indemnitee's receipt of notice of such Third Party Claim; provided, however, that a failure to give timely notice will not affect the rights or obligations of any Indemnitee except if, and only to the extent that, as a result of such failure, the Indemnifying Party was actually prejudiced. Such notice shall describe the nature of the Third Party Claim in reasonable detail and will indicate the estimated amount, if practicable, of the Indemnifiable Loss that has been or may be sustained by the Indemnitee.

(h) If a Third Party Claim is made against an Indemnitee, the Indemnifying Party will be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof with counsel selected by the Indemnifying Party; provided, however, that such counsel is not reasonably objected to by the Indemnitee; and provided further that the Indemnifying Party first admits in writing its liability to the Indemnitee with respect to all material elements of such claim. Should the Indemnifying Party so elect to assume the defense of a Third Party Claim, the Indemnifying Party will not be liable to the Indemnitee for any legal expenses subsequently incurred by the Indemnitee in connection with the defense thereof. If the Indemnifying Party so elects to assume the defense of a Third Party Claim, the Indemnitee will (i) cooperate in all reasonable respects with the Indemnifying Party in connection with such defense, (ii) not admit any liability with respect to, or settle, compromise or discharge, any Third Party Claim without the Indemnifying Party's prior written consent and (iii) agree to any settlement, compromise or discharge of a Third Party Claim which the Indemnifying Party may recommend and which by its terms obligates the Indemnifying Party to pay the full

amount of the liability in connection with such Third Party Claim and releases the Indemnitee completely in connection with such Third Party Claim. In the event the Indemnifying Party shall so assume the defense of any Third Party Claim, the Indemnitee shall be entitled to participate in (but not control) such defense with its own counsel at its own expense. If the Indemnifying Party does not assume the defense of any such Third Party Claim, the Indemnitee may defend the same in such manner as it may deem appropriate, including settling such claim or litigation after giving notice to the Indemnifying Party of the terms of the proposed settlement and the Indemnifying Party will promptly reimburse the Indemnitee upon written request. Anything contained in this Agreement to the contrary notwithstanding, no Indemnifying Party shall be entitled to assume the defense of any Third Party Claim if such Third Party Claim seeks an order, injunction or other equitable relief or relief for other than monetary damages against the Indemnitee which, if successful, would materially adversely affect the business of the Indemnitee; provided, however, that such Indemnifying Party shall continue to be obligated to such Indemnitee pursuant to Section 5.15(a) or (b), as the case may be, for all Indemnifiable Losses relating to, resulting from or arising out of such Third Party Claim.

SECTION 5.16 **Auditing of Accounts and Records.** Each Party shall have the right, upon reasonable notice and at its cost, to audit the other Party's accounts and records pertaining to maintenance and service transactions under this Agreement. Such right shall continue for a period of twelve (12) months after the date of the transactions(s) which are the subject of the requested audit.

SECTION 5.17 **Regulatory Requirements.** It shall be the responsibility of the Parties to take all necessary actions to satisfy any regulatory requirements which may be imposed by any statute, rule or regulation concerning transactions contemplated by this Agreement. The Parties shall cooperate with each other and shall provide information or such other assistance as may be reasonably required by the other Party or the ISO in order to satisfy its obligations under this Section 5.17.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

By: _____
Robert Sanchez
Vice President

ASTORIA ENERGY LLC

By: _____
Charles R. McCall
Chief Executive Officer

Philippe Halib
CFO

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 10th day of November 2011, before me personally appeared Robert Sanchez, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

SYLVEN GLYNN
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01GL5065881
Qualified in Kings County
Commission Expires September 16, 2014

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 16th day of November 2011, before me personally appeared Charles R. McCall, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

GIUSEPPE CUSUMANO
NOTARY PUBLIC - STATE OF NEW YORK
NO. 01CU6126942
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES MAY 16, 2013

SCHEDULE 1.01(a)

GENERATING UNITS

SCHEDULE 1.01(a)

GENERATING UNITS

"Generating Units" includes the following electric generators, having the below-designated nominal ratings, installed at 17-10 Steinway Street in the Borough of Queens, and connected to Con Edison's Astoria East Substation; provided that the aggregate net nominal rating of the Generating Units (at 57 degrees F. and a relative humidity of 54%) with duct firing on natural gas shall not exceed 547 MW or 635 MW during the summer and winter seasons, respectively:

1. A steam turbine unit, having a nominal rating of 285 MVA at a .9 power factor; and

2. Two General Electric Frame 7F series combustion turbines, with heat recovery steam generators supplied with additional duct burners, each having a nominal rating of 234 MVA at a .85 power factor.

SCHEDULE 3.04(a)(i)

SUBSTATION MODIFICATIONS

SCHEDULE 3.04(a)(i)

SUBSTATION MODIFICATIONS

Based on preliminary engineering and planning, the Substation Modifications include the following items. This listing is subject to modification to reflect the results of detailed engineering and design.

1. Disconnection, removal, and replacement of six (6) existing 2000 AMP, 138kV, 63 KA circuit breakers (Nos.1W, 3E, 5E, 6E, 6W, 8E) with 3000 AMP, 138 kV, 63 KA circuit breakers. The existing breakers shall be offered to Generator;
2. Disconnection, removal, and replacement of ten (10) existing 2000 AMP, 138 kV disconnect switches (Nos. 1W1, 1W2, 3E3, 3E4, 5E5, 5E6, 6E6, 6E7, 8E8, 8E1) with 3000AMP, 138 kV disconnect switches. The existing switches shall be discarded;
3. Disconnection, removal, and replacement of fourteen (14) existing 1200 AMP, 138 kV disconnect switches (Nos. 1E1, 1E2, 2E2, 2E3, 2W2, 2W3, 3W3, 3W4, 6W6, 6W7, 7W7, 7W8, 7E7, 7E8) with 3000 AMP, 138 kV disconnect switches; the existing switches shall be discarded;
4. Modification/replacement of existing support structures for the disconnect switches to accommodate the new disconnect switches;
5. Disconnection, removal, and replacement of 3000 LF length of existing 2000 AMP bus by 3000 AMP bus;
6. Replacement and addition of bus support insulators and structures to support the new 3000 AMP bus;
7. Installation of two (2) new disconnects switches with structures and foundations, for connecting the two SCS feeders;
8. Installation of lightning arresters and potential transformers for the two SCS feeders;
9. Installation of two (2) new pre-fabricated air-conditioned relay houses for the two SCS feeders;
10. Installation of revenue metering equipment for SCS feeders at Astoria Substation; and
11. Expansion of the SOCCS RTU to accommodate the new points associated with SCS feeders for control and data transmission to Energy Control Center (ECC).

SCHEDULE 3.04(a)(ii)

SYSTEM UPGRADE FACILITIES

SCHEDULE 3.04(a)(ii)

SYSTEM UPGRADE FACILITIES

The System Upgrade Facilities include the following equipment and facility modifications:

- 3% series reactors, one each on Feeders M51, M52, 71, 72;
- 5% series reactor on Feeder 15055;
- 138 kV high side reconnection of the Hell Gate transformers 1 and 4 from the Astoria East–East 179th Street tie lines to the Astoria West–Hell Gate/Bruckner Ties 24051 and 24052; and
- Any other equipment and facility modifications that become necessary because of modifications to the Fault Current Mitigation Plan required by the ISO or the FERC.

SCHEDULE 3.04(b)(i)

POINTS OF INTERCONNECTION

SCHEDULE 3.04(b)(i)

POINTS OF INTERCONNECTION

The Generating Facilities shall be interconnected with Con Edison's Transmission System at the following Points of Interconnection:

GENERATOR OUTPUT

1. Generator Lead No. 1 from the Generating Facilities shall be connected to the Astoria East Substation at the bus-side terminal of disconnect switch F4E (between breakers 3E and 4E); and
2. Generator Lead No. 3 from the Generating Facilities shall be connected to the Astoria East Substation at the bus-side terminal of disconnect switch F4W (between breakers 3W and 4W).

STATION-USE ENERGY

All Station-Use Energy shall be delivered at the Points of Interconnection designated above for generator output.

SCHEDULE 3.04(b)(ii)

DRAWING NO. ASTORIA ENERGY-9T

SCHEDULE 3.05(a)(i)

REVENUE METERS

SCHEDULE 3.05(a)(i)

REVENUE METERS

PRIMARY REVENUE METERS*

The following bi-directional meters shall be used to measure both generator output and the delivery of Station-Use Energy:

- Meter No. M-34G03 on Feeder No. 34G03 at the Astoria East Substation
- Meter No. M34G04 on Feeder No. 34G04 at the Astoria East Substation

DELIVERY REVENUE METERS

No Delivery Revenue Meters are installed under this Agreement.

* Dial up telephone line connections shall be provided for the remote reading of these Revenue Meters.