



**JOINT MEETING OF
NEW YORK POWER AUTHORITY BOARD OF TRUSTEES
AND
NEW YORK STATE CANAL CORPORATION BOARD OF DIRECTORS**

PROPOSED AGENDA

September 29, 2026 at 9:00 am

Members: Chair John R. Koelmel, Dennis Trainor, Bethaida Gonzalez, Cecily Morris, Lewis Warren, Jr., Laurie Wheelock, Michael Cusick

- 1. Adoption of the September 29, 2026 Proposed Meeting Agenda**
- 2. Motion to Conduct an Executive Session**
- 3. Motion to Resume Meeting in Open Session**
- 4. DISCUSSION AGENDA:**
 - a. Strategic Initiatives**
 - i. President and Chief Executive Officer's Report – (Justin E. Driscoll)
 1. Innovation Powered by Our People: Enterprise Wins and Future Horizons (Daniella Piper, Ali Mohammed, Hossein Hooshyar and Marwan Madi)
 - b. Utility Operations**
 - i. Chief Operating Officer's Report – (Joseph Kessler)
 - c. Financial Operations**
 - i. Chief Financial Officer's Report – (Adam Barsky)
 - d. Risk and Resiliency**
 - i. Chief Risk and Resiliency Officer's Report – (Alexis Harley)



e. Finance Committee Report – (Chair Koelmel)

1. Finance Committee Recommendations for Approval:

- i. Release of Funds in Support of the New York State Canal Corporation for Q4 2026 – Resolution (Adam Barsky)
- ii. Authorization to increase the Authority's borrowing capacity under its revolving credit facilities, enter into one or more new facilities, and/or increase commercial paper note authorization by \$250 million – Resolution (Adam Barsky)
- iii. Maintenance Repair Operations Industrial Supplies – Recommendations for Award – Resolution (Grant Johnston)
- iv. Collective Bargaining Agreement between the Authority and Local Unions 2032 and 2104 of the International Brotherhood of Electrical Workers Union, AFL-CIO – Resolution (J. Eric Firnstein)
- v. Nuclear Workforce Development Funding – Request for Awards – Resolution (Sandra Bleckman)
- vi. Supplier Diversity Business Development Programs – Recommendation for Award – Resolution (William Choi)

f. Risk and Resiliency Committee Report – (Chair Morris)

5. CONSENT AGENDA:

a. Customer Solutions

- i. Contracts for the Sale of Hydro Power (WNY Power) - Final Approval and Transmittal to the Governor – Resolution (Maribel Cruz-Brown)
- ii. Recommendation for the Award of Fund Benefits from the Northern New York Economic Development Fund by the Northern New York Power Proceeds Allocation Board – Resolution (Maribel Cruz-Brown)
- iii. Expansion Power Allocation and Modification – Resolution (Maribel Cruz-Brown)



- iv. Recharge New York Power – Extended and Modified Allocations – Resolution (Maribel Cruz-Brown)
- v. Transfer of RNY Power Allocation – Resolution (Maribel Cruz-Brown)
- vi. Extension of Hydropower Contracts with Upstate Investor-Owned Utilities for the Benefit of Rural and Domestic Consumers - Final Approval and Transmittal to the Governor – Resolution (Maribel Cruz-Brown)
- vii. Recommendation for the Award of Fund Benefits from the Western New York Economic Development Fund by the Western New York Power Proceeds Allocation Board – Resolution (Maribel Cruz-Brown)
- viii. Contracts for the Sale of Hydro Power (Preservation Power) - Final Approval and Transmittal to the Governor – Resolution (Maribel Cruz-Brown)

b. Procurement (Services) Contracts

- i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding – Resolution (John Canale)

c. Real Estate

- i. Canal Corporation Syracuse Office: Lease Expansion & Extension – Resolution (Allison Shea)

d. Governance Matters

- i. Approval of the Minutes of the Joint Meeting of the New York Power Authority's Board of Trustees and Canal Corporation's Board of Directors held on July 28, 2026

6. NEXT MEETING



September 29, 2026

Motion to Conduct an Executive Session

I move that the Board conduct an executive session to discuss the financial and credit history of a particular corporation (pursuant to §105f of the Public Officers Law).



September 29, 2026

Motion to Resume Meeting in Open Session

I move to resume the meeting in Open Session.



President & CEO Report

Justin E. Driscoll
President & CEO

September 29, 2026

Overview

- Innovation at NYPA & Canals
- Transmission
- Advanced Nuclear
- NYPA Renewables



Innovation at NYPA and Canals

NYPA and Canal's culture of innovation encourages curiosity, collaboration and continuous improvement, empowering teams to explore new ideas and deliver smarter solutions.

Building an Enterprise-wide Innovation Culture

- **Office of Innovation created in 2022**
 - Leads Corporate Strategy, R&D, AGILE Lab, Customer Innovation, Digital Transformation, and Change Management
- Recognized leader among public utilities for advancements in grid modernization, clean energy technologies and digital utility innovation



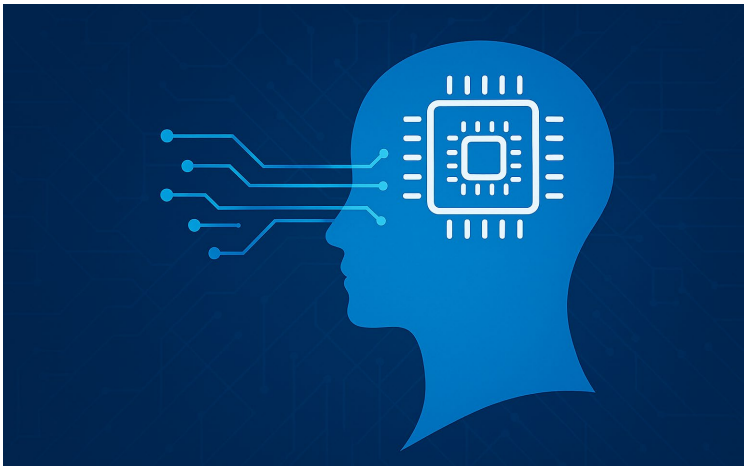


Transformational Technologies

AGILe

Robotics

AI





AGILe Lab

Advanced Grid Innovation Laboratory for Energy (AGILe)

- Enables NYPA and other utilities to prepare for the grid of the future
- Developed the world's first digital twin of a statewide electric grid
- Received Innovation Award for Grid Project of the Year at DTECH Northeast and was added to the US Department of Energy's Electric Grid Test Bed Inventory
- AGILe is the only test bed nationwide with full system-level functionality that hosts models and digital twins of multi-regional large-scale electric power grids



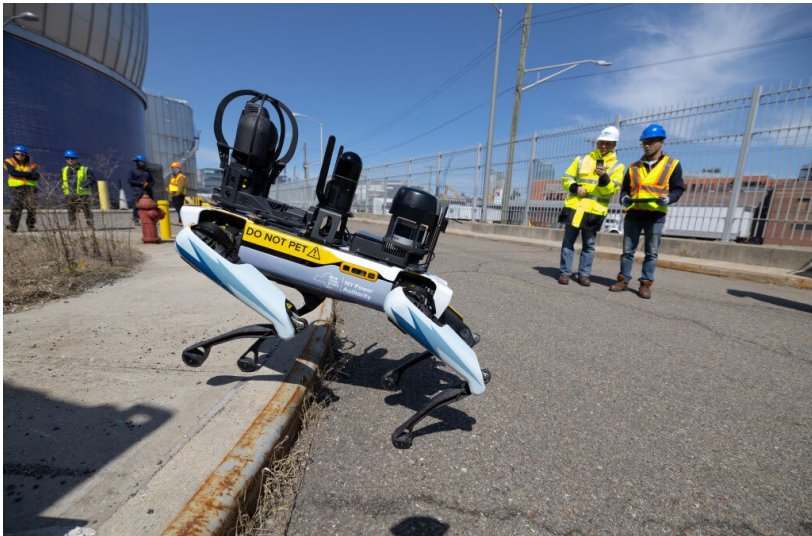
Robotics at NYPA & Canals

Enhances safety, reliability, efficiency and operational excellence



Drones

Deployed to handle critical tasks such as inspections, maintenance and monitoring across transmission and generation assets.



Robotic Dog

Equipped with advanced sensors, cameras and AI-powered features, Gizmo can navigate complex terrains, perform intricate tasks and respond to basic commands.



Aquatic Robotics

Used to inspect underwater assets and remove buildup of debris. Future plants call for mapping generation assets and reservoirs.



Developing responsible AI to power clean energy, build smarter systems and deliver lasting benefits for New York

- Launched AI & Automation Center of Excellence
- Analyzing 60,000+ historical design plans with AI to modernize canal maintenance
- Deploying AI in managing our transmission, generation, and canals asset
- Playing a key role in positioning NY as a national leader in AI progress, innovation and accountability





Somers Solar

20 MW Solar Project

- NYPA's first renewables project to advance to construction
- Approximately 150 acres in Fort Edward (Washington County)
- Will create about 120 union construction jobs and 12 permanent positions
- Expected to be in service by late 2027

Rich Road Solar

240 MW Solar + Storage Partnership

- Located in Canton (St. Lawrence County)
- 51/49 partnership with EDF power solutions
- Expected to be in service in 2028
- Innovative partnership model that allows NYPA to benefit from direct pay tax credits
- Expected to create over 250 union construction jobs during peak construction

Workforce Training Awards

- \$10 million in total awards to six firms
- More than 2,500 trainees
- Request for Applications issued May 31
- Application cycle closed July 31
- 24 proposals received
- Proposals evaluated on several criteria, including scope of work, budget, training schedule and organizational profile





NY Power Authority Canal Corporation



Innovation Powered by Our People

Enterprise Wins and Future Horizons

Daniella Piper

EVP & Chief Innovation Officer

September 29, 2026

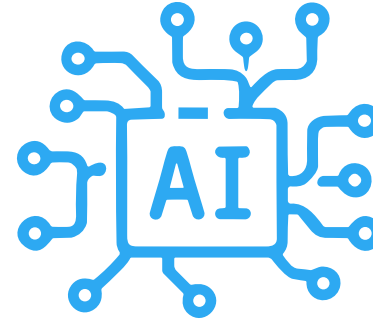
Key Takeaways



**People-powered
culture is
accelerating
innovation**



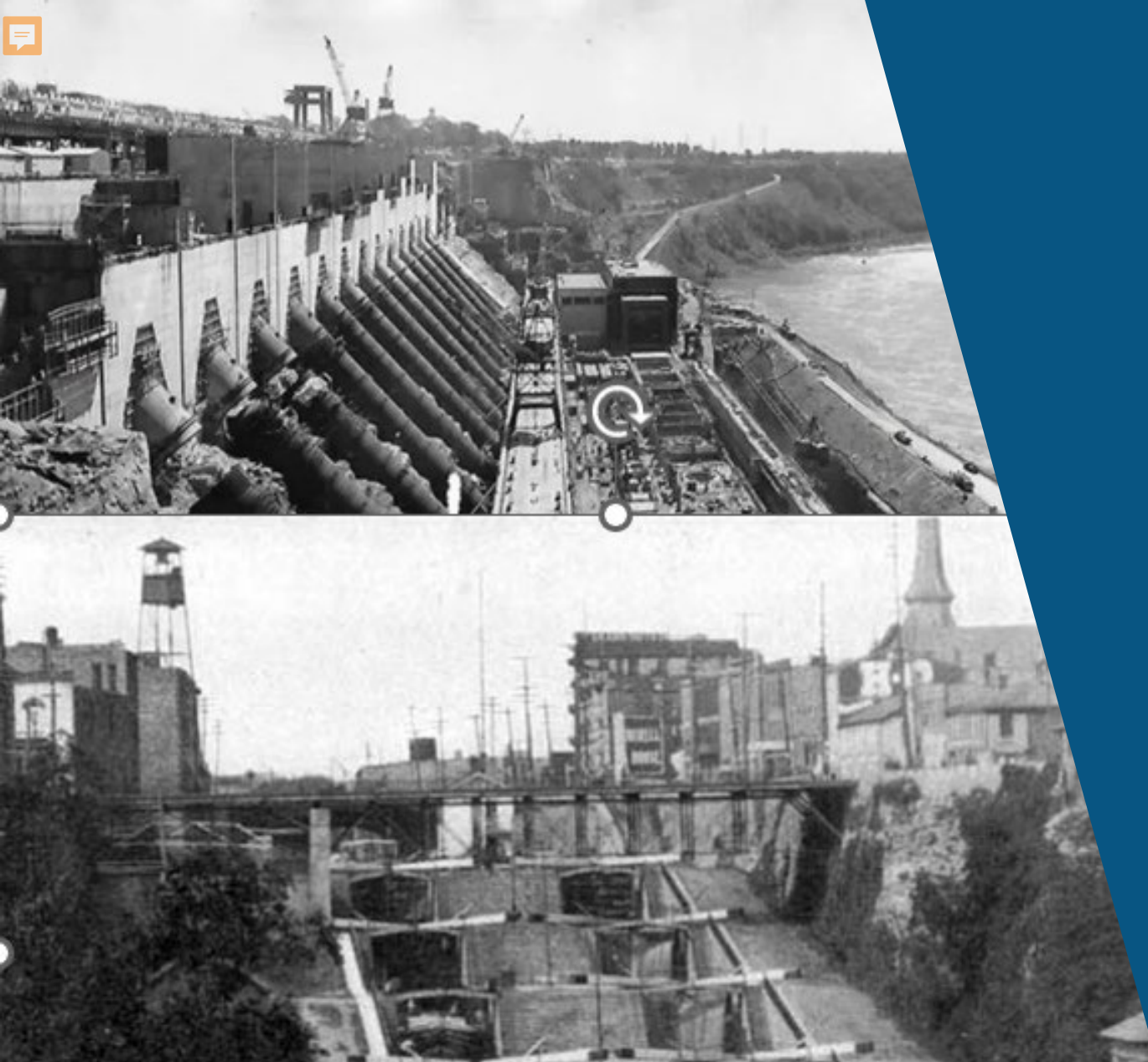
**Grid modernization
leadership via
AGILE and
strategic
partnerships**



**AI and automation
are delivering
safety, speed, and
scale**



**Customer-focused
innovation is
producing tangible
value and
decarbonization**



Our Legacy of Innovation

Innovation isn't new to NYPA and Canals.
It's who we've always been.

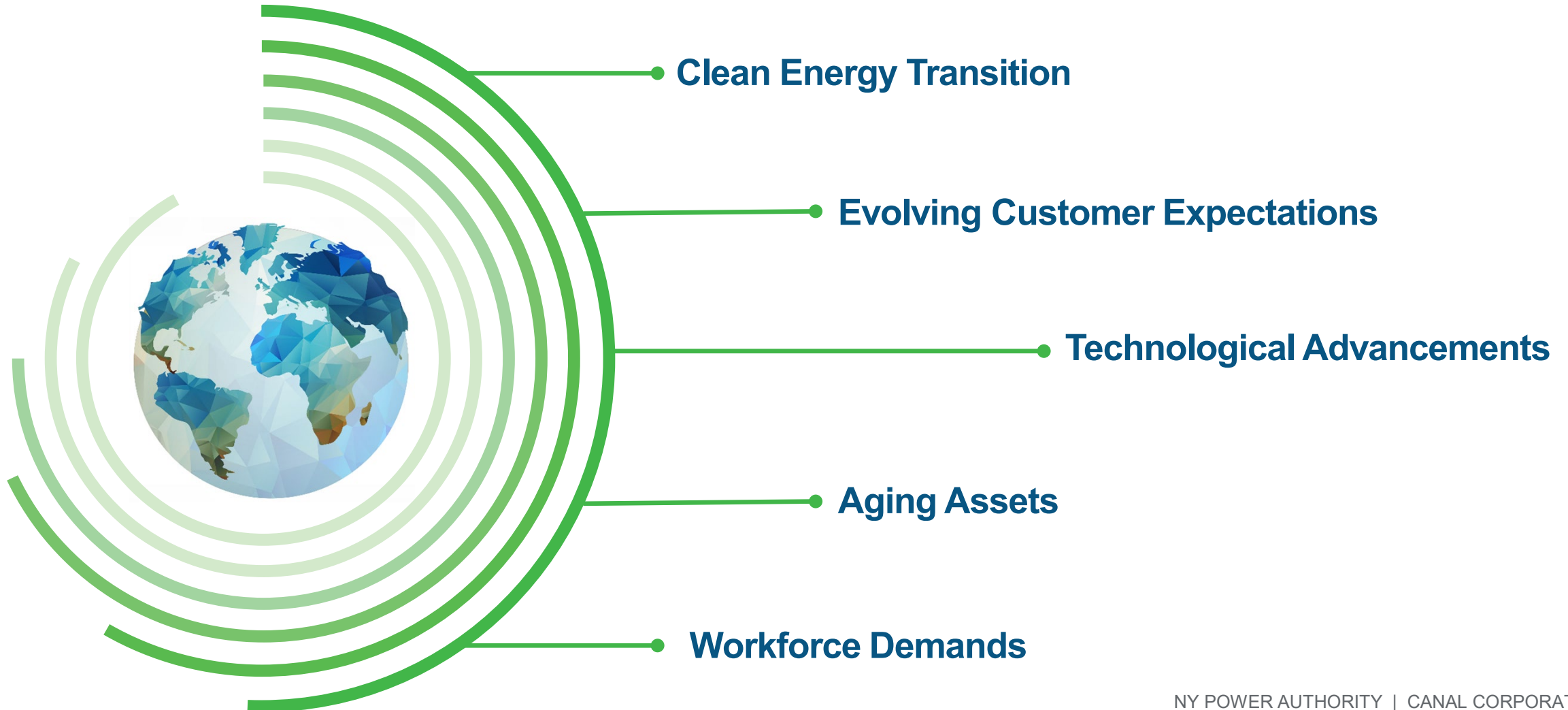
For generations, our organizations have pushed the boundaries of what's possible in public power and infrastructure.

We continue to find smarter, safer, and more resilient ways to serve the people of New York State.

Pictured: Construction of Robert Moses Niagara Power Station and "Flight of Five" Erie Canal locks in Lockport, NY.

The World Around Us is Changing Faster Than Ever

Innovation keeps us relevant, competitive and prepared for the future



Innovation in Action @ NYPA & Canals



**Improving
Operational
Performance &
Safety**

**Delivering
Customer Value**

**Leading Grid
Transformation**

Building capacity through partnerships and employee empowerment

Pillars of Innovation Strategy

Strategic Focus Areas

- Grid modernization and reliability
- Clean energy and decarbonization
- Canal system resilience and customer experience
- Operational excellence and safety

Culture & Engagement

- Encourage idea sharing at all levels
- Normalize experimentation and learning from pilots
- Recognize and reward contributions
- Collaborations with internal and external partners

Processes and Tools

- Clear pathways for ideas
- Commitment to ongoing engagement and communication
- Governance to evaluate and prioritize ideas
- Metrics to track impact

Strategic Partnerships



EPRI Spotlight

Energy Delivery and
Customer Solutions
(EDCS)

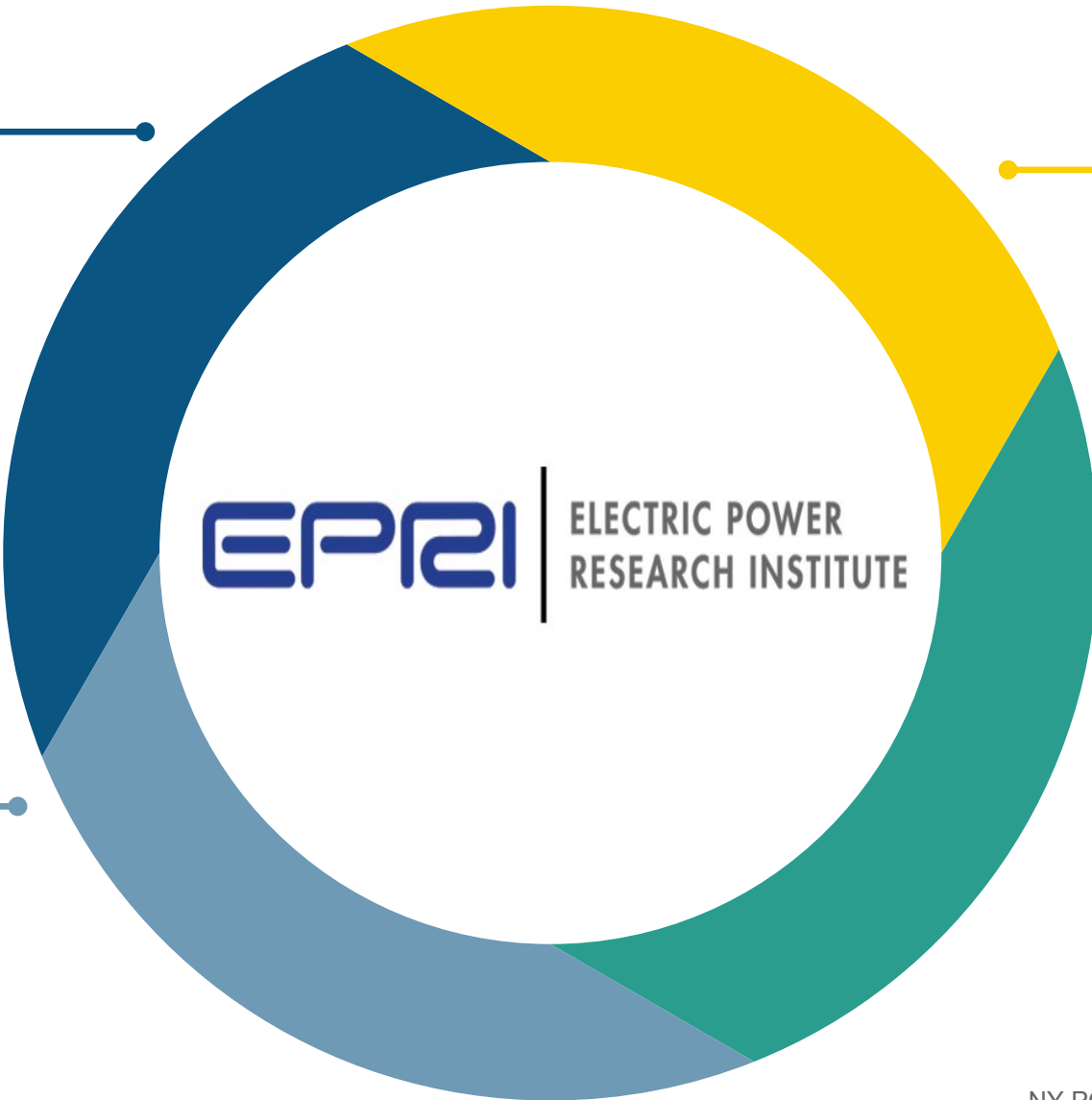
154 Advisors

97 Committee Reps

Nuclear

5 Advisors

3 Committee Reps



Generation

57 Advisors

20 Committee Reps

Tech Innovation

1 Advisors

1 Committee Reps



EPRI Global Innovation Effectiveness (GIE)

GIE’s aspirational model for utility innovation practice - effectiveness of each element is critical to growing overall innovation maturity



Global Industry Perspective

The GIE Benchmark provides a robust resource comprised of the world’s largest data set of utility-specific innovation capabilities. This dataset informs benchmarks, best practices, and recommendations.

The GIE Benchmark is used to assess NYPA’s relative maturity performance to the Cohort data set:

- 40+ Organizations assessed
- 350+ Utility leaders interviewed across all functional areas
- 3,000+ Utility professionals surveyed across all levels and functions



Public Owned

Investor Owned

Nuclear Operators

ISO/RTO

List includes all past and present members, some of whom are still conducting their GIE assessment

EPRI Global Innovation Effectiveness (GIE) Assessment

NYPA Ranked Top Quartile in Maturity Among Global Organizations

Focused Effort Drives Significant Improvement

NYPA's investment in innovation since its last GIE Assessment in 2022 has meaningfully increased the Authority's innovation effectiveness and maturity.

Improved Strategic Clarity and Alignment

NYPA's decision to move innovation to a central position in its enterprise strategy has resulted in a more focused, disciplined approach.

New Structural Supports Are Making a Difference

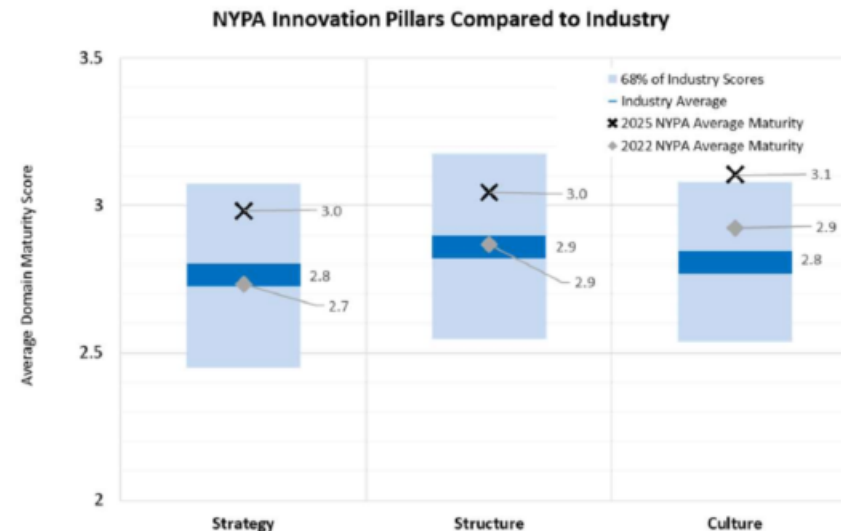
The innovation structures put in place, especially in the past two years, have provided effective support for innovators at NYPA.

A Stronger Culture of Innovation Has Grown

Survey respondents report an increased maturity in NYPA's culture of innovation.

NYPA – EPRI GIE Reassessment Overview: NYPA's investment in innovation since its last GIE Assessment in 2022 has meaningfully increased the Authority's innovation effectiveness and maturity and is now a top-performer. NYPA leadership made a conscious commitment to build innovation capability as part of an integrated enterprise vision and strategy, which have been effective in driving alignment across the organization.

- Key efforts included the establishment of a Chief Innovation Officer role and centralized Innovation function in 2023, a refresh of VISION2030, and the adoption of innovation strategies and targeted structural initiatives.



“

“The purpose of [creating the CIO function] was twofold. One, to really lean in and elevate the whole innovation function within the organization and get out to folks in the company how important that function is to our work and to our success. But also to have a better way of capturing all the innovation that was going on around the organization in the various business groups.”

”

Excerpts taken from executive interviews, focus group and/or survey respondents via open-ended question.



From Innovation to Impact

Advancing technologies that strengthen
customers, operations and the grid

Ali Mohammed

VP Innovation

September 29, 2026

Innovation In Action @ NYPA & Canals

Leveraging Automation & AI for Efficiency

We're Launching An AI & Automation Center of Excellence

What

Smart systems that learn, predict, and optimize decisions

A cross-functional group of experts driving best practices, innovation, and measurable impact

AI & Automation CoE

Technology that streamlines tasks for speed, accuracy, and consistency

How (Services)

Use Case Intake & Assessment

Use Case Development & Support

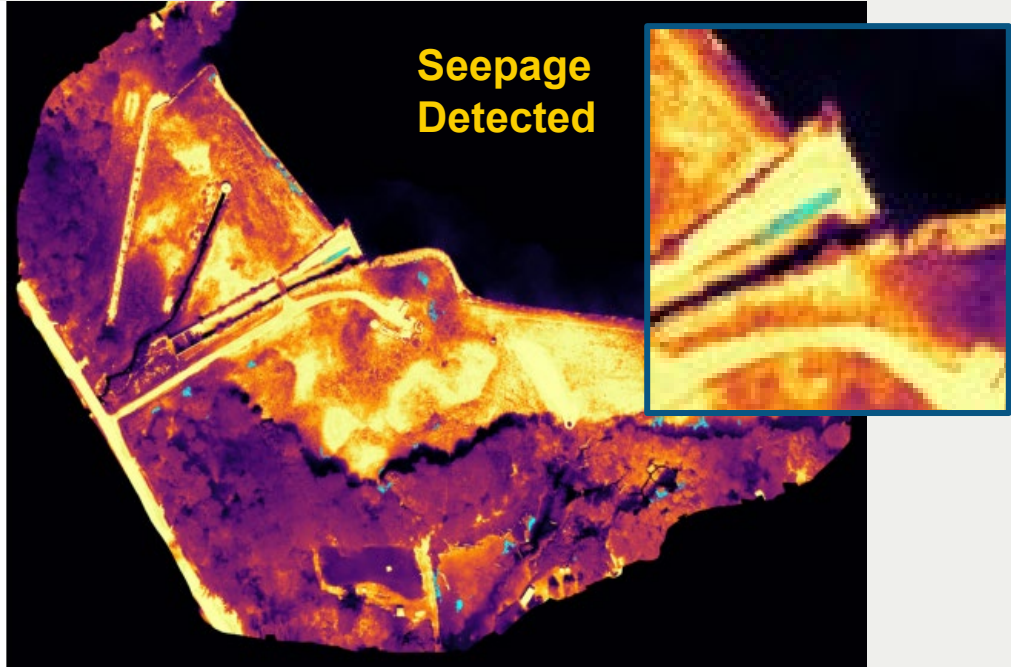
AI & Automation Expertise

Governance & Responsible AI

Workforce Enablement

Value Realization & Improvement

NY Power | Canal Authority | Corporation 3



ENTERPRISE PIPELINE

186

Use cases

PRODUCTION IMPACT

47,000

Images processed in production

OPERATIONAL VALUE

Up to 95%

Reduction in task time

Canals Seepage Detection

3 Sites

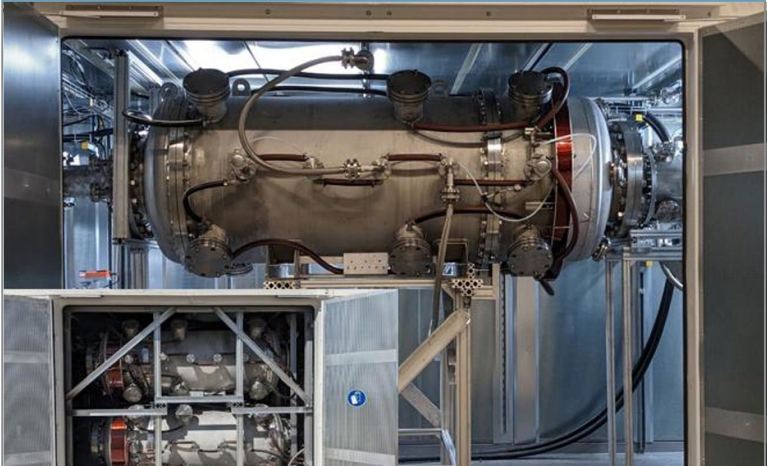
120 Miles

Innovation In Action @ NYPA & Canals

Delivering Innovative Solutions for NYPA and Our Customers

Methane Pyrolysis Study

📍 City of Jamestown



1.2 Tons H2

32% CO2 Emissions

Achor Ice Risk Reduction

📍 Niagara



Niagara River
January 2026

\$50K Project cost

\$1.45M Cost saving

HARVEST Agrivoltaics

📍 SUNY Cobleskill



1.5MW Solar

13.8 Acres



Advanced Grid Innovation Lab for Energy (AGILE)

Hossein Hooshyar

Senior Director, AGILE

September 29, 2026



Innovation In Action @ NYPA & Canals

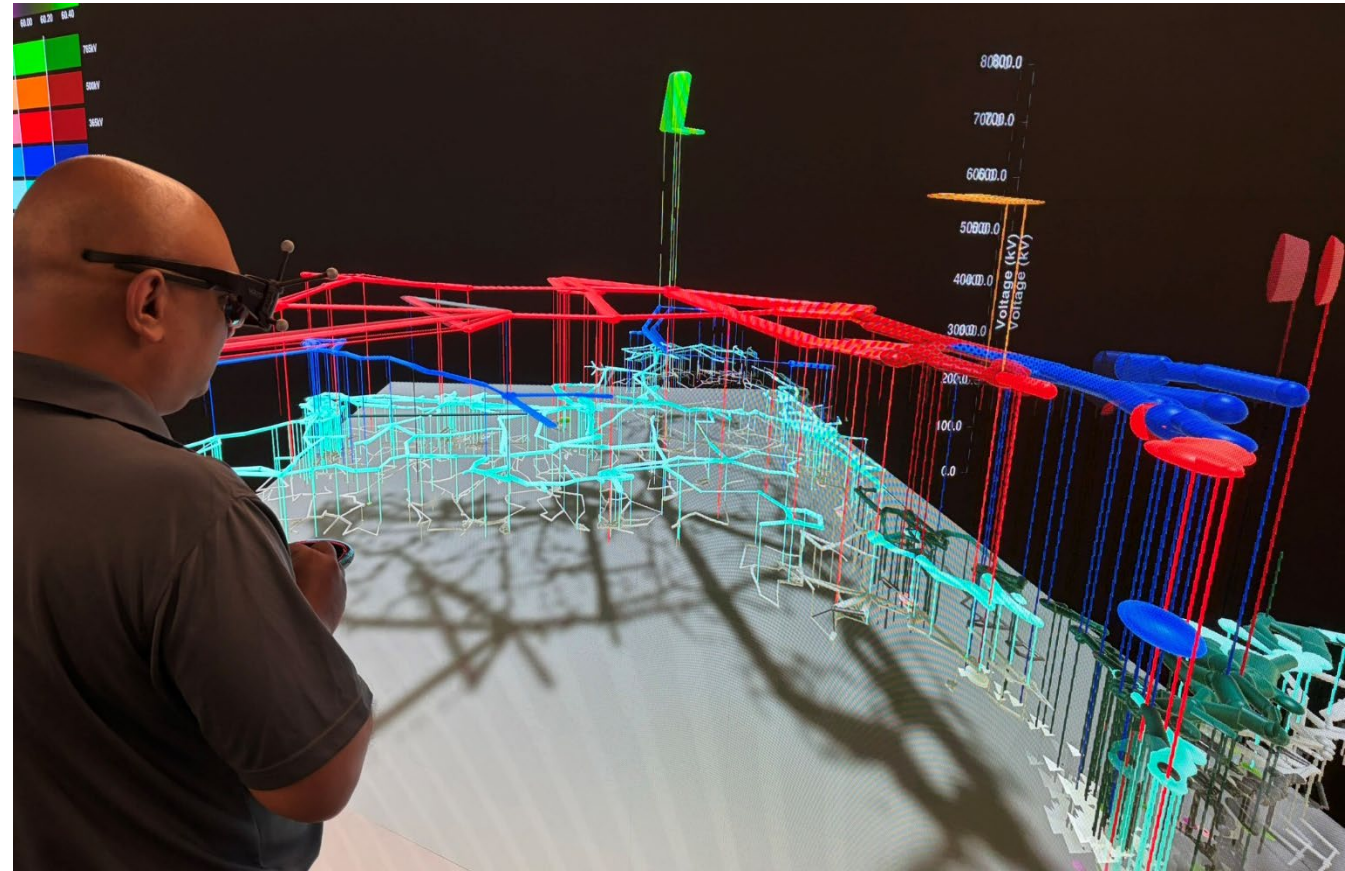
Advanced Grid Innovation Laboratory for Energy



AGILe

A cutting-edge power systems lab that provides a realistic testing environment to derisk and accelerate the deployment of cutting-edge grid technologies

- Conceived in 2017
- Expanded to 10,000 sq.ft. Stand-Alone Facility @ **Albany Nanotech Complex**





Innovation In Action @ NYPA & Canals

AGILE Milestones and Capability Evolution



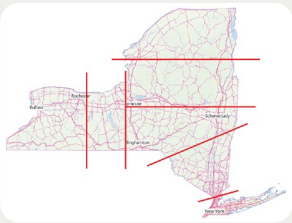
One of the world largest sets of simulators, and testing equipment

2017



NYS transmission grid (230kV – 765kV)

2018 — 2019



Regional NYS transmission grid (13.8kV – 765kV)

2020 — 2021



Multi-regional NYS transmission grid (13.8kV – 765kV)

2022



First-of-a-Kind Digital Twin, Power Hardware in the Loop and Virtual Reality Cave

2023 — 2026



Quantum computing and AI for power system simulation

2027 and beyond



Innovation In Action @ NYPA & Canals

Advanced Grid Innovation Laboratory for Energy

Internal Partnerships

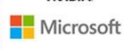
- NERC compliance analytics
- De-risking new tech before full-scale deployment

NYS Partnerships

- Supporting NYSERDA/DPS WGs with advanced grid analysis
- Workforce development

National Partnerships

- Strong collaboration with DoE and national labs
- Testing services for OEMs

National Laboratories	Universities	Industry & Technology	Utilities & Operators	Stakeholders & Community
 Brookhaven National Laboratory	 Massachusetts Institute of Technology	 GE VERNOVA	 NY Power Authority	 gridfm.org
 NATIONAL LABORATORY OF THE ROCKIES	 Stony Brook University	 IBM	 Alabama Power	 gridfm.org
	 UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN	 accenture	 LIPA	 NYSEDA
	 UNIVERSITY OF TEXAS ARLINGTON	 aws	 nationalgrid	 NRECA
	 Cornell University	 amazon	 conEdison	 DLF ENERGY
		 Acemix & Marsal	 New York ISO	 ADVANCED ENERGY
		 NVIDIA	 GREAT RIVER ENERGY	 IH
		 Microsoft		

- \$8M **MOU** with NYSERDA in support of GRIDCONNECT
- AGILE added to the U.S. Department of Energy’s (**DOE**) Electric Grid Test Bed Inventory
- Partnership with **Brookhaven National Lab** (and others) selected By DOE for \$11.5M Genesis Mission to develop Grid Foundational Model (AI)
- **Grid Project of the Year** by DTECH®, US



Driving a Culture of Innovation

Marwan Madi

Director, Culture of Innovation Programs

September 29, 2026



Innovation In Action @ NYPA & Canals

Building capacity through engagement & empowerment

Innovation Zone Live

Spark curiosity and creativity

- Monthly conversations to highlight internal innovation, trends and technologies shaping our industry



Innovation Champions

Empower employees to drive innovation:

- Support colleagues in shaping ideas
- Connect local challenges with resources



Eureka!

Turn ideas into action quickly

- Democratize ideation and accelerate incubation for fast learning/value creations





Innovation In Action @ NYPA & Canals

Expanding Engagement to Unlocking Employee Creativity



12 Champions across NYPA and Canals driving innovation through ideation, coaching, and cross-functional engagement

10 Ideas generated through focused ideation and collaborative problem-solving

7 Cross-functional teams representing multiple business units embedding innovation into daily operations

9 Roundtables and workshops showcasing innovation process and outcomes



74 Eureka! ideas submitted from 9 business units and departments across NYPA and Canals

49 Ideas progressing through evaluation, feasibility assessment, and pitch preparation

22 Ideas moving into implementation and execution

240 Participants engaged through innovation and outreach learning activities



Innovation Through Empowerment @ NYPA & Canals

A sample of ideas our teams are advancing across operations, community and technology

Eureka! Idea Spotlights

	V2G School Bus Charging	Unlocks clean transportation and grid benefits through school bus charging innovation.
	NYPA LLM Powered Resource Finder Tool	Gives employees fast, accurate access to critical standards and policies using AI.
	Drone Image Capture	Improves asset inspections with safer, faster aerial data collection.
	In-house Continuing Education Program for Engineers	Builds engineering capability through centralized training and credential support.
	Reimagine the Lewiston Artpark Gorge Trail Over the NIA Dam	Transforms a site into a safe, scenic, community-accessible destination.
	Gravity Storage	Protects hydro assets by absorbing load shifts with gravity-based energy storage, reducing turbine wear and now moving into implementation.

*Innovation **powered by our people** is now a system: **culture, process, and partnerships** working together to turn ideas into measurable wins*

These ideas demonstrate how employee empowerment unlocks solutions across a diverse range of business challenges / opportunities.

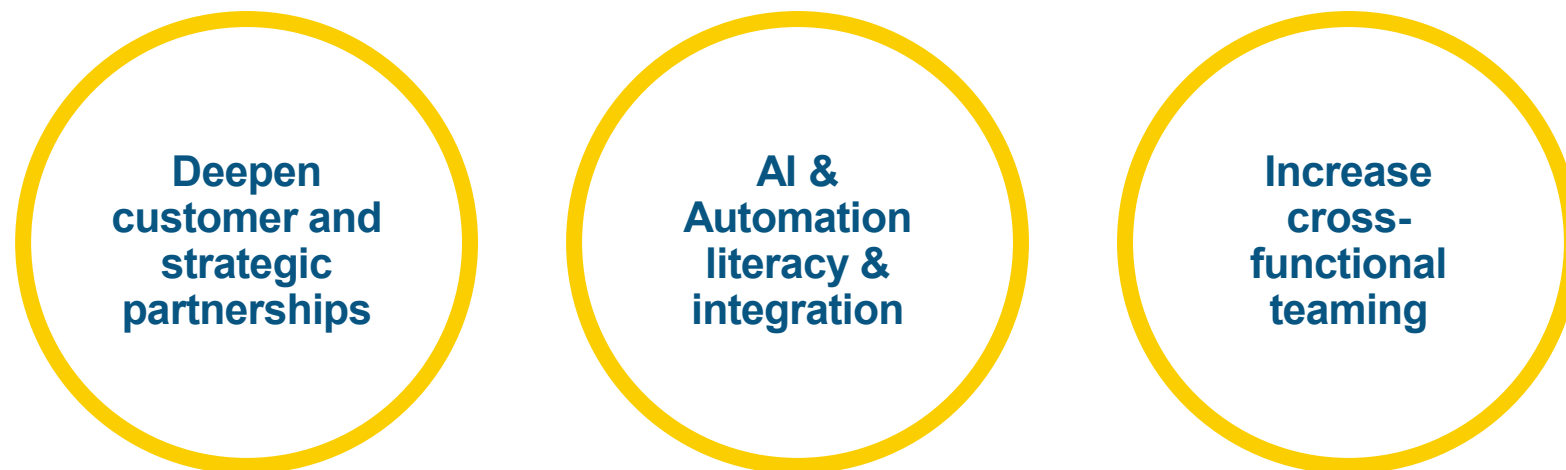


Wrap up

What's next? Innovation Priorities for NYPA's Future

An Improved System for Innovation

In the spirit of continuous improvement, we will partner with the organization to improve our **innovation system with a focus on the following areas:**





NY Power Authority Canal Corporation



Chief Operating Officer's Report

Joseph F. Kessler

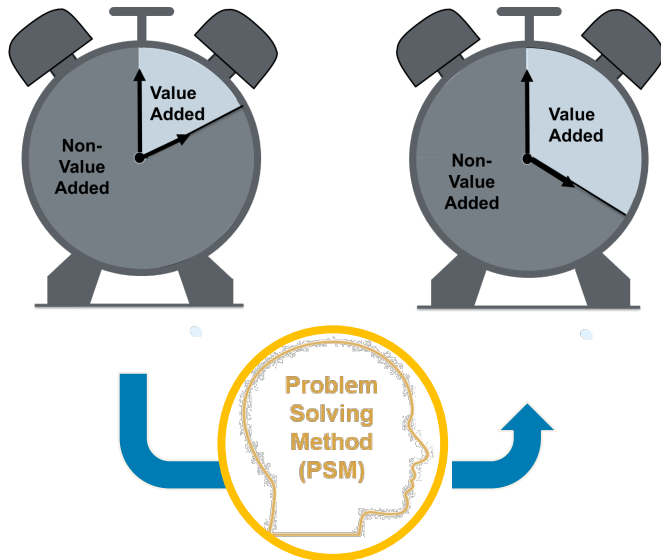
EVP & Chief Operating Officer

September 29, 2026

Continuous Improvement

The Engine of Innovation & Value

Driving daily operational excellence by empowering every team member to streamline processes and enhance customer value



Asset Management Continual Improvement

- Refining workflows to align capital and operational investments
- Embedding data-driven maintenance and risk prioritization to optimize asset performance

Strategic Subtraction

- Reviewing current work with renewed openness and diligence
- Re-focusing capabilities and resources

Innovation & Product Management

- Targeting evolving customer needs
- Streamlining efforts to more efficiently deploy or redefine innovative customer programs

Environmental, Health & Safety

Modern Safety Innovations

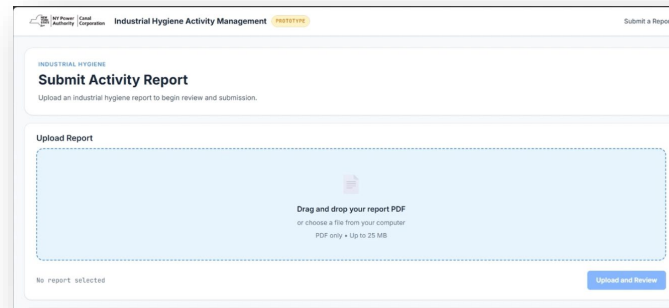
Climbing and Safety Gear

Piloting improved, lightweight gear to reduce burden and enhance safety for line crews. Includes lighter tools and harnesses as well as specialized lanyards



AI Data Extraction Tool

Automating data extraction and validation of Industrial Hygiene reports to save hours per report, and improve accuracy



Invasive Species Management

Developing a proactive, standardized program built on collaboration and innovation. Example Piloting robotic eDNA detection tools in partnership with USGS to boost early detection of invasive species



Hydropower Operations

Great Lakes Long-Term Scenario Analysis and Climate-Driven Outlook

Objective:

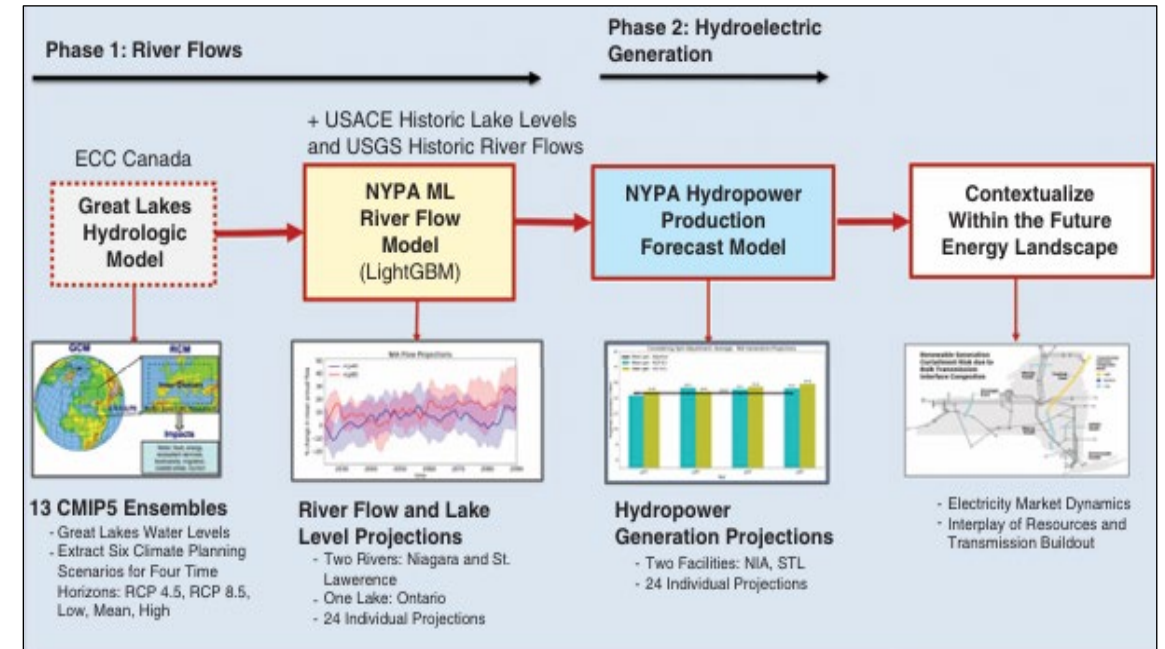
Evaluate how climate-driven flow changes at Niagara and St. Lawrence impact NYPA's generation, operations, and revenue in a decarbonizing grid

What we did:

- Modeled 24 climate-informed hydrology scenarios
- Modeled two book-end energy market scenarios using climate-driven generation potential.

Summary Insights:

Climate change generally boosts potential generation, but market conditions ultimately determine actual output and revenue.

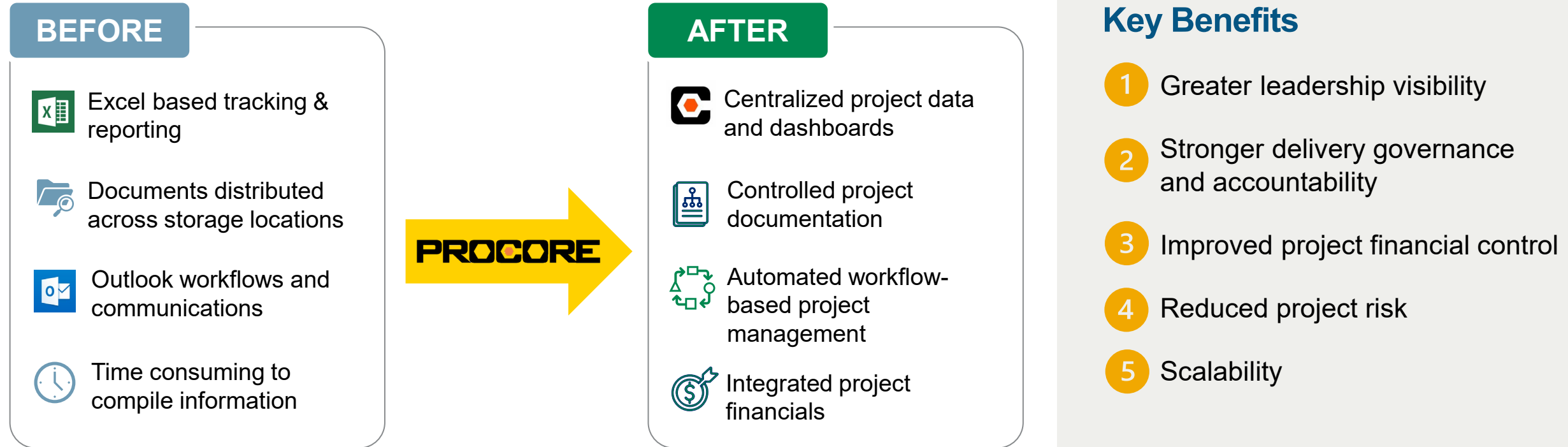


Analysis published in IEEE Energy Sustainability Magazine: "Accounting for Climate Uncertainties in Long-Term Hydropower Generation Planning in New York State: A Multidisciplinary, Multiphased Scenario Analysis" authored by NYPA employees.



Project Management

Accelerating Project Delivery through Digital Infrastructure



Building the
Project Ecosystem



Customer Project Delivery

Northtown Center Innovation

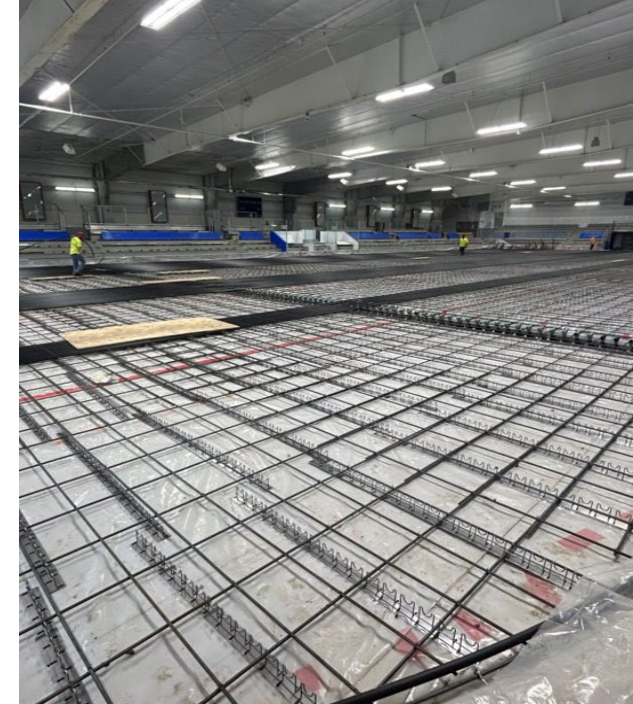
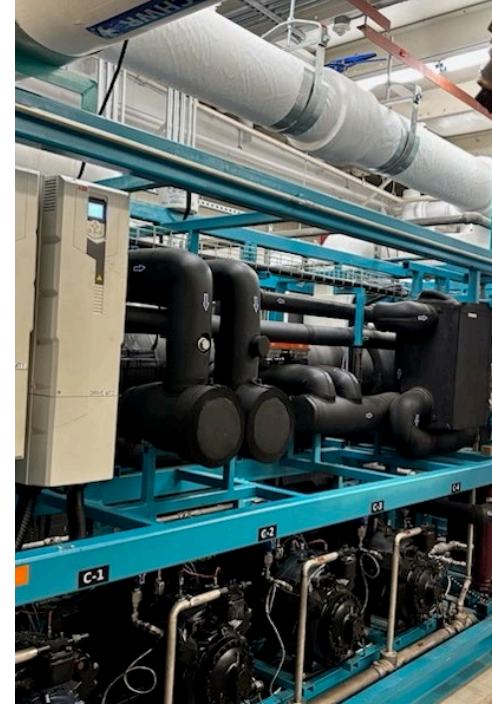
Western New York's premier multipurpose sports facility with three NHL regulation and one Olympic-sized ice pads, pro shop, restaurant, and training facility.

Home to USA Hockey prospects and high-level hockey players.

Innovation Highlights

- New CO₂-based chiller installed – early adaptation of low-GWP* natural refrigerant in NY
- Full rink rebuild – redesigned for consistent ice quality
- Heat recovery system – lowering energy use and cost
- Improved ice quality and reliability for athletes and community programs
- Future phases: connect remaining three rinks to new chiller and eliminate all legacy R-22 refrigerant

*GWP – Global Warming Potential

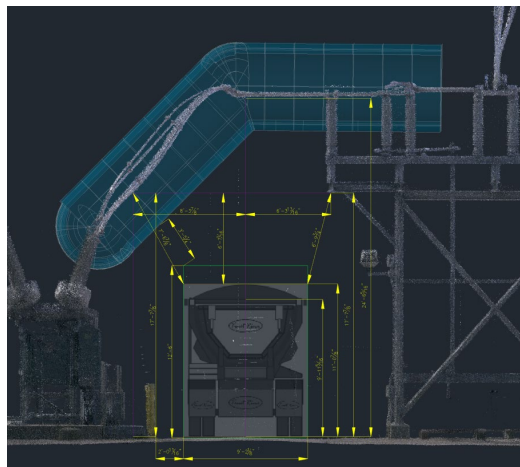


→ Town of Amherst – Northtown Center

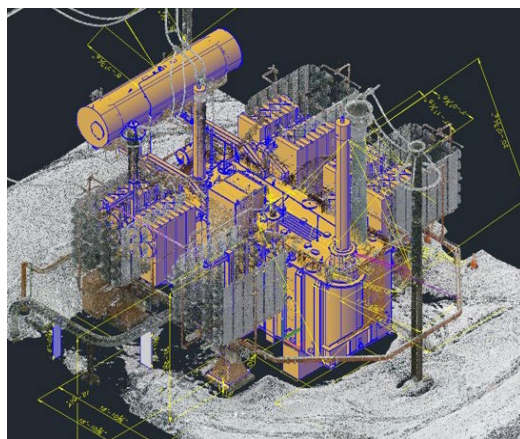


Engineering

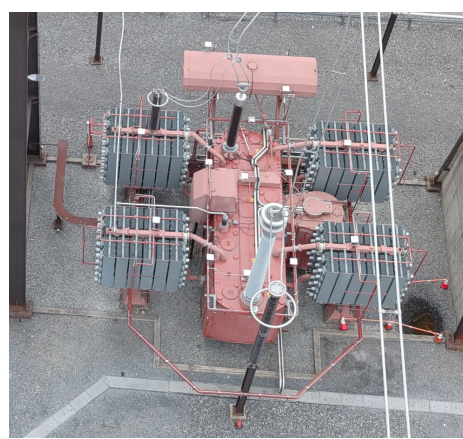
Leveraging 3D Engineering Tools in Design Innovation



→ NIA 115kV Switchyard Repaving Clearance Check



→ CEC New 765kV Auto Transformer Design Review



Enhancing Field Planning Through 3D Scanning

- Enables detailed pre-work hazard identification using accurate digital field models
- Supports safer and more efficient construction planning by visualizing equipment interactions



User Feedback: *Your contribution has greatly reduced the stress, worry, and nervousness among the staff, clearly identifying safe zones and potential hazards. This clarity has enabled everyone to focus on their work while being fully aware of the surroundings and the associated risks.*



Improving Transformer Replacement Accuracy

- Combines captured 3D site scans with manufacturer 3D models
- Reduces construction and outage risk by identifying and resolving design conflicts before equipment arrives on-site

Robotics Program

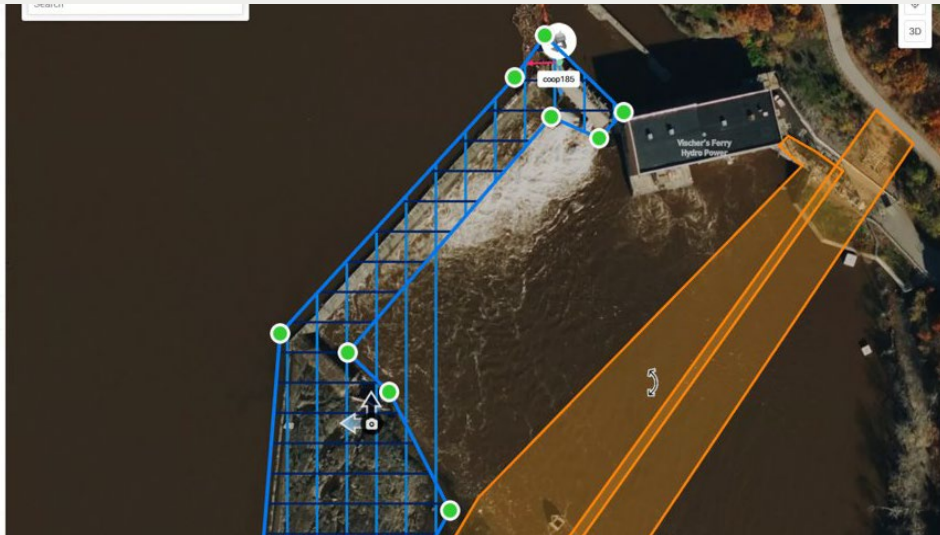
Risking the Machine, Not the Person

Deconfliction (Counter UAS)

- Detects drones flying on NYPA airspace and alerts of potential threats
- Enhances risk management of aerial threats to critical infrastructure
- Installation at critical sites in-progress



→ Deconfliction Sensors



→ Autonomous Flight Pattern



→ Drone Dock

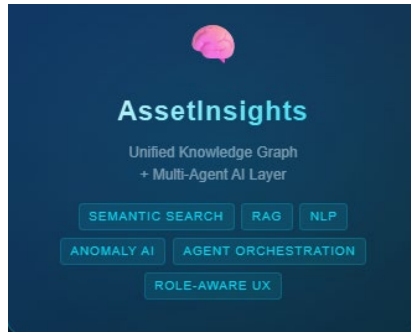
Project BLUEBIRD

- Drone docks for Autonomous Remote Operations
- Shifting from real-time situational awareness to pre-planned asset inspections
- Enabling one-to-many flight capabilities

AI and Mobile Solutions

Advancing Asset Insights and Optimizing Operations Through Technology

AI and Advanced Analytics Program



5 Year AI Program

71 Total use cases

11 Active use cases

AssetInsights

- Unified AI for critical infrastructure
- Robust diagnostics, fleet health, audit ready and data-driven insights

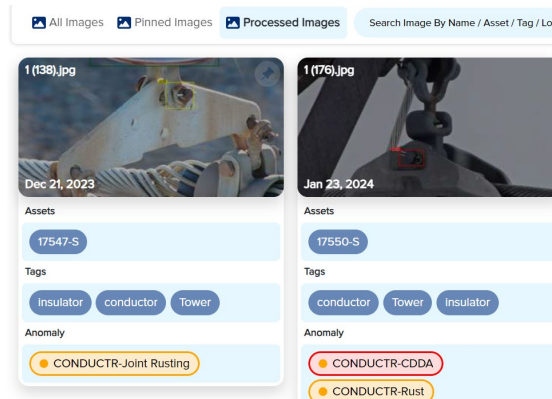


Image Based Inspection

- Drone image analytics for asset tagging and condition monitoring

Mobile Solutions Program

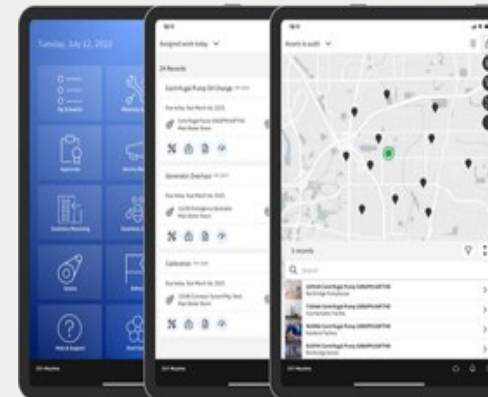
IBM Maximo Mobile

- Modernizes field operations with real-time data capture
- Delivers asset and work details directly to field crews on iPads and iPhones
- Enhances efficiency and safety
- Supports asset performance and compliance

200+ Users

60K Inspections per year

150 New iPads and iPhones





Ian's Ride

Fostering Connection, Enjoyment and Respect for Canals Resources

- Washington State-based *Ian's Ride* brings **national attention** to accessibility and aligns NYPA & Canals' priorities for inclusive public use.
- The 2026 powerchair journey covers 370 miles from NYC to Buffalo, showcasing the **Erie Canalway Trail**, which already serves **4 million users** annually, as a **leading accessible recreation corridor**.
- The ride elevates the Erie Canal's **historic and cultural importance** while strengthening **connection with canal communities** along the route.
- By showing real-world use of accessible trail features, the initiative gives policymakers firsthand insight into the **value of inclusive infrastructure**.
- Ian's open invitation to people of all abilities **enhances stakeholder engagement and fosters shared enjoyment** and stewardship of canal resources.



NY Power Authority Canal Corporation



Chief Financial Officer's Report

Adam Barsky

EVP & Chief Financial Officer

September 29, 2026

Year-To-Date Actuals through August 31st

8+4

In \$ Thousands	2026 Budget (\$)	2026 Current (\$)	Variance (\$)
Net Operating Income			
Operating Revenue			
Generation Revenue	\$678,754	\$806,785	\$128,031
Ancillary Service Revenue	36,983	49,505	12,522
Transmission and Other	320,054	325,973	5,920
Non Utility Revenue	38,447	43,292	4,845
Pass Through Revenue	1,410,335	1,763,950	353,615
Operating Revenue Total	2,484,573	2,989,505	504,932
Operating Expense			
Purchase Power	(10,107)	(44,077)	(33,970)
Fuel Consumed	(33,367)	(48,514)	(15,146)
Transportation and Delivery	(64,739)	(65,568)	(828)
Pass Through Expense	(1,410,335)	(1,763,950)	(353,615)
Operations & Maintenance	(519,489)	(513,100)	6,389
Monetized Funds Support	(33,856)	(35,242)	(1,386)
Other Expense	(58,699)	(86,821)	(28,122)
Allocation to Capital	31,693	26,098	(5,595)
Operating Expense Total	(2,098,900)	(2,531,175)	(432,275)
Operating Income Total	385,672	458,329	72,657
Non Operating			
Interest and Other Expenses			
Investment and Other Income	53,715	53,599	(116)
Mark to Market Adjustments	0	(9,909)	(9,909)
FADS Total	439,387	502,020	62,633
Grant Proceeds	10,000	17,716	7,716
Interest & Other Expenses	(18,793)	(28,406)	(9,613)
Depreciation	(248,213)	(262,382)	(14,170)
Interest and Other Expenses Total	(203,291)	(229,382)	(26,092)
NET INCOME (EXCLUDING NYREDHC)	\$182,381	\$228,947	\$46,566
NET INCOME (EXCLUDING NYREDHC & GRANTS)	\$172,381	\$211,231	\$38,850

Margins - Generation **\$80,690**

Margins - Transmission **15,849**

Margins - Non Utility **4,833**

Operating Expenses **(28,714)**

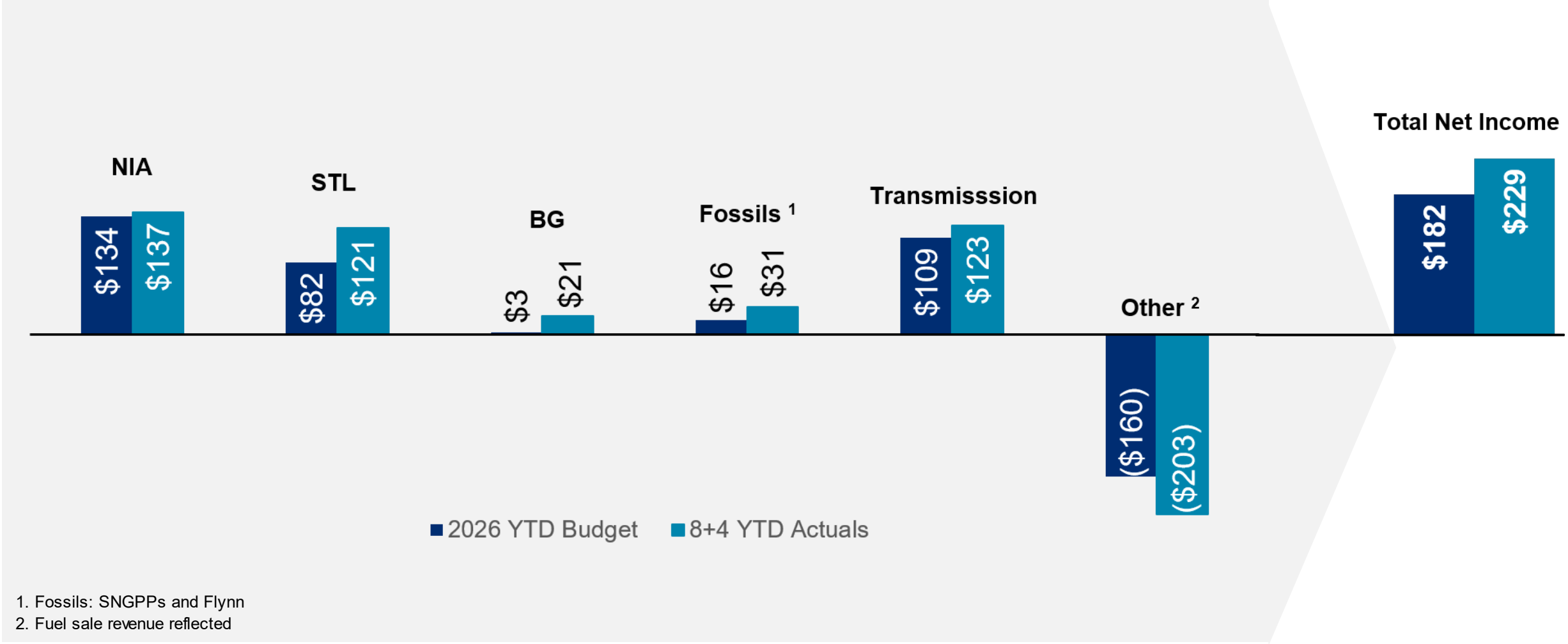
Non-Operating Net **(26,092)**

\$46,566

FADS: Funds Available for Debt Service

Grant Proceeds had previously been reported under Investment and Other Income

Year-to-Date Actuals by Business line through August 31st



2026 Year-End Projection

8+4

In \$ Thousands	2026 Budget (\$)	2026 Current (\$)	Variance (\$)
Net Operating Income			
Operating Revenue			
Generation Revenue	\$1,003,388	\$1,141,381	\$137,994
Ancillary Service Revenue	55,133	64,766	9,633
Transmission and Other	494,915	525,182	30,268
Non Utility Revenue	56,148	75,279	19,130
Pass Through Revenue	2,052,689	2,490,213	437,523
Operating Revenue Total	3,662,273	4,296,821	634,548
Operating Expense			
Purchase Power	(15,362)	(51,366)	(36,003)
Fuel Consumed	(48,352)	(65,612)	(17,259)
Transportation and Delivery	(97,594)	(98,709)	(1,115)
Pass Through Expense	(2,052,689)	(2,490,213)	(437,523)
Operations & Maintenance	(782,406)	(784,480)	(2,074)
Monetized Funds Support	(44,743)	(44,563)	180
Other Expense	(88,048)	(147,859)	(59,811)
Allocation to Capital	47,874	47,875	2
Operating Expense Total	(3,081,322)	(3,634,928)	(553,606)
Operating Income Total	580,951	661,893	80,942
Non Operating			
Interest and Other Expenses			
Investment and Other Income	80,489	81,744	1,255
Mark to Market Adjustments	0	(9,909)	(9,909)
FADS Total	661,440	733,728	72,289
Grant Proceeds	15,000	20,686	5,686
Interest & Other Expenses	(28,242)	(34,968)	(6,726)
Depreciation	(372,319)	(388,423)	(16,104)
Interest and Other Expenses Total	(305,072)	(330,870)	(25,798)
NET INCOME (EXCLUDING NYREDHC)	\$275,879	\$331,023	\$55,144
	\$323,873 Low Case	\$378,534 Expected High Case	

Margins - Generation** **\$81,195**

Margins - Transmission **42,275**

Margins - Non Utility **19,175**

*** Includes Merchant Gross Margin Variance of \$38,140 :
Budget @ \$355,337 vs Current @ \$393,477*

Operating Expenses **(61,703)**

Non-Operating Net **(25,798)**

\$55,144

FADS: Funds Available for Debt Service
Low/High case taken from Risk's Merchant Portfolio Daily Performance Summary
Grant Proceeds had previously been reported under Investment and Other Income

Innovation in NYPA's Financial & Operational Strategy

THE BOND BUYER

By Christina Baker July 21, 2025, 8:00 a.m. EDT

NYPA brings prepay electricity bonds to New York



2025 Bond Buyer Deal of the Year

New York made its debut in the growing prepay energy bond market last week, a deal two years in the making.



SFP

Finances NYPA's priority transmission projects, creating additional capital capacity and protects NYPA's balance sheet



Empire Transmission

Off balance sheet vehicle to own and finance transmission projects providing fee income for NYPA



Luminate

ERP will accelerate NYPA's shift to an integrated, AI-driven enterprise



NYRED

Accelerates renewable growth and reduces risk for NYPA



Renewable Joint Ventures

Co-ownership model that maximizes federal incentives and accelerates clean energy



Captive

Provides innovative risk-transfer for exposures not supported by traditional insurance markets



NY Power Authority Canal Corporation



Chief Risk & Resiliency Officer's Report

Alexis Harley

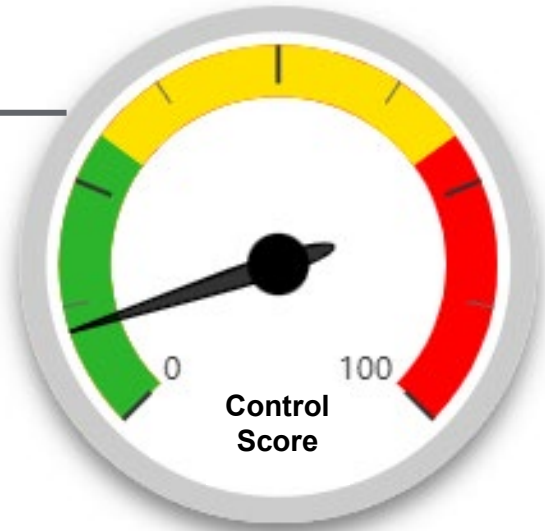
SVP, Chief Risk & Resiliency Officer

September 29, 2026

Disruptive Innovation

Risk Overview

- ✓ Enterprise risk scores rated **medium**
- ✓ Controls scores indicate **well-controlled**
- ✓ Risk is **within appetite**



What We're Doing Well

- Implementing new solutions (e.g., AI use cases, Robotics Program, AGILE Lab, SaaS/cloud tools, nuclear technology)
- Creative customer programs (e.g., REACH, Solar & Storage)
- Preparing current and future workforce (e.g., proactive Change Management, Workforce Development Programs)
- Active engagement with external organizations (e.g., EPRI, CEATI, and HRI) promotes advanced risk mitigation

Key Operational Risk Themes

Operational Risk Concentration

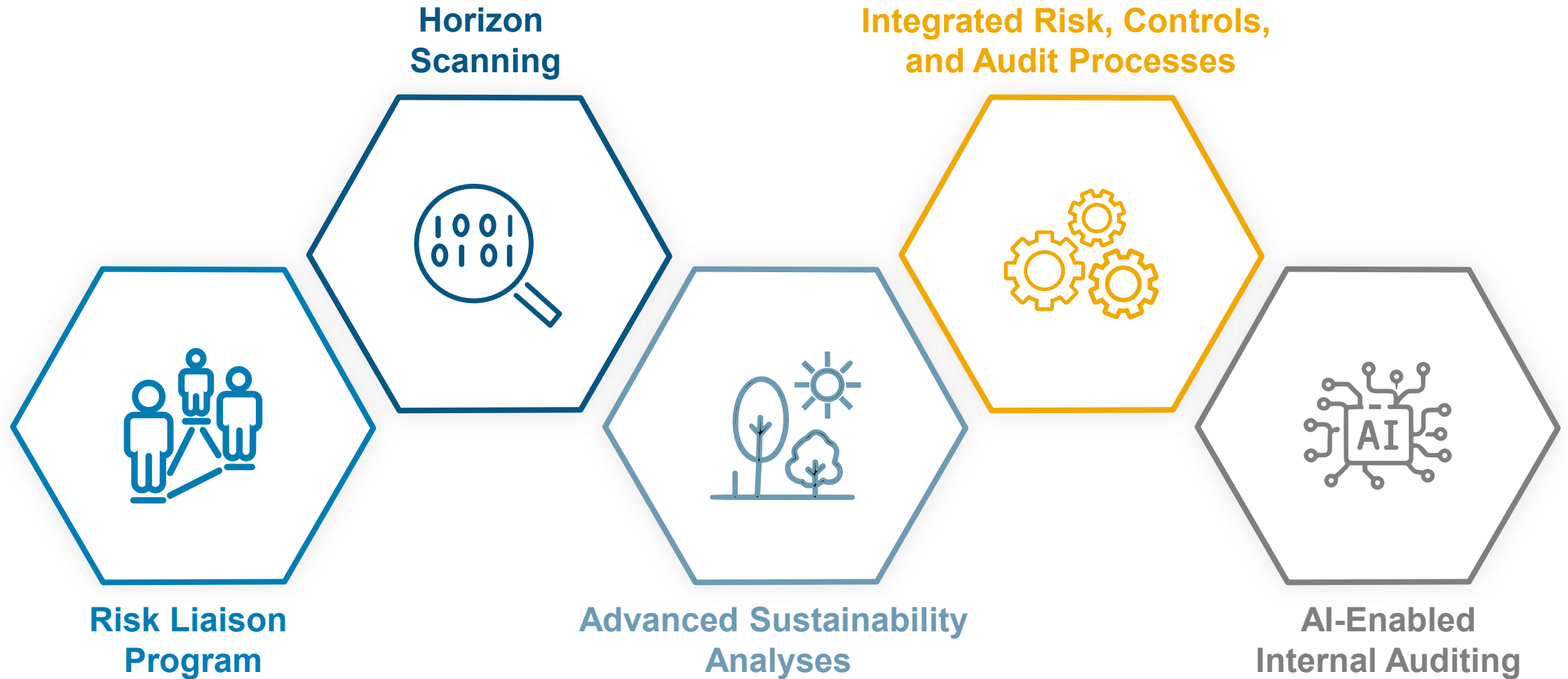


- Innovation Risk
- New Product Development Risk
- Technological Change Risk
- Technological Obsolescence Risk

What We're Monitoring

- Rapid changes in cybersecurity and AI frontiers
- Evolving technology and regulatory landscape for nuclear development
- Grid flexibility developments / solutions
- Ratio of Growth and Transformative projects as a percentage of the total project portfolio

Innovation within Risk, Resilience, Sustainability and Internal Audit





NY Power Authority Canal Corporation



Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES AND NEW YORK STATE
CANAL CORPORATION BOARD OF DIRECTORS

From: PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Finance Committee Recommendations for Approvals

SUMMARY

The Finance Committee met on September 15, 2026, and adopted the resolutions set forth below. The New York Power Authority Board of Trustees and New York State Canal Corporation Board of Directors are requested to acknowledge receipt and consideration of the materials submitted to the Finance Committee and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee.

After discussion and consideration, the Finance Committee adopted on September 15, 2026, the following resolutions:

i. **Release of Funds in Support of the New York State Canal Corporation for Q4 2026
– Resolution**

“**RESOLVED**, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees authorize the release of up to \$29.1 million in funding to the Canal Corporation to support operations of the Canal Corporation in Q4 2026, as discussed in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that amounts currently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority’s General Resolution Authorizing Revenue Obligations, dated February 24, 1998, as amended and supplemented (the “General Bond Resolution”), that the amount of up to \$29.1 million in funding as described in the foregoing report is not needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution of that the release of such amount is feasible and advisable; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that as a condition to making the payments specified in the foregoing report, on the day of such payments, either the Executive Vice President & Chief Financial Officer or the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution, and be it further”

ii. **Authorization to increase the Authority's borrowing capacity under its revolving credit facilities, enter into one or more new facilities, and/or increase commercial paper note authorization by \$250 million – Resolution**

“RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees authorize an aggregate \$250 Million increase in the Power Authority of the State of New York's (the “Authority”) short-term borrowing capacity to support the Authority's liquidity and capital investment needs for general corporate purposes by taking one or more of the following actions: (1) amending and supplementing of the Authority's \$700 million 2019 Revolving Credit Agreement (the “2019 Revolving Credit Agreement”) among the Authority, a syndicate of banks listed on the signature pages thereto and JPMorgan Chase Bank, National Association (“JPMorgan”), as Administrative Agent, and/or the \$250 million 2020 Revolving Credit Agreement (the “2020 Revolving Credit Agreement”) and Note Purchase Agreement (the “Note Purchase Agreement,” together with the 2020 Revolving Credit Agreement, the “Hybrid Facilities”) each between the Authority and JPMorgan, such amendments to increase the borrowing capacity under the 2019 Revolving Credit Agreement and/or Hybrid Facilities (collectively, the “Existing Credit Facilities”); (2) entering into one or more new credit facilities, on terms similar to the Hybrid Facilities (the “New Credit Facilities”), with one or more financial institutions selected by the Authority's Executive Vice President & Chief Financial Officer; and (3) amending the Second Amended and Restated Resolution Authorizing Commercial Paper Notes adopted on March 30, 2021 (the “Second Amended and Restated Commercial Paper Resolution”) and the related Certificate of Determination, to permit the issuance of additional commercial paper notes; and be it further,

RESOLVED, that the maximum additional borrowing capacity under the Existing Credit Facilities and the New Credit Facilities shall not exceed \$250 million in the aggregate, and the amount of commercial paper notes authorized to be outstanding at any one time may not exceed \$1.2 billion; and be it further,

RESOLVED, that the Executive Vice President & Chief Financial Officer is authorized to select one or more financial institutions with which the Authority may enter into the New Credit Facilities, such New Credit Facilities having terms substantially similar to the Hybrid Facilities, and be it further”

iii. **Maintenance Repair Operations Industrial Supplies – Recommendations for Award – Resolution**

“RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees approve the award of a contract to W.W. Grainger, Inc., for Maintenance, Repair and Operations Industrial Supplies, for a term of 10 years and in the aggregate amount of \$60 million at their next meeting; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer, and be it further"

iv. **Collective Bargaining Agreement between the Authority and Local Unions 2032 and 2104 of the International Brotherhood of Electrical Workers Union, AFL-CIO – Resolution**

"RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees authorize the execution of a Collective Bargaining Agreement with Local Unions 2032 and 2104 of the International Brotherhood of Electrical Workers covering specified operating and maintenance employees of the Authority's facilities with changes to that Agreement as described in the foregoing memorandum, and be it further"

v. **Nuclear Workforce Development Funding – Request for Awards –Resolution**

"RESOLVED, that the Finance Committee recommends that the Authority's Board of Trustees approve funding of Workforce Development initiatives for an aggregate total of \$10 million for the Workforce Development initiative;

Training Provider:	Funding Allocation:
Jamestown Community College	\$1,290,000
Manufacturers Talent Institute	\$1,062,000
Rensselaer Polytechnic Institute	\$1,857,000
Stony Brook University	\$945,000
SUNY Syracuse Educational Opportunity Center	\$1,196,000
Workforce Development Institute	\$3,650,000

and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that amounts currently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the

Authority's General Resolution Authorizing Revenue Obligations, dated February 24, 1998, as amended and supplemented (the "General Bond Resolution"), that the aggregate amount of \$10 million in funding as described in the foregoing report is not needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution and that the release of such amount is feasible and advisable; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that as a condition to making the payments specified in the foregoing Memorandum, on the day of such payments, either the Executive Vice President & Chief Financial Officer or the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution, and be it further"

vi. **Supplier Diversity Business Development Programs – Recommendation for Award – Resolution**

"RESOLVED, that the Finance Committee recommends that the Authority's Board of Trustees approve personal services contract awards, each for a term of five (5) years to the following: Clementine Gold Group LLC, CMG Alliance Inc., Kenneth King DBA KingFisher Services, Next Street Financial, LLC, Research Foundation of The City University of New York, Rochester Accessible Adventures, Inc, SVI Services Inc, for NYPA Small Business Academy in the aggregate amount of \$10 million at their next meeting; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further"

RECOMMENDATION

Each of the officers of the Authority responsible for the items submitted to the Finance Committee at its meeting on September 15, 2026, recommends that the Board of Trustees acknowledge receipt and consideration of the materials submitted to the Finance Committee and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee set forth above

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, that the Trustees acknowledge receipt and consideration of the materials submitted to the Finance Committee on September 15, 2026, and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee as set forth in the foregoing report of the President and Chief Executive Officer.

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.



Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Contracts for the Sale of Hydropower (WNY Power) - Final Approval and Transmittal to the Governor

SUMMARY

The Trustees are requested to:

1. Approve the final contracts for the sale of 3,000 kilowatts ("kW") of Replacement Power ("RP") to Air Company Holdings, Inc. ("Air"); 660 kW of Expansion Power ("EP") to Agile Cold Storage LLC ("Agile"); 1,540 kW of EP to Bericap NY, LLC ("Bericap"); and 510 kW of EP to Neofab Robotics Corp. ("Neofab") (collectively, the "Contracts"). Copies of the Contracts, together with the applicable service tariff, Service Tariff No. WNY-2 ("ST WNY-2"), are attached as Exhibit "A", Exhibit "B", Exhibit "C", and Exhibit "D".
2. Authorize transmittal of the Contracts to the Governor for review and authorization for the Authority to execute the Contracts pursuant to Public Authorities Law ("PAL") §1009.

BACKGROUND

Under PAL §1005(13), the Authority may allocate and sell directly or by sale for resale, 250 MW of EP and 445 MW of RP (collectively, "WNY Hydropower") to businesses located within 30 miles of the Niagara Power Project, provided that the amount of EP allocated to businesses in Chautauqua County on January 1, 1987, shall continue to be allocated in such county.

As required by PAL §1009, when the Authority has reached agreement with its co-party on a power sale contract, it is required to transmit the proposed contract to the Governor and other elected officials and to hold a public hearing on the proposed contract. Notice of the hearing must be given by publication once a week during a 30-day period in each of six selected newspapers. Following the public hearing, the contract may be modified, if advisable.

Upon approval of the final proposed contract by the Authority, the Authority "reports" the proposed contract, along with its recommendations and the public hearing record, to the Governor and other elected officials. Upon authorization of the Governor, the Authority may execute the contract.

DISCUSSION

At their meeting on October 8, 2024, the Trustees awarded a 3,000 kW RP allocation to Air for a term of ten years to support its proposed Medina (Orleans County) manufacturing facility, which will produce sustainable aviation fuel (“SAF”) and by-products, including renewable diesel and alcohols. The company states that the project would utilize its proprietary AIRMADE technology to produce approximately 100,000 gallons of SAF annually. A critical component of the project is the construction and operation of an SAF demonstration unit that would serve as a platform to finalize technological developments prior to scaling up to commercial volumes. Air’s Supplemental Commitments include agreements to make a capital investment of at least \$30,100,000 at its facilities that would receive the allocation and to create at least 17 new full-time jobs at the Medina facility for the term of the allocation.

At their meeting on May 19, 2026, the Trustees awarded a 660 kW EP allocation to Agile for a term of ten years to support its West Seneca (Erie County) expansion project, which involves the construction of a new 133,000 square-foot cold-storage warehouse and food processing facility. The facility would provide temperature-controlled storage and manufacturing space and utilize advanced automation and logistics systems to efficiently manage and preserve food products. Agile plans to utilize its new cold storage facility to expand the storage and production of frozen food products, including those of Rosina Food Products, Inc., a current Authority customer and local manufacturer of Italian-style frozen foods. Agile’s Supplemental Commitments include agreements to make a capital investment of at least \$27,800,000 at its facilities that would receive the allocation and to create at least 44 new full-time jobs at the West Seneca facility for the term of the allocation.

At their meeting on May 19, 2026, the Trustees awarded a 1,540 kW EP allocation to Bericap for a term of ten years to support its Cheektowaga (Erie County) expansion project, which involves designing and producing innovative closure solutions focused on product safety, convenience, and sustainability. Product offerings include a wide variety of specialized closures and caps for soft drinks, dairy items, ketchup, household products, and several other applications. Bericap is proposing to acquire and retrofit a 100,000 square-foot manufacturing facility in Cheektowaga, New York, to meet increased demand from consumer-goods markets in the Northeast and Great Lakes regions. Bericap’s Supplemental Commitments include agreements to make a capital investment of at least \$22,343,000 at its facilities that would receive the allocation and to create at least 40 new full-time jobs at the Cheektowaga facility for the term of the allocation.

At their meeting on March 31, 2026, the Trustees awarded a 510 kW EP allocation to Neofab for a term of ten years to support its Sanborn (Niagara County) expansion project, which involves automated robotic-assisted fabrication, welding, tube and pipe processing, and precision industrial manufacturing. Neofab proposes to construct a 24,000 square-foot facility that would include manufacturing and office space at its new Sanborn, New York site. The project would incorporate advanced automation technologies, including robotics and artificial intelligence, to increase productivity, reduce material waste, shorten lead times, and improve

energy efficiency. Neofab's Supplemental Commitments include agreements to make a capital investment of at least \$3,913,400 at its facilities that would receive the allocation and to create at least 23 new full-time jobs at the Sanborn facility for the term of the allocation.

The following summarizes some of the pertinent provisions of the Contracts and ST WNY-2 applicable to the allocations:

- The term of the EP/RP allocations is ten (10) years from the commencement of electric service, subject to termination or cancellation as provided in the Contracts.
- Transmission and delivery service would be provided by each customer's local utility in accordance with the utility's Public Service Commission-approved delivery service tariff.
- The Contracts provide for the direct billing of all production charges (*i.e.*, demand and energy), New York Independent System Operator, Inc. charges, and applicable taxes and other required assessments, as set forth in ST WNY-2, previously approved by the Trustees.
- Each customer must perform an energy audit at the facility receiving the allocation. The customer may satisfy this requirement through either a traditional physical audit or a virtual audit using the Authority's New York Energy Manager, which is expected to provide considerable savings for customers that elect this option.
- The Contracts provide for the collection of a Zero Emission Credit Charge and a Renewable Energy Credit Charge to allow the Authority to recover costs incurred in purchasing Zero Emission Credits and Renewable Energy Credits attributable to each customer's load.
- The Authority would have the right to reduce or terminate an allocation if the applicable Supplemental Commitments are not met.

PUBLIC HEARING

In accordance with PAL § 1009, a public hearing on the proposed Contracts for Agile, Bericap and Neofab was held on August 3, 2026, at 40 La Riviere Drive, Buffalo, NY 14202. A public hearing on the proposed Contract for Air was held on September 16, 2026, at 40 La Riviere Drive, Buffalo, NY 14202. No public comments were received at either public hearing. Copies of the official transcripts of the public hearings, including any written submittals, are attached as Exhibit "E" and Exhibit "F".

FISCAL INFORMATION

The allocations are new allocations, and, therefore, the associated power sales would result in additional revenues for the Authority.

RECOMMENDATION

The Senior Vice President – Customer Solutions recommends that the Trustees approve the Contracts and authorize their transmittal to the Governor for review and authorization pursuant to PAL §1009.

For the reasons stated, I recommend approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

RESOLUTION

RESOLVED, That the contract for the sale of 3,000 kilowatts (“kW”) of Replacement Power to Air Company Holdings, Inc., the contract for the sale of 660 kW of Expansion Power (“EP”) to Agile Cold Storage LLC, the contract for the sale of 1,540 kW of EP to Bericap NY, LLC, and the contract for the sale of 510 kW of EP to Neofab Robotics Corp. (collectively, the “Contracts”), are in the public interest and hereby approved, and, in accordance with Public Authorities Law § 1009, the Contracts, together with the record of the public hearing thereon, shall be submitted to the Governor for review and authorization for the Authority to execute the Contracts, and that copies of the Contracts, together with the records of the public hearing thereon, shall be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee; and be it further

RESOLVED, That the Chair and the Corporate Secretary be authorized and directed to execute the Contracts in the name of and on behalf of the Authority upon the Governor’s approval of the Contracts; and be it further

RESOLVED, That the Senior Vice President – Customer Solutions, or her designee, be, and hereby is, authorized, subject to the approval of the form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the Contracts, as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE
OF EXPANSION POWER AND/OR REPLACEMENT POWER

Air Company Holdings, Inc.

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power (“Agreement”) with Air Company Holdings, Inc. (“Customer”) with offices and principal place of business at 4141 Bates Road, Medina, NY 14103. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission (“FERC”) Project No. 2216, including hydropower known as Expansion Power (“EP”) and Replacement Power (“RP”) to qualified businesses in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer has applied for an allocation of EP and/or RP, or for an extension of an existing allocation of EP or RP, for use at facilities defined in this Agreement as the “Facility”;

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and/or retention of jobs, capital investments, power usage and energy efficiency measures at the Facility;

WHEREAS, the Authority’s Board of Trustees approved an allocation of EP and/or RP to the Customer;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the EP and/or RP for a term provided in this Agreement;

WHEREAS, the Authority’s provision of Electric Service under this Agreement is an unbundled service separate from (i) the transmission of the allocation, and (ii) the delivery of the Allocation;

WHEREAS, electric service to be provided hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff No. WNY-2 as provided in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement; and

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement.

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I

DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices.

“Adverse Water Condition” means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

“Agreement” means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

“Allocation” refers to the allocation(s) of EP and/or RP awarded to the Customer as specified in Schedule A.

“Alternative REC Compliance Program” has the meaning provided in Schedule E.

“Annual Capital Investment Commitment” has the meaning set forth in Schedule B.

“Annual CI Expenditures” has the meaning set forth in Schedule B.

“Base Employment Level” has the meaning set forth in Schedule B.

“Contract Demand” is as defined in Service Tariff No. WNY-2.

“Customer-Arranged Energy” means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

“Effective Date” means the date that this Agreement is fully executed by the Parties.

“Electric Service” is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

“Energy Services” has the meaning set forth in Article V of this Agreement.

“Expansion Power” (or “EP”) is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Expansion Project” has the meaning set forth in Section IV.3.a of this Agreement.

“Expansion Project Capital Investment Commitment” has the meaning set forth in Schedule B.

“Facility” means the Customer’s facilities as described in Schedule A to this Agreement.

“Firm Power” is as defined in Service Tariff No. WNY-2.

“Firm Energy” is as defined in Service Tariff No. WNY-2.

“FERC” means the Federal Energy Regulatory Commission (or any successor organization).

“FERC License” means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.

“Hydro Projects” is a collective reference to the Project and the Authority’s St. Lawrence-FDR Project, FERC Project No. 2000.

“International Joint Commission” or “IJC” refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

“Load Reduction” has the meaning set forth in Section IX.6 of this Agreement.

“Load Serving Entity” (or “LSE”) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

“Metering Arrangement” has the meaning set forth in Section II.8 of this Agreement.

“NYEM” means the New York Energy Manager, an energy management center owned and operated by the Authority.

“NYEM Agreement” means a written agreement between the Authority and the Customer providing for the Facility’s enrollment and Customer’s participation in NYEM.

“NYEM Participation” has the meaning specified in Schedule B of this Agreement.

“NYISO” means the New York Independent System Operator or any successor organization.

“NYISO Charges” has the meaning set forth in Section VII.3 of this Agreement.

“NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

“Planned Hydropower Curtailment” means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

“Physical Energy Audit” or “Audit” means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility’s energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility’s index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

“Project” means the Niagara Power Project, FERC Project No. 2216.

“Replacement Power” (or “RP”) is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Reporting Year” means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

“Rolling Average” has the meaning set forth in Schedule B.

“Rules” are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

“Service Information” has the meaning set forth in Section II.12 of this Agreement.

“Service Tariff No. WNY-2” means the Authority’s Service Tariff No. WNY-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Schedule A” refers to the Schedule A entitled “Expansion Power and/or Replacement Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Expansion Power and/or Replacement Power Commitments” which is attached to and made part of this Agreement, including any appendices attached thereto.

“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

“Schedule D” refers to the Schedule D entitled “Zero Emission Credit Charge” which is attached to and made part of this Agreement.

“Schedule E” refers to the Schedule E entitled “Monthly Renewable Energy Credit Charge” which is attached to and made part of this Agreement.

“Substitute Energy” means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment or an Unplanned Hydropower Curtailment.

“Takedown” means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

“Taxes” is as defined in Service Tariff No. WNY-2.

“Unforced Capacity” (or “UCAP”) means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

“Unplanned Hydropower Curtailment” means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to Adverse Water Condition that the Authority did not anticipate or forecast.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

ARTICLE II

ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.
2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.
3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.
4. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).
6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.
7. The Contract Demand may not exceed the Allocation.
8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.
9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.
11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the EP and/or RP programs, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III

RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.
2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:
 - a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or
 - b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.
3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-2 and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV

SUPPLEMENTAL COMMITMENTS

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.
2. *[Intentionally Left Blank]*
3. Special Provisions Relating to a New or Expanded Facility.

- a. Proposed New or Expanded Facility; Failure to Complete.

If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

- b. Proposed New or Expanded Facility; Partial Performance.

If the Expansion Project results in a completed Facility that is only partially operational, or is material different than the Expansion Project agreed to in Schedule B (as measured

by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

- (i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.
- (ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of Service Tariff No. WNY-2 in effect upon the execution of this Agreement is attached to this Agreement as Exhibit 1, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of Service Tariff WNY-2. Service Tariff No. WNY-2 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide the Customer with prior written notice of any revisions to Service Tariff No. WNY-2.
2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:
 - a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;
 - b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and
 - c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.
2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.
3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

Tariff No. WNY-2 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

4. The Authority will consider opportunities to assist the Customer concerning actions, practices, or procedures of the Customer's local electric utility identified by the Customer that could adversely impact the implementation and effectiveness of the EP and RP programs, provided that whether or not to take any action or adopt any position on any issue, including any adverse position, is within the Authority's discretion and further subject to applicable laws, regulations and existing legal obligations.

ARTICLE VIII

BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.
2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.
3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX

HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.
2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.
3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.
5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.
6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a “Load Reduction”), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days’ advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer’s failure to provide such notice.
7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.
8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority’s judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.
9. Notwithstanding the Customer’s election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.
10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.
12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X

EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.
2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.
3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.
4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI

EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:
 - a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

- b. pursuant to any other process that the Authority establishes; or
 - c. with the Authority's written consent.
2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.
3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII

NOTICES

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: ContractDocs@nypa.gov
Facsimile: (914) 390-8156
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Air Company Holdings, Inc.
4141 Bates Road
Medina, NY, 14103
Email: staff@aircompany.com
Facsimile:
Attention: Stafford Sheehan

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.
3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII

SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.
2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.
3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV

MISCELLANEOUS

1. Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or

for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

- a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.
- b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.
- c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this

Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

AIR COMPANY HOLDINGS, INC.

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Air Company Holdings, Inc.				
Type of Allocation	Allocation Amount (kW)	Facility Address	Trustee Approval Date	Allocation Expiration Date
RP	3,000 kW	4141 Bates Road Medina, NY 14103	October 8, 2024	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER
COMMITMENTS

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

- a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.
- b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.
- c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s discretion.

2. Capital Investment Commitments

The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in Service Tariff No. WNY-2), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

- a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.
- b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term (“NYEM Participation”) in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.
- c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.
- d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III

COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

If the average of the Customer's six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-2) for Expansion Power and/or Replacement Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, Service Tariff WNY-2 and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction.

Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 17 full-time, permanent employees (“Base Employment Level”) at the Customer’s Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)
 - a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility (“Rolling Average”) shall total not less than N/A (the “Annual Capital Investment Commitment”). For purposes of this provision, “Rolling Average” means the three-year average comprised of (1) the total amount of capital investments (“Annual CI Expenditures”) made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.
 - b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.
 - c. If the Customer’s Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.
2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)
 - a. The Customer shall make a minimum capital investment of \$30,100,000 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	EXPENDITURE
Sustainable Aviation Fuel Demonstration Unit	\$ 20,000,000
Machinery & Equipment Purchases	\$ 5,100,000
New Enclosure Building Construction	\$ 5,000,000
Total Minimum Expansion Project Capital Investment Commitment:	<u>\$ 30,100,000</u>

Total Expansion Project Capital Investment Commitment:

- b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than October 8, 2027 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Affected LSEs” has the meaning provided in Section II.2 of this Schedule D.

“CES Order” means the Order issued by the PSC entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“EP and RP Programs ZEC Costs” has the meaning provided in Section II.4.b of this Schedule D.

“Government Action” has the meaning provided in Section II.8 of this Schedule D.

“Load Serving Entity” or “LSE” has the meaning provided in the CES Order.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“Zero Emission Credit” or “ZEC” has the meaning provided in the CES Order.

“Zero Emission Credit Charge” or “ZEC Charge” means the charge to the Customer established in this Schedule D.

“ZEC Purchase Obligation” has the meaning provided in Section II.2 of this Schedule D.

“ZEC Program Year” has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.
2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order (“Affected LSEs”) to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE’s proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).
3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.
4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:
 - a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

- b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the “EP and RP Programs ZEC Costs”). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).
 - c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer’s annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority’s inability to collect a ZEC Charge from any other Authority customer.
- 5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.
 - 6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.
8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Alternative REC Compliance Program” has the meaning provided in Section III.1 of this Schedule E.

“Annual REC Percentage Target” has the meaning provided in Section II.2 of this Schedule E.

“CES Order” means the Order issued by the Public Service Commission entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State in the CES Order.

“Load Serving Entity” has the meaning provided in the CES Order.

“Mandatory Minimum Percentage Proportion” has the meaning provided in the CES Order.

“Monthly Renewable Energy Credit Charge” or “Monthly REC Charge” means the monthly charge to the Customer established in this Schedule E.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as described in the CES Order.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“REC Compliance Measures” mean: (1) the Authority’s procurement of RECs from NYSERDA in accordance with NYSERDA procedures and/or the CES Order; (2) the Authority’s procurement of RECs from available REC markets; (3) the Authority’s procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

“Total Monthly EP-RP Load” has the meaning provided in Section II.3.b of this Schedule E

“Total Monthly REC Costs” has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.
2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the “Annual REC Percentage Target”) for the purpose of ultimately meeting the RES.
3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

- a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.
 - b. The Authority will, for each month of each calendar year, calculate the total costs (“Total Monthly REC Costs”) that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month (“Total Monthly EP-RP Load”). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.
 - c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer’s share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer’s total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:
 - i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority’s inability to collect the Monthly REC Charge from other Authority customers; and
 - ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA’s published REC price for the REC Program Year.
4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.
5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer’s Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority’s bills

for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.
7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").
2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.



POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power Service to
Expansion Power and Replacement Power Customers
Located in Western New York

Service Tariff No. WNY-2

Table of Contents

Schedule of Rates for Firm Power Service	Leaf No.
I. Applicability	3
II. Abbreviations and Terms.....	3
III. Monthly Rates and Charges.....	5
A. Expansion Power (EP) and Replacement Power (RP) Base Rates.....	5
B. EP and RP Rates no Lower than Rural/Domestic Rate	5
C. Monthly Base Rates Exclude Delivery Service Charges.....	5
D. Minimum Monthly Charge.....	5
E. Estimated Billing	6
F. Adjustments to Charges	7
G. Billing Period	7
H. Billing Demand	7
I. Billing Energy.....	7
J. Contract Demand	7
IV. General Provisions	8
A. Character of Service	8
B. Availability of Energy	8
C. Delivery	8
D. Adjustment of Rates	8
E. Billing Methodology and Billing.....	9
F. Payment by Customer to Authority.....	10
1. Demand and Energy Rates, Taxes	10
2. Transmission Charge	10
3. NYISO Transmission and Related Charges.....	10
4. Taxes Defined	11
5. Substitute Energy.....	11
6. Payment Information	11
7. Billing Disputes	11
G. Rendition and Payment of Bills.....	12
H. Adjustment of Charges – Distribution Losses.....	13
I. Conflicts.....	13
V. Annual Adjustment Factor	14

Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power directly to a qualified business Customer for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

Agreement: An executed written agreement between the Authority and the Customer for the sale of Expansion Power and/or Replacement Power to the Customer.

Annual Adjustment Factor or **AAF**: This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the “New York Power Authority.”

Customer: A business entity that has received an allocation of Expansion Power and/or Replacement Power, and that purchases Expansion Power and/or Replacement Power, directly from the Authority.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Expansion Power or **EP** and/or **Replacement Power** or **RP**: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

Firm Power: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Serving Entity or **LSE**: This term shall have the meaning set forth in the Agreement.

Load Split Methodology or **LSM**: A type of billing methodology applicable to a Customer's Allocation which determines how a Customer's total metered usage is apportioned between the power and energy supplied by the Allocation and the Customer's other source of electricity supply, if any. LSM is usually provided for in an agreement between the Authority and the Customer's local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer's local electric utility. The load split methodology is often designated as "Load Factor Sharing" or "LFS", "First through the Meter" or "FTM", "First through the Meter Modified" or "FTM Modified", or "Replacement Power 2" or "RP 2".

Project: The Authority's Niagara Power Project, FERC Project No. 2216.

Rate Year or **RY**: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq.*, as they may be amended from time to time.

Service Tariff: This Service Tariff No. WNY-2.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

Billing Period	Demand (\$/kW)	Energy (\$/MWh)
January – June 2019	7.60	13.00

1. For RY 2019 (July 2019 through June 2020 Billing Periods), 50% of the Annual Adjustment Factor ("AAF"), as described in Section V, will be applied to the demand and energy rates stated in the table above.
2. For RY 2020 (July 2020 through June 2021 Billing Periods) and each Rate Year thereafter, the AAF will be applied to the then-effective base rates for demand and energy in accordance with Section V.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average \$/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average \$/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand charge and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation.

E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Load Split Methodology that is applicable to the Customer as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer's takedown (kW) amount.
- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer's Load Split Methodology as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.
- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority's rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's facilities are located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Expansion Power and/or Replacement Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.
2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing (“LFS”) in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer’s local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
2. **Billing Demand** –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer’s local electric utility, during each Billing Period recorded on the Customer’s meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.
3. **Billing Energy** –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer’s meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
4. With regard to LFS methodology calculations:
 - a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer’s Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
 - b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer’s metered load will be supplied by Firm Energy.
 - c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer’s metered load to be supplied by Firm Energy is as follows:
 - i. For Customer with hourly billing: the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
 - ii. For Customer with monthly billing: the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
 - d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

- a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and
- b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and
- c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, "NYISO Charges") assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

- A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
- B. Marginal losses;
- C. The New York Power Authority Transmission Adjustment Charge ("NTAC");
- D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;
- E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

- F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

7. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.
2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.
3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.
4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.
5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.
6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. Adjustment of Charges – Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year ("Index Value for the Measuring Year") will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1"). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of $\pm 5.0\%$ (" $\pm 5\%$ Collar"). Amounts outside the $\pm 5\%$ Collar shall be referred to as the "Excess."

Index 1, "BLS Industrial Power Price" (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

Index 2, "EIA Average Industrial Power Price" (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT ("Selected States") as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration ("EIA"); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

Index 3, "BLS Industrial Commodities Price Less Fuel" (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

- Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.
- Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.
- Step 3: Commencing RY 2014, modifications to the AAF will be subject to $\pm 5\%$ Collar, as described below.
- a) When the AAF falls outside the $\pm 5\%$ Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the $\pm 5\%$ Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the $\pm 5\%$ Collar.

- b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the $\pm 5\%$ Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.
4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year <u>(2013)</u>	Measuring Year - 1 <u>(2012)</u>
January	171.2	167.8
February	172.8	167.6
March	171.6	168.2
April	173.8	168.6
May	175.1	171.6
June	185.7	180.1
July	186.4	182.7
August	184.7	179.2
September	185.5	181.8
October	175.5	170.2
November	172.2	168.8
December	171.8	166.6
Average	177.2	172.8
Ratio of MY/MY-1		1.03

- Index 2 – EIA Industrial Rate

<u>State</u>	<u>Revenues</u> ((\$000s))	<u>Sales</u> (MWh)	<u>Avg. Rate</u> (cents/kWh)
<u>Measuring Year (2012)</u>			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	<u>155,903</u>	<u>2,173,679</u>	
TOTAL	13,434,511	215,442,827	6.24

Measuring Year -1 (2011)

CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	<u>152,785</u>	<u>2,130,205</u>	
TOTAL	13,016,880	209,059,931	6.23

Ratio of MY/MY-1 **1.00**

- Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year (2013)	Measuring Year -1 (2012)
January	190.1	187.2
February	190.9	188.0
March	191.6	188.7
April	192.8	189.9
May	194.7	191.8
June	195.2	192.3
July	195.5	192.3
August	196.0	193.1
September	196.1	193.2
October	196.2	193.8
November	196.6	193.7
December	196.7	194.0
Average	194.4	191.5
Ratio of MY/MY-1		1.02

STEP 2

Determine AAF by Summing the Weighted Indices

<u>Index</u>	<u>Ratio of MY to MY-1</u>	<u>Weight</u>	<u>Weighted Factors</u>
PPI Industrial Power	1.03	0.35	0.361
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.02	0.25	<u>0.255</u>
AAF			1.016

STEP 3

Apply Collar of $\pm 5.0\%$ to Determine the Maximum/Minimum AAF.

$-5.0\% < 1.6\% < 5.0\%$; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	<u>Demand</u> \$/kW-mo.	<u>Energy</u> \$/MWh
Current Rate Year Base Rate	7.56	12.91
New Rate Year Base Rate	7.68	13.12

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE
OF EXPANSION POWER AND/OR REPLACEMENT POWER

Agile Cold Storage LLC

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power (“Agreement”) with Agile Cold Storage LLC (“Customer”) with offices and principal place of business at 160 Empire Drive, West Seneca, NY 14224. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission (“FERC”) Project No. 2216, including hydropower known as Expansion Power (“EP”) and Replacement Power (“RP”) to qualified businesses in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer has applied for an allocation of EP and/or RP, or for an extension of an existing allocation of EP or RP, for use at facilities defined in this Agreement as the “Facility”;

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and/or retention of jobs, capital investments, power usage and energy efficiency measures at the Facility;

WHEREAS, the Authority’s Board of Trustees approved an allocation of EP and/or RP to the Customer;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the EP and/or RP for a term provided in this Agreement;

WHEREAS, the Authority’s provision of Electric Service under this Agreement is an unbundled service separate from the transmission of the allocation, and the delivery of the Allocation;

WHEREAS, electric service to be provided hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff No. WNY-2 as provided in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement; and

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I **DEFINITIONS**

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices.

“Adverse Water Condition” means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

“Agreement” means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

“Allocation” refers to the allocation(s) of EP and/or RP awarded to the Customer as specified in Schedule A.

“Alternative REC Compliance Program” has the meaning provided in Schedule E.

“Annual Capital Investment Commitment” has the meaning set forth in Schedule B.

“Annual CI Expenditures” has the meaning set forth in Schedule B.

“Base Employment Level” has the meaning set forth in Schedule B.

“Contract Demand” is as defined in Service Tariff No. WNY-2.

“Customer-Arranged Energy” means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

“Effective Date” means the date that this Agreement is fully executed by the Parties.

“Electric Service” is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

“Energy Services” has the meaning set forth in Article V of this Agreement.

“Expansion Power” (or “EP”) is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Expansion Project” has the meaning set forth in Section IV.3.a of this Agreement.

“Expansion Project Capital Investment Commitment” has the meaning set forth in Schedule B.

“Facility” means the Customer’s facilities as described in Schedule A to this Agreement.

“Firm Power” is as defined in Service Tariff No. WNY-2.

“Firm Energy” is as defined in Service Tariff No. WNY-2.

“FERC” means the Federal Energy Regulatory Commission (or any successor organization).

“FERC License” means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.

“Hydro Projects” is a collective reference to the Project and the Authority’s St. Lawrence-FDR Project, FERC Project No. 2000.

“International Joint Commission” or “IJC” refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

“Load Reduction” has the meaning set forth in Section IX.6 of this Agreement.

“Load Serving Entity” (or “LSE”) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

“Metering Arrangement” has the meaning set forth in Section II.8 of this Agreement.

“NYEM” means the New York Energy Manager, an energy management center owned and operated by the Authority.

“NYEM Agreement” means a written agreement between the Authority and the Customer providing for the Facility’s enrollment and Customer’s participation in NYEM.

“NYEM Participation” has the meaning specified in Schedule B of this Agreement.

“NYISO” means the New York Independent System Operator or any successor organization.

“NYISO Charges” has the meaning set forth in Section VII.3 of this Agreement.

“NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

“Planned Hydropower Curtailment” means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

“Physical Energy Audit” or “Audit” means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility’s energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility’s index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

“Project” means the Niagara Power Project, FERC Project No. 2216.

“Replacement Power” (or “RP”) is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Reporting Year” means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

“Rolling Average” has the meaning set forth in Schedule B.

“Rules” are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

“Service Information” has the meaning set forth in Section II.12 of this Agreement.

“Service Tariff No. WNY-2” means the Authority’s Service Tariff No. WNY-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Schedule A” refers to the Schedule A entitled “Expansion Power and/or Replacement Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Expansion Power and/or Replacement Power Commitments” which is attached to and made part of this Agreement, including any appendices attached thereto.

“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

“Schedule D” refers to the Schedule D entitled “Zero Emission Credit Charge” which is attached to and made part of this Agreement.

“Schedule E” refers to the Schedule E entitled “Monthly Renewable Energy Credit Charge” which is attached to and made part of this Agreement.

“Substitute Energy” means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment or an Unplanned Hydropower Curtailment.

“Takedown” means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

“Taxes” is as defined in Service Tariff No. WNY-2.

“Unforced Capacity” (or “UCAP”) means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

“Unplanned Hydropower Curtailment” means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to Adverse Water Condition that the Authority did not anticipate or forecast.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

ARTICLE II

ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.
2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.
3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.
4. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).
6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.
7. The Contract Demand may not exceed the Allocation.
8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.
9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.
11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the EP and/or RP programs, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III

RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.
2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:
 - a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or
 - b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.
3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-2 and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV **SUPPLEMENTAL COMMITMENTS**

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.
2. *[Intentionally Left Blank]*
3. Special Provisions Relating to a New or Expanded Facility.

- a. Proposed New or Expanded Facility; Failure to Complete.

If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

- b. Proposed New or Expanded Facility; Partial Performance.

If the Expansion Project results in a completed Facility that is only partially operational, or is material different than the Expansion Project agreed to in Schedule B (as measured

by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

- (i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.
- (ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of Service Tariff No. WNY-2 in effect upon the execution of this Agreement is attached to this Agreement as Exhibit 1, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of Service Tariff WNY-2. Service Tariff No. WNY-2 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide the Customer with prior written notice of any revisions to Service Tariff No. WNY-2.
2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:
 - a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;
 - b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and
 - c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.
2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.
3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

Tariff No. WNY-2 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

4. The Authority will consider opportunities to assist the Customer concerning actions, practices, or procedures of the Customer's local electric utility identified by the Customer that could adversely impact the implementation and effectiveness of the EP and RP programs, provided that whether or not to take any action or adopt any position on any issue, including any adverse position, is within the Authority's discretion and further subject to applicable laws, regulations and existing legal obligations.

ARTICLE VIII

BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.
2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.
3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX

HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.
2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.
3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.
5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.
6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.
7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.
8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.
9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.
10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.
12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X

EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.
2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.
3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.
4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI

EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:
 - a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

- b. pursuant to any other process that the Authority establishes; or
 - c. with the Authority's written consent.
2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.
3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII

NOTICES

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: ContractDocs@nypa.gov
Facsimile: (914) 390-8156
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Agile Cold Storage LLC
160 Empire Drive
West Seneca, NY 14224
Email: john.ripple@agilecoldstorage.com
Facsimile: N/A
Attention: John Ripple

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.
3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII

SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.
2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.
3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV

MISCELLANEOUS

1. Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or

for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

- a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.
- b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.
- c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this

Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

AGILE COLD STORAGE LLC

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Agile Cold Storage LLC				
Type of Allocation	Allocation Amount (kW)	Facility Address	Trustee Approval Date	Allocation Expiration Date
EP	660 kW	160 Empire Drive West Seneca, NY 14224	May 19, 2026	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
**SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER
COMMITMENTS**

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

- a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.
- b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.
- c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s discretion.

2. Capital Investment Commitments

The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in Service Tariff No. WNY-2), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

- a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.
- b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term (“NYEM Participation”) in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.
- c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.
- d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III

COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

If the average of the Customer's six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-2) for Expansion Power and/or Replacement Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, Service Tariff WNY-2 and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction.

Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 44 full-time, permanent employees (“Base Employment Level”) at the Customer’s Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)
 - a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility (“Rolling Average”) shall total not less than N/A (the “Annual Capital Investment Commitment”). For purposes of this provision, “Rolling Average” means the three-year average comprised of (1) the total amount of capital investments (“Annual CI Expenditures”) made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.
 - b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.
 - c. If the Customer’s Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.
2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)
 - a. The Customer shall make a minimum capital investment of \$27,800,000 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	EXPENDITURE
Machinery and Equipment	\$5,800,000
IT and Office Equipment	\$13,000,000
Process Area Fit Out and Building Systems	\$9,000,000
Total Minimum Expansion Project Capital Investment Commitment:	<u>\$27,800,000</u>

Total Expansion Project Capital Investment Commitment:

- b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than May 19, 2029 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Affected LSEs” has the meaning provided in Section II.2 of this Schedule D.

“CES Order” means the Order issued by the PSC entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“EP and RP Programs ZEC Costs” has the meaning provided in Section II.4.b of this Schedule D.

“Government Action” has the meaning provided in Section II.8 of this Schedule D.

“Load Serving Entity” or “LSE” has the meaning provided in the CES Order.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“Zero Emission Credit” or “ZEC” has the meaning provided in the CES Order.

“Zero Emission Credit Charge” or “ZEC Charge” means the charge to the Customer established in this Schedule D.

“ZEC Purchase Obligation” has the meaning provided in Section II.2 of this Schedule D.

“ZEC Program Year” has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.
2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order (“Affected LSEs”) to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE’s proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).
3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.
4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:
 - a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

- b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the “EP and RP Programs ZEC Costs”). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).
 - c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer’s annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority’s inability to collect a ZEC Charge from any other Authority customer.
5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.
6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.
8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Alternative REC Compliance Program” has the meaning provided in Section III.1 of this Schedule E.

“Annual REC Percentage Target” has the meaning provided in Section II.2 of this Schedule E.

“CES Order” means the Order issued by the Public Service Commission entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State in the CES Order.

“Load Serving Entity” has the meaning provided in the CES Order.

“Mandatory Minimum Percentage Proportion” has the meaning provided in the CES Order.

“Monthly Renewable Energy Credit Charge” or “Monthly REC Charge” means the monthly charge to the Customer established in this Schedule E.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as described in the CES Order.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“REC Compliance Measures” mean: (1) the Authority’s procurement of RECs from NYSERDA in accordance with NYSERDA procedures and/or the CES Order; (2) the Authority’s procurement of RECs from available REC markets; (3) the Authority’s procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

“Total Monthly EP-RP Load” has the meaning provided in Section II.3.b of this Schedule E

“Total Monthly REC Costs” has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.
2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the “Annual REC Percentage Target”) for the purpose of ultimately meeting the RES.
3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

- a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.
 - b. The Authority will, for each month of each calendar year, calculate the total costs (“Total Monthly REC Costs”) that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month (“Total Monthly EP-RP Load”). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.
 - c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer’s share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer’s total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:
 - i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority’s inability to collect the Monthly REC Charge from other Authority customers; and
 - ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA’s published REC price for the REC Program Year.
4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.
5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer’s Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority’s bills

for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.
7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").
2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.



POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power Service to
Expansion Power and Replacement Power Customers
Located in Western New York

Service Tariff No. WNY-2

Table of Contents

Schedule of Rates for Firm Power Service	Leaf No.
I. Applicability	3
II. Abbreviations and Terms.....	3
III. Monthly Rates and Charges.....	5
A. Expansion Power (EP) and Replacement Power (RP) Base Rates.....	5
B. EP and RP Rates no Lower than Rural/Domestic Rate	5
C. Monthly Base Rates Exclude Delivery Service Charges.....	5
D. Minimum Monthly Charge.....	5
E. Estimated Billing	6
F. Adjustments to Charges	7
G. Billing Period	7
H. Billing Demand	7
I. Billing Energy.....	7
J. Contract Demand	7
IV. General Provisions	8
A. Character of Service	8
B. Availability of Energy	8
C. Delivery	8
D. Adjustment of Rates	8
E. Billing Methodology and Billing.....	9
F. Payment by Customer to Authority.....	10
1. Demand and Energy Rates, Taxes	10
2. Transmission Charge	10
3. NYISO Transmission and Related Charges.....	10
4. Taxes Defined	11
5. Substitute Energy.....	11
6. Payment Information	11
7. Billing Disputes	11
G. Rendition and Payment of Bills.....	12
H. Adjustment of Charges – Distribution Losses.....	13
I. Conflicts.....	13
V. Annual Adjustment Factor	14

Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power directly to a qualified business Customer for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

Agreement: An executed written agreement between the Authority and the Customer for the sale of Expansion Power and/or Replacement Power to the Customer.

Annual Adjustment Factor or **AAF**: This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the “New York Power Authority.”

Customer: A business entity that has received an allocation of Expansion Power and/or Replacement Power, and that purchases Expansion Power and/or Replacement Power, directly from the Authority.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Expansion Power or **EP** and/or **Replacement Power** or **RP**: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

Firm Power: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Serving Entity or **LSE**: This term shall have the meaning set forth in the Agreement.

Load Split Methodology or **LSM**: A type of billing methodology applicable to a Customer's Allocation which determines how a Customer's total metered usage is apportioned between the power and energy supplied by the Allocation and the Customer's other source of electricity supply, if any. LSM is usually provided for in an agreement between the Authority and the Customer's local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer's local electric utility. The load split methodology is often designated as "Load Factor Sharing" or "LFS", "First through the Meter" or "FTM", "First through the Meter Modified" or "FTM Modified", or "Replacement Power 2" or "RP 2".

Project: The Authority's Niagara Power Project, FERC Project No. 2216.

Rate Year or **RY**: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq.*, as they may be amended from time to time.

Service Tariff: This Service Tariff No. WNY-2.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

Billing Period	Demand (\$/kW)	Energy (\$/MWh)
January – June 2019	7.60	13.00

1. For RY 2019 (July 2019 through June 2020 Billing Periods), 50% of the Annual Adjustment Factor ("AAF"), as described in Section V, will be applied to the demand and energy rates stated in the table above.
2. For RY 2020 (July 2020 through June 2021 Billing Periods) and each Rate Year thereafter, the AAF will be applied to the then-effective base rates for demand and energy in accordance with Section V.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average \$/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average \$/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand charge and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation.

E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Load Split Methodology that is applicable to the Customer as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer's takedown (kW) amount.
- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer's Load Split Methodology as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.
- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority's rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's facilities are located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Expansion Power and/or Replacement Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.
2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing (“LFS”) in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer’s local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
2. **Billing Demand** –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer’s local electric utility, during each Billing Period recorded on the Customer’s meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.
3. **Billing Energy** –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer’s meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
4. With regard to LFS methodology calculations:
 - a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer’s Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
 - b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer’s metered load will be supplied by Firm Energy.
 - c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer’s metered load to be supplied by Firm Energy is as follows:
 - i. For Customer with hourly billing: the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
 - ii. For Customer with monthly billing: the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
 - d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

- a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and
- b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and
- c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, "NYISO Charges") assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

- A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
- B. Marginal losses;
- C. The New York Power Authority Transmission Adjustment Charge ("NTAC");
- D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;
- E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

- F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

7. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.
2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.
3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.
4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.
5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.
6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. Adjustment of Charges – Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year ("Index Value for the Measuring Year") will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1"). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of $\pm 5.0\%$ (" $\pm 5\%$ Collar"). Amounts outside the $\pm 5\%$ Collar shall be referred to as the "Excess."

Index 1, "BLS Industrial Power Price" (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

Index 2, "EIA Average Industrial Power Price" (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT ("Selected States") as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration ("EIA"); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

Index 3, "BLS Industrial Commodities Price Less Fuel" (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

- Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.
- Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.
- Step 3: Commencing RY 2014, modifications to the AAF will be subject to $\pm 5\%$ Collar, as described below.
 - a) When the AAF falls outside the $\pm 5\%$ Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the $\pm 5\%$ Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the $\pm 5\%$ Collar.

- b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the $\pm 5\%$ Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.
4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year <u>(2013)</u>	Measuring Year - 1 <u>(2012)</u>
January	171.2	167.8
February	172.8	167.6
March	171.6	168.2
April	173.8	168.6
May	175.1	171.6
June	185.7	180.1
July	186.4	182.7
August	184.7	179.2
September	185.5	181.8
October	175.5	170.2
November	172.2	168.8
December	171.8	166.6
Average	177.2	172.8
Ratio of MY/MY-1		1.03

- Index 2 – EIA Industrial Rate

<u>State</u>	<u>Revenues</u> ((\$000s))	<u>Sales</u> (MWh)	<u>Avg. Rate</u> (cents/kWh)
<u>Measuring Year (2012)</u>			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	<u>155,903</u>	<u>2,173,679</u>	
TOTAL	13,434,511	215,442,827	6.24

Measuring Year -1 (2011)

CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	<u>152,785</u>	<u>2,130,205</u>	
TOTAL	13,016,880	209,059,931	6.23

Ratio of MY/MY-1 **1.00**

- Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year (2013)	Measuring Year -1 (2012)
January	190.1	187.2
February	190.9	188.0
March	191.6	188.7
April	192.8	189.9
May	194.7	191.8
June	195.2	192.3
July	195.5	192.3
August	196.0	193.1
September	196.1	193.2
October	196.2	193.8
November	196.6	193.7
December	196.7	194.0
Average	194.4	191.5
Ratio of MY/MY-1		1.02

STEP 2

Determine AAF by Summing the Weighted Indices

<u>Index</u>	<u>Ratio of MY to MY-1</u>	<u>Weight</u>	<u>Weighted Factors</u>
PPI Industrial Power	1.03	0.35	0.361
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.02	0.25	<u>0.255</u>
AAF			1.016

STEP 3

Apply Collar of $\pm 5.0\%$ to Determine the Maximum/Minimum AAF.

$-5.0\% < 1.6\% < 5.0\%$; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	<u>Demand</u> \$/kW-mo.	<u>Energy</u> \$/MWh
Current Rate Year Base Rate	7.56	12.91
New Rate Year Base Rate	7.68	13.12

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE
OF EXPANSION POWER AND/OR REPLACEMENT POWER

Bericap NY, LLC

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power (“Agreement”) with Bericap NY, LLC (“Customer”) with offices and principal place of business at 135 Buell Avenue, Cheektowaga, NY 14225. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission (“FERC”) Project No. 2216, including hydropower known as Expansion Power (“EP”) and Replacement Power (“RP”) to qualified businesses in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer has applied for an allocation of EP and/or RP, or for an extension of an existing allocation of EP or RP, for use at facilities defined in this Agreement as the “Facility”;

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and/or retention of jobs, capital investments, power usage and energy efficiency measures at the Facility;

WHEREAS, the Authority’s Board of Trustees approved an allocation of EP and/or RP to the Customer;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the EP and/or RP for a term provided in this Agreement;

WHEREAS, the Authority’s provision of Electric Service under this Agreement is an unbundled service separate from the transmission of the allocation, and the delivery of the Allocation;

WHEREAS, electric service to be provided hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff No. WNY-2 as provided in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement; and

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I **DEFINITIONS**

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices.

“Adverse Water Condition” means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

“Agreement” means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

“Allocation” refers to the allocation(s) of EP and/or RP awarded to the Customer as specified in Schedule A.

“Alternative REC Compliance Program” has the meaning provided in Schedule E.

“Annual Capital Investment Commitment” has the meaning set forth in Schedule B.

“Annual CI Expenditures” has the meaning set forth in Schedule B.

“Base Employment Level” has the meaning set forth in Schedule B.

“Contract Demand” is as defined in Service Tariff No. WNY-2.

“Customer-Arranged Energy” means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

“Effective Date” means the date that this Agreement is fully executed by the Parties.

“Electric Service” is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

“Energy Services” has the meaning set forth in Article V of this Agreement.

“Expansion Power” (or “EP”) is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Expansion Project” has the meaning set forth in Section IV.3.a of this Agreement.

“Expansion Project Capital Investment Commitment” has the meaning set forth in Schedule B.

“Facility” means the Customer’s facilities as described in Schedule A to this Agreement.

“Firm Power” is as defined in Service Tariff No. WNY-2.

“Firm Energy” is as defined in Service Tariff No. WNY-2.

“FERC” means the Federal Energy Regulatory Commission (or any successor organization).

“FERC License” means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.

“Hydro Projects” is a collective reference to the Project and the Authority’s St. Lawrence-FDR Project, FERC Project No. 2000.

“International Joint Commission” or “IJC” refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

“Load Reduction” has the meaning set forth in Section IX.6 of this Agreement.

“Load Serving Entity” (or “LSE”) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

“Metering Arrangement” has the meaning set forth in Section II.8 of this Agreement.

“NYEM” means the New York Energy Manager, an energy management center owned and operated by the Authority.

“NYEM Agreement” means a written agreement between the Authority and the Customer providing for the Facility’s enrollment and Customer’s participation in NYEM.

“NYEM Participation” has the meaning specified in Schedule B of this Agreement.

“NYISO” means the New York Independent System Operator or any successor organization.

“NYISO Charges” has the meaning set forth in Section VII.3 of this Agreement.

“NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

“Planned Hydropower Curtailment” means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

“Physical Energy Audit” or “Audit” means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility’s energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility’s index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

“Project” means the Niagara Power Project, FERC Project No. 2216.

“Replacement Power” (or “RP”) is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Reporting Year” means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

“Rolling Average” has the meaning set forth in Schedule B.

“Rules” are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

“Service Information” has the meaning set forth in Section II.12 of this Agreement.

“Service Tariff No. WNY-2” means the Authority’s Service Tariff No. WNY-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Schedule A” refers to the Schedule A entitled “Expansion Power and/or Replacement Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Expansion Power and/or Replacement Power Commitments” which is attached to and made part of this Agreement, including any appendices attached thereto.

“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

“Schedule D” refers to the Schedule D entitled “Zero Emission Credit Charge” which is attached to and made part of this Agreement.

“Schedule E” refers to the Schedule E entitled “Monthly Renewable Energy Credit Charge” which is attached to and made part of this Agreement.

“Substitute Energy” means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment or an Unplanned Hydropower Curtailment.

“Takedown” means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

“Taxes” is as defined in Service Tariff No. WNY-2.

“Unforced Capacity” (or “UCAP”) means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

“Unplanned Hydropower Curtailment” means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to Adverse Water Condition that the Authority did not anticipate or forecast.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

ARTICLE II

ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.
2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.
3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.
4. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).
6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.
7. The Contract Demand may not exceed the Allocation.
8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.
9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.
11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the EP and/or RP programs, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III

RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.
2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:
 - a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or
 - b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.
3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-2 and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV **SUPPLEMENTAL COMMITMENTS**

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.
2. *[Intentionally Left Blank]*
3. Special Provisions Relating to a New or Expanded Facility.

- a. Proposed New or Expanded Facility; Failure to Complete.

If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

- b. Proposed New or Expanded Facility; Partial Performance.

If the Expansion Project results in a completed Facility that is only partially operational, or is material different than the Expansion Project agreed to in Schedule B (as measured

by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

- (i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.
- (ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of Service Tariff No. WNY-2 in effect upon the execution of this Agreement is attached to this Agreement as Exhibit 1, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of Service Tariff WNY-2. Service Tariff No. WNY-2 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide the Customer with prior written notice of any revisions to Service Tariff No. WNY-2.
2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:
 - a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;
 - b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and
 - c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.
2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.
3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

Tariff No. WNY-2 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

4. The Authority will consider opportunities to assist the Customer concerning actions, practices, or procedures of the Customer's local electric utility identified by the Customer that could adversely impact the implementation and effectiveness of the EP and RP programs, provided that whether or not to take any action or adopt any position on any issue, including any adverse position, is within the Authority's discretion and further subject to applicable laws, regulations and existing legal obligations.

ARTICLE VIII

BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.
2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.
3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX

HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.
2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.
3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.
5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.
6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.
7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.
8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.
9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.
10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.
12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X

EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.
2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.
3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.
4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI

EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:
 - a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

- b. pursuant to any other process that the Authority establishes; or
 - c. with the Authority's written consent.
- 2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.
- 3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII

NOTICES

- 1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: ContractDocs@nypa.gov
Facsimile: (914) 390-8156
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Bericap NY, LLC
135 Buell Avenue
Cheektowaga, NY, 14225
Email: anthony.scire@bericap.com
Facsimile: N/A
Attention: Anthony Scire

- 2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.
- 3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII

SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.
2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.
3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV

MISCELLANEOUS

1. Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or

for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

- a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.
- b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.
- c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this

Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

BERICAP NY, LLC

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Bericap NY, LLC				
Type of Allocation	Allocation Amount (kW)	Facility Address	Trustee Approval Date	Allocation Expiration Date
EP	1,540 kW	135 Buell Avenue Cheektowaga, NY 14225	May 19, 2026	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
**SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER
COMMITMENTS**

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

- a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.
- b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.
- c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s discretion.

2. Capital Investment Commitments

The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in Service Tariff No. WNY-2), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

- a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.
- b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term (“NYEM Participation”) in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.
- c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.
- d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III

COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

If the average of the Customer's six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-2) for Expansion Power and/or Replacement Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, Service Tariff WNY-2 and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction.

Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 40 full-time, permanent employees (“Base Employment Level”) at the Customer’s Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)
 - a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility (“Rolling Average”) shall total not less than N/A (the “Annual Capital Investment Commitment”). For purposes of this provision, “Rolling Average” means the three-year average comprised of (1) the total amount of capital investments (“Annual CI Expenditures”) made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.
 - b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.
 - c. If the Customer’s Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.
2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)
 - a. The Customer shall make a minimum capital investment of \$22,343,000 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	EXPENDITURE
Renovations and Retrofitting Costs	\$1,530,000
Machinery and Equipment Purchases	\$20,008,000
Furniture, Fixtures and Associated Equipment	\$805,000
Total Minimum Expansion Project Capital Investment Commitment:	<u>\$22,343,000</u>

Total Expansion Project Capital Investment Commitment:

- b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than May 19, 2029 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Affected LSEs” has the meaning provided in Section II.2 of this Schedule D.

“CES Order” means the Order issued by the PSC entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“EP and RP Programs ZEC Costs” has the meaning provided in Section II.4.b of this Schedule D.

“Government Action” has the meaning provided in Section II.8 of this Schedule D.

“Load Serving Entity” or “LSE” has the meaning provided in the CES Order.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“Zero Emission Credit” or “ZEC” has the meaning provided in the CES Order.

“Zero Emission Credit Charge” or “ZEC Charge” means the charge to the Customer established in this Schedule D.

“ZEC Purchase Obligation” has the meaning provided in Section II.2 of this Schedule D.

“ZEC Program Year” has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.
2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order (“Affected LSEs”) to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE’s proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).
3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.
4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:
 - a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

- b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the “EP and RP Programs ZEC Costs”). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).
 - c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer’s annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority’s inability to collect a ZEC Charge from any other Authority customer.
5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.
6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.
8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Alternative REC Compliance Program” has the meaning provided in Section III.1 of this Schedule E.

“Annual REC Percentage Target” has the meaning provided in Section II.2 of this Schedule E.

“CES Order” means the Order issued by the Public Service Commission entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State in the CES Order.

“Load Serving Entity” has the meaning provided in the CES Order.

“Mandatory Minimum Percentage Proportion” has the meaning provided in the CES Order.

“Monthly Renewable Energy Credit Charge” or “Monthly REC Charge” means the monthly charge to the Customer established in this Schedule E.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as described in the CES Order.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“REC Compliance Measures” mean: (1) the Authority’s procurement of RECs from NYSERDA in accordance with NYSERDA procedures and/or the CES Order; (2) the Authority’s procurement of RECs from available REC markets; (3) the Authority’s procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

“Total Monthly EP-RP Load” has the meaning provided in Section II.3.b of this Schedule E

“Total Monthly REC Costs” has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.
2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the “Annual REC Percentage Target”) for the purpose of ultimately meeting the RES.
3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

- a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.
 - b. The Authority will, for each month of each calendar year, calculate the total costs (“Total Monthly REC Costs”) that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month (“Total Monthly EP-RP Load”). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.
 - c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer’s share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer’s total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:
 - i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority’s inability to collect the Monthly REC Charge from other Authority customers; and
 - ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA’s published REC price for the REC Program Year.
4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.
5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer’s Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority’s bills

for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.
7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").
2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.



POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power Service to
Expansion Power and Replacement Power Customers
Located in Western New York

Service Tariff No. WNY-2

Table of Contents

Schedule of Rates for Firm Power Service	Leaf No.
I. Applicability	3
II. Abbreviations and Terms.....	3
III. Monthly Rates and Charges.....	5
A. Expansion Power (EP) and Replacement Power (RP) Base Rates.....	5
B. EP and RP Rates no Lower than Rural/Domestic Rate	5
C. Monthly Base Rates Exclude Delivery Service Charges.....	5
D. Minimum Monthly Charge.....	5
E. Estimated Billing	6
F. Adjustments to Charges	7
G. Billing Period	7
H. Billing Demand	7
I. Billing Energy.....	7
J. Contract Demand	7
IV. General Provisions	8
A. Character of Service	8
B. Availability of Energy	8
C. Delivery	8
D. Adjustment of Rates	8
E. Billing Methodology and Billing.....	9
F. Payment by Customer to Authority.....	10
1. Demand and Energy Rates, Taxes	10
2. Transmission Charge	10
3. NYISO Transmission and Related Charges.....	10
4. Taxes Defined	11
5. Substitute Energy.....	11
6. Payment Information	11
7. Billing Disputes	11
G. Rendition and Payment of Bills.....	12
H. Adjustment of Charges – Distribution Losses.....	13
I. Conflicts.....	13
V. Annual Adjustment Factor	14

Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power directly to a qualified business Customer for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

Agreement: An executed written agreement between the Authority and the Customer for the sale of Expansion Power and/or Replacement Power to the Customer.

Annual Adjustment Factor or **AAF**: This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the “New York Power Authority.”

Customer: A business entity that has received an allocation of Expansion Power and/or Replacement Power, and that purchases Expansion Power and/or Replacement Power, directly from the Authority.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Expansion Power or **EP** and/or **Replacement Power** or **RP**: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

Firm Power: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Serving Entity or **LSE**: This term shall have the meaning set forth in the Agreement.

Load Split Methodology or **LSM**: A type of billing methodology applicable to a Customer's Allocation which determines how a Customer's total metered usage is apportioned between the power and energy supplied by the Allocation and the Customer's other source of electricity supply, if any. LSM is usually provided for in an agreement between the Authority and the Customer's local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer's local electric utility. The load split methodology is often designated as "Load Factor Sharing" or "LFS", "First through the Meter" or "FTM", "First through the Meter Modified" or "FTM Modified", or "Replacement Power 2" or "RP 2".

Project: The Authority's Niagara Power Project, FERC Project No. 2216.

Rate Year or **RY**: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq.*, as they may be amended from time to time.

Service Tariff: This Service Tariff No. WNY-2.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

Billing Period	Demand (\$/kW)	Energy (\$/MWh)
January – June 2019	7.60	13.00

1. For RY 2019 (July 2019 through June 2020 Billing Periods), 50% of the Annual Adjustment Factor ("AAF"), as described in Section V, will be applied to the demand and energy rates stated in the table above.
2. For RY 2020 (July 2020 through June 2021 Billing Periods) and each Rate Year thereafter, the AAF will be applied to the then-effective base rates for demand and energy in accordance with Section V.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average \$/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average \$/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand charge and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation.

E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Load Split Methodology that is applicable to the Customer as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer's takedown (kW) amount.
- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer's Load Split Methodology as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.
- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority's rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's facilities are located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Expansion Power and/or Replacement Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.
2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing (“LFS”) in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer’s local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
2. **Billing Demand** –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer’s local electric utility, during each Billing Period recorded on the Customer’s meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.
3. **Billing Energy** –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer’s meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
4. With regard to LFS methodology calculations:
 - a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer’s Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
 - b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer’s metered load will be supplied by Firm Energy.
 - c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer’s metered load to be supplied by Firm Energy is as follows:
 - i. For Customer with hourly billing: the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
 - ii. For Customer with monthly billing: the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
 - d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

- a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and
- b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and
- c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, "NYISO Charges") assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

- A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
- B. Marginal losses;
- C. The New York Power Authority Transmission Adjustment Charge ("NTAC");
- D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;
- E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

- F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

7. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.
2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.
3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.
4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.
5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.
6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. Adjustment of Charges – Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year ("Index Value for the Measuring Year") will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1"). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of $\pm 5.0\%$ (" $\pm 5\%$ Collar"). Amounts outside the $\pm 5\%$ Collar shall be referred to as the "Excess."

Index 1, "BLS Industrial Power Price" (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

Index 2, "EIA Average Industrial Power Price" (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT ("Selected States") as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration ("EIA"); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

Index 3, "BLS Industrial Commodities Price Less Fuel" (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

- Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.
- Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.
- Step 3: Commencing RY 2014, modifications to the AAF will be subject to $\pm 5\%$ Collar, as described below.
 - a) When the AAF falls outside the $\pm 5\%$ Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the $\pm 5\%$ Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the $\pm 5\%$ Collar.

- b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the $\pm 5\%$ Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.
4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year <u>(2013)</u>	Measuring Year - 1 <u>(2012)</u>
January	171.2	167.8
February	172.8	167.6
March	171.6	168.2
April	173.8	168.6
May	175.1	171.6
June	185.7	180.1
July	186.4	182.7
August	184.7	179.2
September	185.5	181.8
October	175.5	170.2
November	172.2	168.8
December	171.8	166.6
Average	177.2	172.8
Ratio of MY/MY-1		1.03

- Index 2 – EIA Industrial Rate

<u>State</u>	<u>Revenues</u> ((\$000s))	<u>Sales</u> (MWh)	<u>Avg. Rate</u> (cents/kWh)
<u>Measuring Year (2012)</u>			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	<u>155,903</u>	<u>2,173,679</u>	
TOTAL	13,434,511	215,442,827	6.24

Measuring Year -1 (2011)

CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	<u>152,785</u>	<u>2,130,205</u>	
TOTAL	13,016,880	209,059,931	6.23

Ratio of MY/MY-1 **1.00**

- Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year (2013)	Measuring Year -1 (2012)
January	190.1	187.2
February	190.9	188.0
March	191.6	188.7
April	192.8	189.9
May	194.7	191.8
June	195.2	192.3
July	195.5	192.3
August	196.0	193.1
September	196.1	193.2
October	196.2	193.8
November	196.6	193.7
December	196.7	194.0
Average	194.4	191.5
Ratio of MY/MY-1		1.02

STEP 2

Determine AAF by Summing the Weighted Indices

<u>Index</u>	<u>Ratio of MY to MY-1</u>	<u>Weight</u>	<u>Weighted Factors</u>
PPI Industrial Power	1.03	0.35	0.361
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.02	0.25	<u>0.255</u>
AAF			1.016

STEP 3

Apply Collar of $\pm 5.0\%$ to Determine the Maximum/Minimum AAF.

$-5.0\% < 1.6\% < 5.0\%$; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	<u>Demand</u> \$/kW-mo.	<u>Energy</u> \$/MWh
Current Rate Year Base Rate	7.56	12.91
New Rate Year Base Rate	7.68	13.12

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE
OF EXPANSION POWER AND/OR REPLACEMENT POWER

Neofab Robotics Corp.

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power (“Agreement”) with Neofab Robotics Corp. (“Customer”) with offices and principal place of business at 6410 Inducon Drive E, Sanborn, NY 14132. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission (“FERC”) Project No. 2216, including hydropower known as Expansion Power (“EP”) and Replacement Power (“RP”) to qualified businesses in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer has applied for an allocation of EP and/or RP, or for an extension of an existing allocation of EP or RP, for use at facilities defined in this Agreement as the “Facility”;

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and/or retention of jobs, capital investments, power usage and energy efficiency measures at the Facility;

WHEREAS, the Authority’s Board of Trustees approved an allocation of EP and/or RP to the Customer;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the EP and/or RP for a term provided in this Agreement;

WHEREAS, the Authority’s provision of Electric Service under this Agreement is an unbundled service separate from the transmission of the allocation, and the delivery of the Allocation;

WHEREAS, electric service to be provided hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff No. WNY-2 as provided in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement; and

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I **DEFINITIONS**

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices.

“Adverse Water Condition” means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

“Agreement” means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

“Allocation” refers to the allocation(s) of EP and/or RP awarded to the Customer as specified in Schedule A.

“Alternative REC Compliance Program” has the meaning provided in Schedule E.

“Annual Capital Investment Commitment” has the meaning set forth in Schedule B.

“Annual CI Expenditures” has the meaning set forth in Schedule B.

“Base Employment Level” has the meaning set forth in Schedule B.

“Contract Demand” is as defined in Service Tariff No. WNY-2.

“Customer-Arranged Energy” means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

“Effective Date” means the date that this Agreement is fully executed by the Parties.

“Electric Service” is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

“Energy Services” has the meaning set forth in Article V of this Agreement.

“Expansion Power” (or “EP”) is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Expansion Project” has the meaning set forth in Section IV.3.a of this Agreement.

“Expansion Project Capital Investment Commitment” has the meaning set forth in Schedule B.

“Facility” means the Customer’s facilities as described in Schedule A to this Agreement.

“Firm Power” is as defined in Service Tariff No. WNY-2.

“Firm Energy” is as defined in Service Tariff No. WNY-2.

“FERC” means the Federal Energy Regulatory Commission (or any successor organization).

“FERC License” means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.

“Hydro Projects” is a collective reference to the Project and the Authority’s St. Lawrence-FDR Project, FERC Project No. 2000.

“International Joint Commission” or “IJC” refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

“Load Reduction” has the meaning set forth in Section IX.6 of this Agreement.

“Load Serving Entity” (or “LSE”) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

“Metering Arrangement” has the meaning set forth in Section II.8 of this Agreement.

“NYEM” means the New York Energy Manager, an energy management center owned and operated by the Authority.

“NYEM Agreement” means a written agreement between the Authority and the Customer providing for the Facility’s enrollment and Customer’s participation in NYEM.

“NYEM Participation” has the meaning specified in Schedule B of this Agreement.

“NYISO” means the New York Independent System Operator or any successor organization.

“NYISO Charges” has the meaning set forth in Section VII.3 of this Agreement.

“NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

“Planned Hydropower Curtailment” means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

“Physical Energy Audit” or “Audit” means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility’s energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility’s index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

“Project” means the Niagara Power Project, FERC Project No. 2216.

“Replacement Power” (or “RP”) is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Reporting Year” means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

“Rolling Average” has the meaning set forth in Schedule B.

“Rules” are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

“Service Information” has the meaning set forth in Section II.12 of this Agreement.

“Service Tariff No. WNY-2” means the Authority’s Service Tariff No. WNY-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Schedule A” refers to the Schedule A entitled “Expansion Power and/or Replacement Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Expansion Power and/or Replacement Power Commitments” which is attached to and made part of this Agreement, including any appendices attached thereto.

“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

“Schedule D” refers to the Schedule D entitled “Zero Emission Credit Charge” which is attached to and made part of this Agreement.

“Schedule E” refers to the Schedule E entitled “Monthly Renewable Energy Credit Charge” which is attached to and made part of this Agreement.

“Substitute Energy” means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment or an Unplanned Hydropower Curtailment.

“Takedown” means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

“Taxes” is as defined in Service Tariff No. WNY-2.

“Unforced Capacity” (or “UCAP”) means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

“Unplanned Hydropower Curtailment” means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to Adverse Water Condition that the Authority did not anticipate or forecast.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

ARTICLE II

ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.
2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.
3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.
4. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).
6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.
7. The Contract Demand may not exceed the Allocation.
8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.
9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.
11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the EP and/or RP programs, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III

RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.
2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:
 - a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or
 - b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.
3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-2 and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV **SUPPLEMENTAL COMMITMENTS**

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.
2. *[Intentionally Left Blank]*
3. Special Provisions Relating to a New or Expanded Facility.

- a. Proposed New or Expanded Facility; Failure to Complete.

If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

- b. Proposed New or Expanded Facility; Partial Performance.

If the Expansion Project results in a completed Facility that is only partially operational, or is material different than the Expansion Project agreed to in Schedule B (as measured

by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

- (i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.
- (ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of Service Tariff No. WNY-2 in effect upon the execution of this Agreement is attached to this Agreement as Exhibit 1, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of Service Tariff WNY-2. Service Tariff No. WNY-2 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide the Customer with prior written notice of any revisions to Service Tariff No. WNY-2.
2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:
 - a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;
 - b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and
 - c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.
2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.
3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

Tariff No. WNY-2 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

4. The Authority will consider opportunities to assist the Customer concerning actions, practices, or procedures of the Customer's local electric utility identified by the Customer that could adversely impact the implementation and effectiveness of the EP and RP programs, provided that whether or not to take any action or adopt any position on any issue, including any adverse position, is within the Authority's discretion and further subject to applicable laws, regulations and existing legal obligations.

ARTICLE VIII

BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.
2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.
3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX

HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.
2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.
3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.
5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.
6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.
7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.
8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.
9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.
10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.
12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X

EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.
2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.
3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.
4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI

EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:
 - a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

- b. pursuant to any other process that the Authority establishes; or
 - c. with the Authority's written consent.
- 2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.
- 3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII

NOTICES

- 1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: ContractDocs@nypa.gov
Facsimile: (914) 390-8156
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Neofab Robotics Corp.
6410 Inducon Drive E
Sanborn, NY 14132
Email: veronika@niagaraindustrialmechanical.com
Facsimile: N/A
Attention: Veronika Duncan

- 2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.
- 3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII

SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.
2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.
3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV

MISCELLANEOUS

1. Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or

for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

- a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.
- b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.
- c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this

Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

NEOFAB ROBOTICS CORP.

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Neofab Robotics Corp.				
Type of Allocation	Allocation Amount (kW)	Facility Address	Trustee Approval Date	Allocation Expiration Date
EP	510 kW	6410 Inducon Drive E. Sanborn, NY, 14132	March 31, 2026	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
**SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER
COMMITMENTS**

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

- a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.
- b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.
- c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s discretion.

2. Capital Investment Commitments

The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in Service Tariff No. WNY-2), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

- a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.
- b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term (“NYEM Participation”) in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.
- c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.
- d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III

COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

If the average of the Customer's six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-2) for Expansion Power and/or Replacement Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, Service Tariff WNY-2 and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction.

Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 23 full-time, permanent employees (“Base Employment Level”) at the Customer’s Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)
 - a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility (“Rolling Average”) shall total not less than N/A (the “Annual Capital Investment Commitment”). For purposes of this provision, “Rolling Average” means the three-year average comprised of (1) the total amount of capital investments (“Annual CI Expenditures”) made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.
 - b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.
 - c. If the Customer’s Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.
2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)
 - a. The Customer shall make a minimum capital investment of \$3,913,400 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	EXPENDITURE
Building Facility	\$2,085,000
Machinery and Equipment	\$1,506,000
Furniture & Fixtures	\$322,400
Total Minimum Expansion Project Capital Investment Commitment:	<u>\$3,913,400</u>

Total Expansion Project Capital Investment Commitment:

- b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than March 31, 2029 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Affected LSEs” has the meaning provided in Section II.2 of this Schedule D.

“CES Order” means the Order issued by the PSC entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“EP and RP Programs ZEC Costs” has the meaning provided in Section II.4.b of this Schedule D.

“Government Action” has the meaning provided in Section II.8 of this Schedule D.

“Load Serving Entity” or “LSE” has the meaning provided in the CES Order.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“Zero Emission Credit” or “ZEC” has the meaning provided in the CES Order.

“Zero Emission Credit Charge” or “ZEC Charge” means the charge to the Customer established in this Schedule D.

“ZEC Purchase Obligation” has the meaning provided in Section II.2 of this Schedule D.

“ZEC Program Year” has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.
2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order (“Affected LSEs”) to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE’s proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).
3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.
4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:
 - a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

- b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the “EP and RP Programs ZEC Costs”). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).
 - c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer’s annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority’s inability to collect a ZEC Charge from any other Authority customer.
5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.
6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.
8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Alternative REC Compliance Program” has the meaning provided in Section III.1 of this Schedule E.

“Annual REC Percentage Target” has the meaning provided in Section II.2 of this Schedule E.

“CES Order” means the Order issued by the Public Service Commission entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State in the CES Order.

“Load Serving Entity” has the meaning provided in the CES Order.

“Mandatory Minimum Percentage Proportion” has the meaning provided in the CES Order.

“Monthly Renewable Energy Credit Charge” or “Monthly REC Charge” means the monthly charge to the Customer established in this Schedule E.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as described in the CES Order.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“REC Compliance Measures” mean: (1) the Authority’s procurement of RECs from NYSERDA in accordance with NYSERDA procedures and/or the CES Order; (2) the Authority’s procurement of RECs from available REC markets; (3) the Authority’s procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

“Total Monthly EP-RP Load” has the meaning provided in Section II.3.b of this Schedule E

“Total Monthly REC Costs” has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.
2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the “Annual REC Percentage Target”) for the purpose of ultimately meeting the RES.
3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

- a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.
 - b. The Authority will, for each month of each calendar year, calculate the total costs (“Total Monthly REC Costs”) that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month (“Total Monthly EP-RP Load”). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.
 - c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer’s share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer’s total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:
 - i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority’s inability to collect the Monthly REC Charge from other Authority customers; and
 - ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA’s published REC price for the REC Program Year.
4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.
5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer’s Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority’s bills

for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.
7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").
2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.



POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power Service to
Expansion Power and Replacement Power Customers
Located in Western New York

Service Tariff No. WNY-2

Table of Contents

Schedule of Rates for Firm Power Service	Leaf No.
I. Applicability	3
II. Abbreviations and Terms.....	3
III. Monthly Rates and Charges.....	5
A. Expansion Power (EP) and Replacement Power (RP) Base Rates.....	5
B. EP and RP Rates no Lower than Rural/Domestic Rate	5
C. Monthly Base Rates Exclude Delivery Service Charges.....	5
D. Minimum Monthly Charge.....	5
E. Estimated Billing	6
F. Adjustments to Charges	7
G. Billing Period	7
H. Billing Demand	7
I. Billing Energy.....	7
J. Contract Demand	7
IV. General Provisions	8
A. Character of Service	8
B. Availability of Energy	8
C. Delivery	8
D. Adjustment of Rates	8
E. Billing Methodology and Billing.....	9
F. Payment by Customer to Authority.....	10
1. Demand and Energy Rates, Taxes	10
2. Transmission Charge	10
3. NYISO Transmission and Related Charges.....	10
4. Taxes Defined	11
5. Substitute Energy.....	11
6. Payment Information	11
7. Billing Disputes	11
G. Rendition and Payment of Bills.....	12
H. Adjustment of Charges – Distribution Losses.....	13
I. Conflicts.....	13
V. Annual Adjustment Factor	14

Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power directly to a qualified business Customer for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

Agreement: An executed written agreement between the Authority and the Customer for the sale of Expansion Power and/or Replacement Power to the Customer.

Annual Adjustment Factor or **AAF**: This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the “New York Power Authority.”

Customer: A business entity that has received an allocation of Expansion Power and/or Replacement Power, and that purchases Expansion Power and/or Replacement Power, directly from the Authority.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Expansion Power or **EP** and/or **Replacement Power** or **RP**: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

Firm Power: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Serving Entity or **LSE**: This term shall have the meaning set forth in the Agreement.

Load Split Methodology or **LSM**: A type of billing methodology applicable to a Customer's Allocation which determines how a Customer's total metered usage is apportioned between the power and energy supplied by the Allocation and the Customer's other source of electricity supply, if any. LSM is usually provided for in an agreement between the Authority and the Customer's local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer's local electric utility. The load split methodology is often designated as "Load Factor Sharing" or "LFS", "First through the Meter" or "FTM", "First through the Meter Modified" or "FTM Modified", or "Replacement Power 2" or "RP 2".

Project: The Authority's Niagara Power Project, FERC Project No. 2216.

Rate Year or **RY**: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq.*, as they may be amended from time to time.

Service Tariff: This Service Tariff No. WNY-2.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

Billing Period	Demand (\$/kW)	Energy (\$/MWh)
January – June 2019	7.60	13.00

1. For RY 2019 (July 2019 through June 2020 Billing Periods), 50% of the Annual Adjustment Factor ("AAF"), as described in Section V, will be applied to the demand and energy rates stated in the table above.
2. For RY 2020 (July 2020 through June 2021 Billing Periods) and each Rate Year thereafter, the AAF will be applied to the then-effective base rates for demand and energy in accordance with Section V.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average \$/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average \$/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand charge and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation.

E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Load Split Methodology that is applicable to the Customer as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer's takedown (kW) amount.
- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer's Load Split Methodology as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.
- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority's rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's facilities are located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Expansion Power and/or Replacement Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.
2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing (“LFS”) in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer’s local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
2. **Billing Demand** –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer’s local electric utility, during each Billing Period recorded on the Customer’s meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.
3. **Billing Energy** –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer’s meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.
4. With regard to LFS methodology calculations:
 - a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer’s Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
 - b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer’s metered load will be supplied by Firm Energy.
 - c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer’s metered load to be supplied by Firm Energy is as follows:
 - i. For Customer with hourly billing: the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
 - ii. For Customer with monthly billing: the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
 - d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

- a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and
- b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and
- c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, "NYISO Charges") assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

- A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
- B. Marginal losses;
- C. The New York Power Authority Transmission Adjustment Charge ("NTAC");
- D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;
- E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

- F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

7. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.
2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.
3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.
4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.
5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.
6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. Adjustment of Charges – Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year ("Index Value for the Measuring Year") will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1"). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of $\pm 5.0\%$ (" $\pm 5\%$ Collar"). Amounts outside the $\pm 5\%$ Collar shall be referred to as the "Excess."

Index 1, "BLS Industrial Power Price" (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

Index 2, "EIA Average Industrial Power Price" (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT ("Selected States") as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration ("EIA"); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

Index 3, "BLS Industrial Commodities Price Less Fuel" (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

- Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.
- Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.
- Step 3: Commencing RY 2014, modifications to the AAF will be subject to $\pm 5\%$ Collar, as described below.
- a) When the AAF falls outside the $\pm 5\%$ Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the $\pm 5\%$ Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the $\pm 5\%$ Collar.

- b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the $\pm 5\%$ Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.
4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year <u>(2013)</u>	Measuring Year - 1 <u>(2012)</u>
January	171.2	167.8
February	172.8	167.6
March	171.6	168.2
April	173.8	168.6
May	175.1	171.6
June	185.7	180.1
July	186.4	182.7
August	184.7	179.2
September	185.5	181.8
October	175.5	170.2
November	172.2	168.8
December	171.8	166.6
Average	177.2	172.8
Ratio of MY/MY-1		1.03

- Index 2 – EIA Industrial Rate

<u>State</u>	<u>Revenues</u> ((\$000s))	<u>Sales</u> (MWh)	<u>Avg. Rate</u> (cents/kWh)
<u>Measuring Year (2012)</u>			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	<u>155,903</u>	<u>2,173,679</u>	
TOTAL	13,434,511	215,442,827	6.24

Measuring Year -1 (2011)

CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	<u>152,785</u>	<u>2,130,205</u>	
TOTAL	13,016,880	209,059,931	6.23

Ratio of MY/MY-1 **1.00**

- Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year (2013)	Measuring Year -1 (2012)
January	190.1	187.2
February	190.9	188.0
March	191.6	188.7
April	192.8	189.9
May	194.7	191.8
June	195.2	192.3
July	195.5	192.3
August	196.0	193.1
September	196.1	193.2
October	196.2	193.8
November	196.6	193.7
December	196.7	194.0
Average	194.4	191.5
Ratio of MY/MY-1		1.02

STEP 2

Determine AAF by Summing the Weighted Indices

<u>Index</u>	<u>Ratio of MY to MY-1</u>	<u>Weight</u>	<u>Weighted Factors</u>
PPI Industrial Power	1.03	0.35	0.361
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.02	0.25	<u>0.255</u>
AAF			1.016

STEP 3

Apply Collar of $\pm 5.0\%$ to Determine the Maximum/Minimum AAF.

$-5.0\% < 1.6\% < 5.0\%$; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	<u>Demand</u> \$/kW-mo.	<u>Energy</u> \$/MWh
Current Rate Year Base Rate	7.56	12.91
New Rate Year Base Rate	7.68	13.12

NEW YORK POWER AUTHORITY

PUBLIC HEARING

Proposed Contracts for the Sale of Hydropower

August 3, 2026

2:00 p.m. - 6:00 p.m.

NYPA Speakers:

Page:

FELISA HOCHHEISER

2

EMILY ALKIEWICZ

4

Public Speakers:

(None)

FELISA HOCHHEISER: Good afternoon. This is a public hearing required by law and authorized by the New York Power Authority's Board of Trustees on a Proposed Form of Contracts for the Sale of Expansion Power Allocations.

My name is Felisa Hochheiser, and I'm the Authority's Vice President and Corporate Secretary.

New York State Public Authorities Law, Section 1009, sets forth procedures for executing certain contracts negotiated by the Authority. First, prior to the hearing, it requires that notice of the hearing be provided. Therefore, a notice was sent to: The Governor; the Speaker of the Assembly; the Chair of the Senate Finance Committee; the Chair of the Assembly Ways and Means Committee; the Senate Minority Leader; the Ranking Minority Member of the Assembly Ways and Means; and the President Pro Tempore and Majority Leader.

In addition, notices appeared once a week, for the four weeks leading up to this hearing, in the following newspapers: Niagara Gazette; Buffalo News; Buffalo Business First; Niagara County Tribune Sentinel-Lewiston; Albany Times

1 Union; and Dunkirk Observer.

2 The public was also given access to the
3 proposed contracts on the Authority's website
4 during the 30-day period prior to today s hearing.

5 After the hearing, the public will be given
6 access to the hearing transcript, once it is
7 completed, at www.nypa.gov.

8 The next step in the process set forth in
9 Section 1009 will be for the NYPA Trustees to
10 reconsider the proposed contracts in light of
11 public comments.

12 Once the Trustees have completed their
13 final review, the contracts will be forwarded to
14 the Governor for her consideration and approval.

15 If you plan to make an oral statement at
16 this hearing, I ask that you please indicate so on
17 the sign-in sheet. Also, if you have a written
18 statement, you can mail or email the Corporate
19 Secretary at: 123 Main Street, 9-B, as in boy,
20 White Plains, NY 10601; or email
21 secretarys.office@nypa.gov. That's
22 s-e-c-r-e-t-a-r-y-s dot office@nypa.gov.

23 Written statements may be of any length and
24 will appear in the record of the hearing in
25 addition to oral statements. The record of the

1 hearing will remain open for additional comments
2 up to and until close of business, Tuesday, August
3 4th, 2026.

4 At this point, I would like to introduce
5 Emily Alkiewicz, Director of Power Contracts and
6 Tariffs, who will provide additional details on
7 the proposed contracts for Expansion Power
8 Allocations. Thank you.

9 Ms. Alkiewicz?

10 EMILY ALKIEWICZ: Thank you,
11 Ms. Hochheiser.

12 I'm here today to present a summary of the
13 proposed contracts for Neofab Robotics Corp.,
14 Agile Cold Storage, LLC, and Bericap NY, LLC.
15 Regarding the three proposed contracts, under
16 Public Authorities Law Section 1005(13), the
17 Authority may allocate and sell directly or by
18 sale-for-resale, 250 megawatts of Expansion Power,
19 also known as EP, and 445 megawatts of Replacement
20 Power, known as RP, to businesses located within
21 30 miles of the Niagara Power Project, provided
22 that that amount of EP allocated to businesses in
23 Chautauqua County on January 1st, 1987, shall
24 continue to be allocated in Chautauqua County.

25 At its March 31st, 2026 meeting, the NYPA

1 Trustees approved a 510 kW allocation of EP for a
2 term of ten years to Neofab Robotics Corp., also
3 known as Neofab. Based on commitments of creating
4 at least 23 new full-time jobs and making a
5 capital investment of at least \$3,913,400 at
6 Sanborn, New York, that would utilize the EP
7 allocation.

8 The Trustees also provided authorization
9 for this public hearing, in accordance with the
10 Public Authorities Law, PAL 1009, on a proposed
11 form of contract with Neofab that would, along
12 with the Authority's Service Tariff Number WNY-2,
13 ST WNY-2, apply to the sale of EP to Neofab.

14 Established in 2025, Neofab specializes in
15 automated robotic-assisted fabrication, welding,
16 tube and pipe processing, and precision industrial
17 manufacturing. The company places a strong
18 emphasis on integrating robotics and artificial
19 intelligence (AI) into its manufacturing processes
20 to help bridge the gap between traditional
21 fabrication and modern technology.

22 Neofab proposes to construct a 24,000
23 square foot facility to include manufacturing
24 space and offices at its new Sanborn, New York
25 site.

1 The company states that the project would
2 support the implementation of state-of-the-art
3 automation technologies, which are anticipated to
4 increase productivity, reduce material waste, and
5 shorten lead times, and improve energy efficiency.

6 The company s expansion project would
7 involve a capital investment of at least
8 \$3,913,400, which includes facility construction
9 costs, new machinery and equipment purchases, and
10 furniture and fixture expenditures.

11 Neofab plans to begin initial phases of the
12 project this year, with additional phases targeted
13 for completion through the remainder of 2026.

14 At its May 19th, 2026 meeting, the NYPA
15 Trustees approved another allocation, 660 kW of
16 EP, for a term of ten years to Agile Cold Storage,
17 LLC, based on commitments of creating at least 44
18 new full-time jobs and making a capital investment
19 of at least \$27.8 million at its West Seneca
20 facility that would utilize the EP allocation.

21 The Trustees also provided authorization
22 for a public hearing, in accordance with the
23 Public Authorities Law, PAL 1009, on a proposed
24 form of contract that Agile would, along with
25 Authority Service Tariff Number WNY-2, ST WNY-2,

1 apply to the sale of EP to Agile.

2 Established in 2019, Agile operates cold
3 storage facilities specializing in automated,
4 temperature-controlled warehouses for the frozen
5 food industry. The company provides services
6 including blast freezing, layer/case picking,
7 cross-docking, export services, tempering, and
8 e-commerce.

9 Agile s expansion involves the construction
10 of a new 133,000 square-foot cold storage
11 warehouse and food processing facility in West
12 Seneca. The facility would provide
13 temperature-controlled storage and manufacturing
14 space, utilizing advanced automation and logistics
15 to efficiently manage and preserve food products.

16 The company s expansion would involve a
17 capital investment of at least \$27.8 million,
18 which includes new machinery and equipment
19 purchases, processing equipment, and process area
20 fit-out, and the installation of refrigeration
21 systems for cold storage and process areas.

22 Agile anticipates multiple phases for the
23 expansion project, and they're currently targeted
24 for completion in 2026.

25 At its May 19th, 2026 meeting, the Trustees

1 also approved a 1,540 kW allocation of EP for a
2 term of ten years to Bericap NY, LLC, abbreviated
3 as "Bericap," based on commitments of creating at
4 least 40 new full-time jobs and making a capital
5 investment of at least \$22,343,000 at its
6 Cheektowaga facility that would utilize the EP
7 allocation.

8 The Trustees also provided authorization
9 for this public hearing, in accordance with the
10 Public Authorities Law, 1009, on a proposed form
11 of contract with Bericap that would, along with
12 Authority Service Tariff WNY-2, ST WNY-2, apply to
13 the sale of EP to Bericap.

14 Established in 1926, Bericap specializes in
15 plastic closures and caps for the food, beverage,
16 pharmaceutical, and automotive industries. The
17 company is headquartered in Germany and operates
18 30 manufacturing sites worldwide, supporting
19 global brands such as Coca-Cola, Danone,
20 Kraft-Heinz, and ExxonMobil.

21 Bericap is proposing to acquire and
22 retrofit a 100,000 square-foot manufacturing
23 facility in Cheektowaga to meet increased demand
24 from the Northeast and Great Lakes consumer goods
25 markets.

1 The facility location would provide
2 strategic access to interstate highways,
3 transportation infrastructure, and border
4 crossings.

5 The company s expansion project would
6 involve a capital investment of at least
7 \$22,343,000, which includes renovations and
8 retrofitting costs, new machinery and equipment
9 purchases, and furniture and fixtures.

10 Bericap anticipates multiple phases for
11 this expansion project, and it's currently
12 targeted for completion in 2027.

13 The following is a summary of pertinent
14 provisions in the proposed contracts: The
15 contracts provide for the direct billing of all
16 hydropower supply charges, and all New York
17 Independent System Operator, Inc., NYISO, charges
18 and taxes.

19 The contracts include customer agreed-upon
20 commitments with respect to employment, capital
21 investment and power utilization.

22 Under the contracts, the Authority may
23 reduce or terminate an allocation if employment,
24 power utilization or capital investment
25 commitments are not met.

1 Relatedly, the contracts include an annual
2 job reporting requirement and a job compliance
3 threshold of 90 percent.

4 Should the company's average annual
5 employment fall below the compliance threshold of
6 90 percent of the employment commitment, the
7 Authority may reduce the amount of the allocation.

8 The contracts provide for the company to
9 perform an energy audit at its facilities at least
10 once within five years, helping to ensure that the
11 customer uses the hydropower efficiently.

12 To address non-payment risk that could
13 result from the direct billing arrangement, the
14 contracts include commercially reasonable
15 provisions concerning the Authority's ability to
16 charge late payment fees; to require deposits in
17 the event of the customer's failure to make
18 payment for any two monthly bills.

19 These contract provisions are consistent
20 with other Authority direct sale contracts,
21 including the Recharge New York sales contracts.

22 The contracts provide for collection of a
23 Zero Emission Credit charge and a Renewable Energy
24 Credit charge to allow the Authority to recover
25 costs it would incur related to its purchase of

1 Zero Emission Credits and Renewable Energy Credits
2 attributable to the customer s load.

3 The contracts will address the allocation
4 along with the Authority's Service Tariff WNY-2,
5 which specifies rates and other terms applicable
6 to other EP and RP allocations.

7 Transmission and delivery service for the
8 allocations will be provided by the customer s
9 local utility, in accordance with the Utilities
10 Public Service Commission-approved delivery
11 service tariffs.

12 As Ms. Hochheiser stated earlier, the
13 Authority will accept your comments on the
14 proposed contracts until the close of business on
15 Tuesday, August 4th, 2026.

16 I will now turn the hearing back to
17 Ms. Hochheiser. Thank you.

18 FELISA HOCHHEISER: Thank you,
19 Ms. Alkiewicz.

20 Has anyone shown up to speak at the
21 hearing?

22 EMILY ALKIEWICZ: Not at this time.

23 FELISA HOCHHEISER: Since no one has signed
24 up to speak at the hearing, we will recess and
25 reconvene as speakers arrive. Thank you.

1 (Recess.)

2 FELISA HOCHHEISER: It is now 6:00 p.m. As
3 I previously stated, the record of the hearing
4 will remain open for additional comments up to and
5 until close of business, Tuesday, August 4th,
6 2026.

7 The August 3rd, 2026, Public Hearing on the
8 Proposed Sale of Contracts for Expansion Power
9 Allocations is now officially closed.

10 Thank you, and good night.

11 (Thereupon, the meeting was adjourned.)
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I, Jackie Mentecky, Court
Stenographer, certify that I was authorized to and did
stenographically report the foregoing proceedings and
that the transcript is a true and complete record of my
stenographic notes.

Dated this 3rd day of August, 2026.

/s/ Jackie Mentecky

Jackie Mentecky, Court Stenographer

\$22343000 8:5 9:7	agreedupon 9:19	are 6:3 9:25 10:19
\$278 6:19 7:17	ai 5:19	area 7:19
\$3913400 5:5 6:8	albany 2:25	areas 7:21
19th 6:14 7:25	alkiewicz 10 4:5,9,10 11:19,22 (6)	arrangement 10:13
1st 4:23	allocate 4:17	arrive 11:25
30day 3:4	allocated 4:22,24	artificial 5:18
31st 4:25	allocation 5:1,7 6:15,20 8:1,7 9:23 10:7 11:3 (9)	ask 3:16
3rd 12:7 13:13	allocations 2:5 4:8 11:6,8 12:9 (5)	assembly 2:15,16,18
4th 4:3 11:15 12:5	allow 10:24	attributable 11:2
9b 3:19	along 5:11 6:24 8:11 11:4 (4)	audit 10:9
abbreviated 8:2	also 3:2,17 4:19 5:2,8 6:21 8:1,8 (8)	august 5 4:2 11:15 12:5,7 13:13 (6)
ability 10:15	amount 4:22 10:7	authorities 2:9 4:16 5:10 6:23 8:10 (5)
accept 11:13	annual 10:1,4	authority 2 2:11 4:17 6:25 8:12 9:22 10:7,20,24 11:13 (10)
access 3:2,6 9:2	another 6:15	authority's 2:3,7 3:3 5:12 10:15 11:4 (6)
accordance 5:9 6:22 8:9 11:9 (4)	anticipated 6:3	authorization 5:8 6:21 8:8
acquire 8:21	anticipates 7:22 9:10	authorized 2:2 13:8
addition 2:21 3:25	anyone 11:20	automated 5:15 7:3
additional 4:1,6 6:12 12:4 (4)	appear 3:24	automation 6:3 7:14
address 10:12 11:3	appeared 2:21	automotive 8:16
adjourned 12:11	applicable 11:5	average 10:4
advanced 7:14	apply 5:13 7:1 8:12	back 11:16
after 3:5	approval 3:14	based 5:3 6:17 8:3
afternoon 2:1	approved 5:1 6:15 8:1	begin 6:11
agile 4:14 6:16,24 7:1,2,9,22 (7)		

below 10:5	chautauqua 4:23,24	consumer 8:24
bericap 4:14 8:2,3,11,13,14,21 9:10 (8)	cheektowaga 8:6,23	continue 4:24
between 5:20	close 4:2 11:14 12:5	contract 5:11 6:24 8:11 10:19 (4)
beverage 8:15	closed 12:9	contracts 4 2:4,11 3:3,10,13 4:5,7,13,15 9:14,15,19,22 10:1,8,14,20,21,22 11:3,14 12:8 (23)
billing 9:15 10:13	closures 8:15	corp 4:13 5:2
bills 10:18	cocacola 8:19	corporate 2:7 3:18
blast 7:6	cold 4:14 6:16 7:2,10,21 (5)	costs 6:9 9:8 10:25
board 2:3	collection 10:22	could 10:12
border 9:3	comments 3:11 4:1 11:13 12:4 (4)	county 2:25 4:23,24
boy 3:19	commercially 10:14	court 13:7,16
brands 8:19	commissionapproved 11:10	creating 5:3 6:17 8:3
bridge 5:20	commitment 10:6	credit 10:23,24
buffalo 2:24,24	commitments 5:3 6:17 8:3 9:20,25 (5)	credits 11:1,1
business 2:24 4:2 11:14 12:5 (4)	committee 2:16,17	crossdocking 7:7
businesses 4:20,22	company 5:17 6:1,6 7:5,16 8:17 9:5 10:4,8 (9)	crossings 9:4
c 13:1,1	complete 13:10	currently 7:23 9:11
can 3:18	completed 3:7,12	customer 9:19 10:11,17 11:2,8 (5)
capital 5:5 6:7,18 7:17 8:4 9:6,20,24 (8)	completion 6:13 7:24 9:12	danone 8:19
caps 8:15	compliance 10:2,5	dated 13:13
certain 2:11	concerning 10:15	day 13:13
certify 13:8	consideration 3:14	delivery 11:7,10
chair 2:15,16	consistent 10:19	demand 8:23
charge 10:16,23,24	construct 5:22	deposits 10:16
charges 9:16,17	construction 6:8 7:9	

details 4:6 direct 9:15 10:13,20 directly 4:17 director 4:5 dot 3:22 dunkirk 3:1 during 3:4 e 13:1,1 earlier 11:12 ecommerce 7:8 efficiency 6:5 efficiently 7:15 10:11 email 3:18,20 emily 10 4:5,10 11:22 (4) emission 10:23 11:1 emphasis 5:18 employment 9:20,23 10:5,6 (4) energy 6:5 10:9,23 11:1 (4) ensure 10:10 ep 4:19,22 5:1,6,13 6:16,20 7:1 8:1,6,13 11:6 (12) equipment 6:9 7:18,19 9:8 (4) established 5:14 7:2 8:14 event 10:17 executing 2:10	expansion 2:5 4:7,18 6:6 7:9,16,23 9:5,11 12:8 (10) expenditures 6:10 export 7:7 exxonmobil 8:20 f 13:1 fabrication 5:15,21 facilities 7:3 10:9 facility 5:23 6:8,20 7:11,12 8:6,23 9:1 (8) failure 10:17 fall 10:5 fees 10:16 felisa 9 2:1,6 11:18,23 12:2 (6) final 3:13 finance 2:15 first 2:12,24 fitout 7:20 five 10:10 fixture 6:10 fixtures 9:9 following 2:23 9:13 food 7:5,11,15 8:15 (4) foot 5:23 foregoing 13:9 form 2:4 5:11 6:24 8:10 (4)	forth 2:10 3:8 forwarded 3:13 four 2:22 freezing 7:6 frozen 7:4 fulltime 5:4 6:18 8:4 furniture 6:10 9:9 gap 5:20 gazette 2:23 germany 8:17 given 3:2,5 global 8:19 good 2:1 12:10 goods 8:24 governor 2:14 3:14 great 8:24 has 11:20,23 headquartered 8:17 hearing 3 2:2,12,13,22 3:4,5,6,16,24 4:1 5:9 6:22 8:9 11:16,21,24 12:3,7 (19) help 5:20 helping 10:10 her 3:14 here 4:12 highways 9:2
---	---	---

hochheiser 9 2:1,6 4:11 11:12,17,18,23 12:2 (9) hydropower 4 9:16 10:11 i'm 2:6 4:12 implementation 6:2 improve 6:5 inc 9:17 include 5:23 9:19 10:1,14 (4) includes 6:8 7:18 9:7 including 7:6 10:21 increase 6:4 increased 8:23 incur 10:25 independent 9:17 indicate 3:16 industrial 5:16 industries 8:16 industry 7:5 infrastructure 9:3 initial 6:11 installation 7:20 integrating 5:18 intelligence 5:19 interstate 9:2 into 5:19 introduce 4:4	investment 5:5 6:7,18 7:17 8:5 9:6,21,24 (8) involve 6:7 7:16 9:6 involves 7:9 is 2:2,6 3:6 8:17,21 9:13 12:2,9 13:10 (9) its 4:25 5:19,24 6:14,19 7:25 8:5 10:9,25 (9) jackie 13:7,15,16 january 4:23 job 10:2,2 jobs 5:4 6:18 8:4 known 4:19,20 5:3 kraftheinz 8:20 kw 5:1 6:15 8:1 lakes 8:24 late 10:16 law 2:2,9 4:16 5:10 6:23 8:10 (6) layercase 7:6 lead 6:5 leader 2:17,20 leading 2:22 least 5:4,5 6:7,17,19 7:17 8:4,5 9:6 10:9 (10) length 3:23 light 3:10 like 4:4	llc 4:14,14 6:17 8:2 (4) load 11:2 local 11:9 located 4:20 location 9:1 logistics 7:14 machinery 6:9 7:18 9:8 mail 3:18 main 3:19 majority 2:19 make 3:15 10:17 making 5:4 6:18 8:4 manage 7:15 manufacturing 5:17,19,23 7:13 8:18,22 (6) march 4:25 markets 8:25 material 6:4 may 3:23 4:17 6:14 7:25 9:22 10:7 (6) means 2:17,19 meet 8:23 meeting 4:25 6:14 7:25 12:11 (4) megawatts 4:18,19 member 2:18 mentecky 13:7,15,16
--	---	---

met 9:25	notices 2:21	phases 6:11,12 7:22 9:10 (4)
miles 4:21	now 11:16 12:2,9	picking 7:6
million 6:19 7:17	number 5:12 6:25	pipe 5:16
minority 2:17,18	ny 3:20 4:14 8:2	places 5:17
modern 5:21	nyiso 9:17	plains 3:20
monthly 10:18	nypa 8 3:9 4:25 6:14 (4)	plan 3:15
ms 4:9,11 11:12,17,19 (5)	observer 3:1	plans 6:11
multiple 7:22 9:10	office@nypagov 3:22	plastic 8:15
my 2:6 13:10	offices 5:24	please 3:16
name 2:6	officially 12:9	pm 6,6 12:2
negotiated 2:11	once 2:21 3:6,12 10:10 (4)	point 4:4
neofab 4:13 5:2,3,11,13,14,22 6:11 (8)	one 11:23	power 2 2:3,5 4:5,7,18,20,21 9:21,24 12:8 (11)
new 2 2:3,9 5:4,6,24,24 6:9,18 7:10,18 8:4 9:8,16 10:21 (15)	open 4:1 12:4	precision 5:16
news 2:24	operates 7:2 8:17	present 4:12
newspapers 2:23	operator 9:17	preserve 7:15
next 3:8	oral 3:15,25	president 2:7,19
niagara 2:23,24 4:21	other 10:20 11:5,6	previously 12:3
night 12:10	page 8	prior 2:12 3:4
no 11:23	pal 5:10 6:23	pro 2:19
none 13	payment 10:16,18	procedures 2:10
nonpayment 10:12	percent 10:3,6	proceedings 13:9
northeast 8:24	perform 10:9	process 3:8 7:19,21
notes 13:11	period 3:4	processes 5:19
notice 2:13,14	pertinent 9:13	processing 5:16 7:11,19
	pharmaceutical 8:16	productivity 6:4

products 7:15 project 4:21 6:1,6,12 7:23 9:5,11 (7) proposed 4 2:4 3:3,10 4:7,13,15 5:10 6:23 8:10 9:14 11:14 12:8 (13) proposes 5:22 proposing 8:21 provide 4:6 7:12 9:1,15 10:8,22 (6) provided 2:13 4:21 5:8 6:21 8:8 11:8 (6) provides 7:5 provisions 9:14 10:15,19 public 3,12 2:2,9 3:2,5,11 4:16 5:9,10 6:22,23 8:9,10 11:10 12:7 (16) purchase 10:25 purchases 6:9 7:19 9:9 r 13:1 ranking 2:18 rates 11:5 reasonable 10:14 recess 11:24 12:1 recharge 10:21 reconsider 3:10 reconvene 11:25 record 3:24,25 12:3 13:10 (4) recover 10:24	reduce 6:4 9:23 10:7 refrigeration 7:20 regarding 4:15 related 10:25 relatedly 10:1 remain 4:1 12:4 remainder 6:13 renewable 10:23 11:1 renovations 9:7 replacement 4:19 report 13:9 reporting 10:2 require 10:16 required 2:2 requirement 10:2 requires 2:12 respect 9:20 result 10:13 retrofit 8:22 retrofitting 9:8 review 3:13 risk 10:12 roboticassisted 5:15 robotics 4:13 5:2,18 rp 4:20 11:6	s 3:4 6:6 7:9,16 9:5 10:4,17 11:2,8 13:15 (10) sale 4 2:5 5:13 7:1 8:13 10:20 12:8 (7) saleforresale 4:18 sales 10:21 sanborn 5:6,24 secretary 2:8 3:19 secretarys 3:22 secretarysoffice@nypagov 3:21 section 2:10 3:9 4:16 sell 4:17 senate 2:15,17 seneca 6:19 7:12 sent 2:14 sentinellewiston 2:25 service 5:12 6:25 8:12 11:4,7,10,11 (7) services 7:5,7 set 3:8 sets 2:10 shall 4:23 sheet 3:17 shorten 6:5 should 10:4 shown 11:20
--	--	--

signed 11:23	step 3:8	terminate 9:23
signin 3:17	storage 4:14 6:16 7:3,10,13,21 (6)	terms 11:5
since 11:23	strategic 9:2	thank 4:8,10 11:17,18,25 12:10 (6)
site 5:25	street 3:19	their 3:12
sites 8:18	strong 5:17	therefore 2:13
so 3:16	such 8:19	thereupon 12:11
space 5:24 7:14	summary 4:12 9:13	these 10:19
speak 11:20,24	supply 9:16	they're 7:23
speaker 2:14	support 6:2	three 4:15
speakers 8,12 11:25	supporting 8:18	threshold 10:3,5
specializes 5:14 8:14	system 9:17	through 6:13
specializing 7:3	systems 7:21	time 11:22
specifies 11:5	t 13:1,1	times 2:25 6:5
square 5:23	targeted 6:12 7:23 9:12	today 3:4 4:12
squarefoot 7:10 8:22	tariff 5:12 6:25 8:12 11:4 (4)	traditional 5:20
st 5:13 6:25 8:12	tariffs 4:6 11:11	transcript 3:6 13:10
state 2:9	taxes 9:18	transmission 11:7
stated 11:12 12:3	technologies 6:3	transportation 9:3
statement 3:15,18	technology 5:21	tribune 2:25
statements 3:23,25	temperaturecontrolled 7:4,13	true 13:10
stateoftheart 6:2	tempering 7:7	trustees 2:4 3:9,12 5:1,8 6:15,21 7:25 8:8 (9)
states 6:1	tempore 2:19	tube 5:16
stenographer 13:8,16	ten 5:2 6:16 8:2	tuesday 4:2 11:15 12:5
stenographic 13:11	term 5:2 6:16 8:2	turn 11:16
stenographically 13:9		

two 10:18	within 4:20 10:10	2027 9:12
under 4:15 9:22	wny2 5:12,13 6:25,25 8:12,12 11:4 (7)	10601 3:20
union 3:1	worldwide 8:18	24000 5:22
until 4:2 11:14 12:5	would 4:4 5:6,11 6:1,6,20,24 7:12,16 8:6,11 9:1,5 10:25 (14)	100000 8:22
up 2:22 4:2 11:20,24 12:4 (5)	written 3:17,23	100513 4:16
uses 10:11	wwwnypagov 3:7	133000 7:10
utilities 11:9	year 6:12	
utility 11:9	years 5:2 6:16 8:2 10:10 (4)	
utilization 9:21,24	york 2 2:3,9 5:6,24 9:16 10:21 (7)	
utilize 5:6 6:20 8:6	your 11:13	
utilizing 7:14	zero 10:23 11:1	
vice 2:7	250 4:18	
warehouse 7:11	445 4:19	
warehouses 7:4	510 5:1	
waste 6:4	600 6 12:2	
ways 2:16,18	660 6:15	
website 3:3	1009 2:10 3:9 5:10 6:23 8:10 (5)	
week 2:21	1540 8:1	
weeks 2:22	1926 8:14	
welding 5:15	1987 4:23	
west 6:19 7:11	2019 7:2	
which 6:3,8 7:18 9:7 11:5 (5)	2025 5:14	
white 3:20	2026 5 4:3,25 6:13,14 7:24,25 11:15 12:6,7 13:13 (11)	
who 4:6		
will 3:5,9,13,24 4:1,6 11:3,8,13,16,24 12:4 (12)		

PUBLIC HEARING

Extension of Hydropower Contracts, and the Sale of
Replacement Power Allocations

September 16, 2026

2:00 p.m. to 6:00 p.m.

NYPA SPEAKER	PAGE
Felisa Hochheiser	2
Emily Alkiewicz	4

PUBLIC SPEAKER	PAGE
(None.)	

FELISA HOCHHEISER: Good afternoon. This is a public hearing required by law and authorized by the New York Power Authority's Board of Trustees on a proposed form of contract for the extension of hydropower contracts, and the sale of replacement power allocations.

My name is Felisa Hochheiser, and I'm the Authority's Vice President and Corporate Secretary.

New York State Public Authorities Law, Section 1009, sets forth procedures for executing certain contracts negotiated by the Authority.

First, prior to the hearing, it requires that notice of the hearing be provided. Therefore, a notice was sent to the Governor, the Speaker of the Assembly, the Chair of Senate Finance Committee, the Chair of Assembly Ways and Means Committee, the Senate Minority Leader, the Ranking Minority Member of the Assembly Ways and Means, and the President Pro Tempore and the Majority Leader.

In addition, notices appeared once a week for the four weeks leading up to this hearing in the following newspapers: Niagara Gazette, Buffalo News, Buffalo Business First, Niagara

1 County Tribune Sentinel-Lewiston, Albany
2 Times-Union, and Dunkirk Observer.

3 The public was also given access to the
4 proposed contracts on the Authority's website
5 during the 30-day period prior to today's hearing.

6 After the hearing, the public will be given
7 access to the hearing transcript, once it is
8 completed at www.nypa.gov.

9 The next step in the process set forth in
10 Section 1009 will be for the NYPA Trustees to
11 reconsider the proposed contracts in light of
12 public comments. Once the Trustees have completed
13 their final review, the contracts will be
14 forwarded to the Governor for her consideration
15 and approval.

16 If you plan to make an oral statement at
17 this hearing, I ask that you please indicate so on
18 the sign-in sheet. Also, if you have a written
19 statement, you can mail or email the Corporate
20 Secretary at 123 Main Street, 9-B, as in boy,
21 White Plains, New York 10601, or email at
22 secretarys.office@nypa.gov. That's
23 s-e-c-r-e-t-a-r-y-s dot office@nypa.gov.

24 The written statements may be of any length
25 and will appear in the record of the hearing in

1 addition to oral statements. The record of the
2 hearing will remain open for additional comments
3 up to and until close of business, Thursday,
4 September 17th, 2026.

5 At this point, I would like to introduce
6 Emily Alkiewicz, Director of Power Contracts and
7 Tariffs, who will provide additional details on
8 the proposed contracts for expansion power
9 allocations. Thank you.

10 Ms. Alkiewicz?

11 EMILY ALKIEWICZ: Thank you,
12 Ms. Hochheiser.

13 I'm here today to present a summary of the
14 proposed contract extensions for Niagara Mohawk
15 Power Corporation, doing business as National
16 Grid, New York State Electric and Gas Corporation,
17 or NYSEG, and Rochester Gas and Electric
18 Corporation, known as RG&E, that would amend
19 existing contracts between the Authority and each
20 of the utilities to provide for the continued sale
21 of firm peaking hydropower allocations, as well as
22 a summary of a proposed contract for Air Company
23 Holdings, Inc.

24 At their July 28th, 2026 meeting, the NYPA
25 Trustees approved an extension of National Grid's

1 175 megawatts, NYSEG's 115 megawatts, and RG&E's
2 35 megawatt allocations for one year, as well as
3 approved the form of the proposed contract
4 extension.

5 The Trustees also provided authorization
6 for this public hearing in accordance with the
7 Public Authorities Law, PAL 1009, on the proposed
8 form of contract extensions for National Grid,
9 NYSEG, and RG&E.

10 Regarding the three proposed contracts of
11 firm peaking hydropower to National Grid, NYSEG,
12 and RG&E, in accordance with the hydropower
13 contracts signed with the utilities in 1990, and
14 subsequent contract extensions, the utilities have
15 purchased both firm and peaking power from the
16 St. Lawrence FDR and Niagara Power Projects.

17 The utilities have purchased such power at
18 the Authority's cost-based preference power
19 hydropower rate, the benefits of which have been
20 passed on to the utilities' residential and
21 small-farm customers, also referred to as their
22 rural and domestic R&D consumers, without markup,
23 through the retail service rates provided by the
24 utilities.

25 Chapter 60 (Part CC) of the Laws of 2011,

1 created the Recharge New York Power Program. The
2 statute authorized the Authority to use the firm
3 hydropower previously allocated to the utilities
4 for the RNY program. See PAL 1005(13-a).

5 Effective August 1st, 2011, the Authority
6 withdrew the firm power allocations from the
7 utilities in accordance with the withdrawal
8 provisions of the 1990 hydro contracts, and the
9 new law, and terminated the firm allocations of
10 189 megawatts for National Grid, 167 megawatts for
11 NYSEG, and 99 megawatts for RG&E, but continued to
12 sell the firm peaking power to the utilities in
13 the following amounts: National Grid, 175
14 megawatts; NYSEG, 150 megawatts; and RG&E, 35
15 megawatts.

16 National Grid did not extend its 1990 hydro
17 contract initially in 2020, but in 2022, it signed
18 an agreement with the Authority to recommence
19 electric service under the 1990 service agreement
20 for the 175 megawatts of firm peaking power until
21 the expiration of the agreement on December 31st,
22 2023.

23 In 2020, NYSEG and RG&E extended their
24 agreements for three-year terms, expiring along
25 with National Grid's contract at the end of 2023.

1 In 2023, the Authority began extending the
2 peaking power allocations and the terms of the
3 1990 hydropower contracts on an annual basis. The
4 Authority subsequently approved one-year
5 extensions through December 36, 2026.

6 In 2025, NYPA amended the contract to
7 update the rate provisions consistent with the
8 Authority's 2025 preference power rulemaking
9 applicable to the utility's hydroelectric
10 purchases on behalf of RFD consumers.

11 The proposed 2026 utility contract
12 extensions would continue the sale of 360
13 megawatts of firm peaking hydropower to utilities,
14 which consists of the 175 megawatts for National
15 Grid, 150 for NYSEG, and 35 for RG&E.

16 These peaking power allocations will
17 continue to allow NYPA to pass on benefits of firm
18 peaking power to the utilities' R&D consumers.

19 The utilities have agreed to an extension
20 of the 1990 hydro contracts With NYPA having the
21 right to terminate each contract upon 30 days'
22 notice. These contracts provide for a one-year
23 extension through December 31st, 2027.

24 In addition, because the current extensions
25 are scheduled to expire on December 31st, 2026,

1 the Authority has agreed to execute contract
2 extensions on a month-to-month basis, pending the
3 completion of the public hearing process and
4 approval by the governor.

5 Some relevant provisions of the proposed
6 contracts include direct billing of all hydropower
7 supply charges, and all New York Independent
8 System Operator and NYISO charges and taxes, as
9 well as the supply of substitute energy in the
10 case of an unanticipated hydropower curtailment.

11 Transmission and delivery service for the
12 allocations will be provided by National Grid,
13 NYSEG, and RG&E in accordance with the utilities'
14 Public Service Commission-approved delivery
15 service tariffs.

16 Regarding the proposed contract, under
17 Public Authorities Law, subsection 13, the
18 Authority may sell and allocate directly or by
19 sale for resale 250 megawatts of expansion power,
20 known as EP, 445 megawatts of replacement power,
21 known as RP, to businesses located within 30 miles
22 of the Niagara Power Project, provided that the
23 amount of EP allocated to the businesses in
24 Chautauqua County on January 1st, 1987, shall
25 continue to be allocated in Chautauqua County.

1 At their October 8th, 2024 meeting, the
2 NYPA Trustees approved a 3,000-kilowatt allocation
3 of RP for a term of 10 years to Air Company
4 Holdings, Inc., abbreviated for this hearing as
5 Air Company, based on commitments of creating at
6 least 17 new full-time jobs, and making a capital
7 investment of at least \$30,100,000 at the Medina
8 facility that will use the RFP allocation.

9 The Trustees also approved authorization
10 for this public hearing in accordance with Public
11 Authorities Law PAL 1009 on a proposed formal
12 contract with the company that would, along with
13 the Authority service tariff number WNY2-ST-WNY2
14 applied to the sale of RP to Air Company.

15 Air Company, headquartered in Manhattan,
16 develops technology to manufacture sustainable
17 fuels and chemicals from captured biogenic carbon
18 dioxide. The company proposes to construct a new
19 218,000-square-foot facility in Medina, New York,
20 using renewable electricity to produce sustainable
21 aviation fuel, abbreviated as SAF, and byproducts
22 including renewable diesel and alcohols.

23 Air Company states that the project would
24 utilize its proprietary AIRMADE technology to
25 produce approximately 100,000 gallons of SAF

1 annually. A critical component of the project is
2 the construction and operation of an SAF
3 demonstration unit that would serve as a platform
4 to finalize technological developments prior to
5 scaling up commercial volumes.

6 The new facility would also provide the
7 company with additional space needed for potential
8 future expansion at the site. The company's
9 expansion project would involve a capital
10 investment expenditure of at least \$30.1 million,
11 which includes \$20 million to construct an assay
12 demonstration unit, \$5.1 million for new machinery
13 and equipment purchases, and \$5 million to
14 construct a new enclosure building to house
15 auxiliary equipment and the control room.

16 Given that Air Company will be utilizing
17 biogenic carbon dioxide and renewable energy in
18 its manufacturing processes, the company's
19 application for hydropower has been considered
20 under the Green Jobs Evaluation and Incentive Plan
21 approved by the Trustees on December 9th, 2020.

22 The site of the proposed expansion is also
23 located within a disadvantaged community.
24 Accordingly, the company's application for
25 hydropower has been considered under NYPA's

1 diversity, equity, inclusion evaluation incentive
2 plan approved by the Board of Trustees on December
3 7th, 2021.

4 The following is a summary of relevant
5 provisions in the proposed contract: The contract
6 provides for the direct billing of all hydropower
7 supply charges and all New York Independent System
8 Operator, Inc., NYISO, charges and taxes. The
9 contract includes customer agreed-upon commitments
10 with respect to employment, capital investment,
11 and power utilization.

12 Under the contract, the Authority may
13 reduce or terminate the allocation if employment,
14 power utilization, or capital investment
15 commitments are not met. Relatedly, the contract
16 includes an annual job reporting requirement and a
17 job compliance threshold of 90 percent. Should
18 the company's average annual employment fall below
19 the compliance threshold of 90 percent of the
20 employment commitment, the Authority may reduce
21 the allocation.

22 The contract provides for the company to
23 perform an energy audit at its facility at least
24 once within five years, helping to ensure That the
25 customer use the hydropower efficiently.

1 To address nonpayment risks that could
2 result from the direct billing arrangement, the
3 company include -- the contract includes
4 commercially reasonable provisions concerning the
5 Authority's ability to charge late payment fees
6 and to require deposits. These contract
7 provisions are consistent with other authority
8 direct sale contracts, including Recharge New York
9 sales contracts.

10 The contract provides for the collection of
11 a zero-emission credit charge and a renewable
12 energy credit charge to allow the Authority to
13 recover costs that it would incur relating to the
14 purchase of zero emission credits and renewable
15 energy credits attributable to the customer's
16 load.

17 The contract will address the allocation
18 along with the Authority service tariff WNY2,
19 which specifies rates and other terms applicable
20 to other EP and RP allocations.

21 Transmission and delivery service for the
22 allocation will be provided by the customer's
23 local utility in accordance with the utilities'
24 Public Service Commission-approved delivery
25 service tariffs.

1 As Ms. Hochheiser stated earlier, the
2 Authority will accept comments on the proposed
3 contracts until the close of business on Thursday,
4 September 17th, 2026.

5 I'll now turn the hearing back to
6 Ms. Hochheiser.

7 FELISA HOCHHEISER: Thank you,
8 Ms. Alkiewicz.

9 Has anyone signed up to speak at the
10 hearing?

11 EMILY ALKIEWICZ: Not at this time.

12 FELISA HOCHHEISER: Since no one has signed
13 up to speak at the hearing, we will recess and
14 reconvene as speakers arrive.

15 (In recess.)

16 FELISA HOCHHEISER: It is now 6:00 p.m.

17 As I previously stated, the record of the
18 hearing will remain open for additional comments
19 up to and until close of business Thursday,
20 September 17th, 2026.

21 The September 16th, 2026 public hearing on
22 the proposed form of contracts for the extension
23 of hydropower contracts and the sale of
24 replacement power allocations is now officially
25 closed.

1 Thank you and good night.

2 (Meeting adjourned.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E

I, Jackie Mentecky, Court Stenographer,
certify that I was authorized to and did stenographically
report the foregoing proceedings and that the transcript
is a true and complete record of my stenographic notes.

Dated this 16th day of September, 2026.

/s/ Jackie Mentecky

Jackie Mentecky, Court Stenographer

\$20 10:11	additional 4:2,7 10:7 13:18 (4)	amended 7:6
\$301 10:10	address 12:1,17	amount 8:23
\$30100000 9:7	adjourned 14:2	amounts 6:13
\$5 10:13	after 3:6	annual 7:3 11:16,18
\$51 10:12	afternoon 2:1	annually 10:1
100513a 6:4	agreed 7:19 8:1	anyone 13:9
16th 13:21 15:9	agreedupon 11:9	appear 3:25
17th 4:4 13:4,20	agreement 6:18,19,21	appeared 2:22
1st 6:5 8:24	agreements 6:24	applicable 7:9 12:19
218000squarefoot 9:19	air 4:22 9:3,5,14,15,23 10:16 (7)	application 10:19,24
28th 4:24	airmade 9:24	applied 9:14
3000kilowatt 9:2	albany 3:1	approval 3:15 8:4
30day 3:5	alcohols 9:22	approved 4:25 5:3 7:4 9:2,9 10:21 11:2 (7)
31st 6:21 7:23,25	alkiewicz 12 4:6,10,11 13:8,11 (6)	approximately 9:25
7th 11:3	allocate 8:18	are 7:25 11:15 12:7
8th 9:1	allocated 6:3 8:23,25	arrangement 12:2
9b 3:20	allocation 9:2,8 11:13,21 12:17,22 (6)	arrive 13:14
9th 10:21	allocations 5 2:6 4:9,21 5:2 6:6,9 7:2,16 8:12 12:20 13:24 (12)	ask 3:17
abbreviated 9:4,21	allow 7:17 12:12	assay 10:11
ability 12:5	along 6:24 9:12 12:18	assembly 2:16,17,19
accept 13:2	also 3:3,18 5:5,21 9:9 10:6,22 (7)	attributable 12:15
access 3:3,7	amend 4:18	audit 11:23
accordance 5:6,12 6:7 8:13 9:10 12:23 (6)		august 6:5
accordingly 10:24		authorities 2:10 5:7 8:17 9:11 (4)
addition 2:22 4:1 7:24		

authority 2:12 4:19 6:2,5,18 7:1,4 8:1,18 9:13 11:12,20 12:7,12,18 13:2 (16) authority's 2:3,8 3:4 5:18 7:8 12:5 (6) authorization 5:5 9:9 authorized 2:2 6:2 15:5 auxiliary 10:15 average 11:18 aviation 9:21 back 13:5 based 9:5 basis 7:3 8:2 because 7:24 began 7:1 behalf 7:10 below 11:18 benefits 5:19 7:17 between 4:19 billing 8:6 11:6 12:2 biogenic 9:17 10:17 board 2:3 11:2 both 5:15 boy 3:20 buffalo 2:25,25 building 10:14 business 2:25 4:3,15 13:3,19	(5) businesses 8:21,23 byproducts 9:21 c 15:1,1 can 3:19 capital 9:6 10:9 11:10,14 (4) captured 9:17 carbon 9:17 10:17 case 8:10 cc 5:25 certain 2:12 certify 15:5 chair 2:16,17 chapter 5:25 charge 12:5,11,12 charges 8:7,8 11:7,8 (4) chautauqua 8:24,25 chemicals 9:17 close 4:3 13:3,19 closed 13:25 collection 12:10 comments 3:12 4:2 13:2,18 (4) commercial 10:5 commercially 12:4 commissionapproved 8:14	12:24 commitment 11:20 commitments 9:5 11:9,15 committee 2:17,18 community 10:23 company 4:22 9:3,5,12,14,15,18,23 10:7,16 11:22 12:3 (12) company's 10:8,18,24 11:18 (4) complete 15:7 completed 3:8,12 completion 8:3 compliance 11:17,19 component 10:1 concerning 12:4 consideration 3:14 considered 10:19,25 consistent 7:7 12:7 consists 7:14 construct 9:18 10:11,14 construction 10:2 consumers 5:22 7:10,18 continue 7:12,17 8:25 continued 4:20 6:11 contract 2:4 4:14,22 5:3,8,14 6:17,25 7:6,11,21 8:1,16 9:12 11:5,5,9,12,15,22 12:3,6,10,17
---	---	--

(24) contracts 4 2:5,12 3:4,11,13 4:6,8,19 5:10,13 6:8 7:3,20,22 8:6 12:8,9 13:3,22,23 (21) control 10:15 corporate 2:8 3:19 corporation 4:15,16,18 costbased 5:18 costs 12:13 could 12:1 county 3:1 8:24,25 court 15:4,14 created 6:1 creating 9:5 credit 12:11,12 credits 12:14,15 critical 10:1 current 7:24 curtailment 8:10 customer 11:9,25 customer's 12:15,22 customers 5:21 dated 15:9 day 15:9 days' 7:21 december 6:21 7:5,23,25 10:21 11:2 (6)	delivery 8:11,14 12:21,24 (4) demonstration 10:3,12 deposits 12:6 details 4:7 developments 10:4 develops 9:16 diesel 9:22 dioxide 9:18 10:17 direct 8:6 11:6 12:2,8 (4) directly 8:18 director 4:6 disadvantaged 10:23 diversity 11:1 doing 4:15 domestic 5:22 dot 3:23 dunkirk 3:2 during 3:5 e 15:1,1 each 4:19 7:21 earlier 13:1 effective 6:5 efficiently 11:25 electric 4:16,17 6:19 electricity 9:20	email 3:19,21 emily 12 4:6,11 13:11 (4) emission 12:14 employment 11:10,13,18,20 (4) enclosure 10:14 end 6:25 energy 8:9 10:17 11:23 12:12,15 (5) ensure 11:24 ep 8:20,23 12:20 equipment 10:13,15 equity 11:1 evaluation 10:20 11:1 execute 8:1 executing 2:11 existing 4:19 expansion 4:8 8:19 10:8,9,22 (5) expenditure 10:10 expiration 6:21 expire 7:25 expiring 6:24 extend 6:16 extended 6:23 extending 7:1 extension 4 2:5 4:25 5:4
---	--	---

7:19,23 13:22 (7)	future 10:8	10:19,25 11:6,25 13:23 (16)
extensions 4:14 5:8,14 7:5,12,24 8:2 (7)	gallons 9:25	i'll 13:5
f 15:1	gas 4:16,17	i'm 2:7 4:13
facility 9:8,19 10:6 11:23 (4)	gazette 2:24	inc 4:23 9:4 11:8
fall 11:18	given 3:3,6 10:16	incentive 10:20 11:1
fdr 5:16	good 2:1 14:1	include 8:6 12:3
fees 12:5	governor 2:15 3:14 8:4	includes 10:11 11:9,16 12:3 (4)
felisa 11 2:1,7 13:7,12,16 (6)	green 10:20	including 9:22 12:8
final 3:13	grid 4:16 5:8,11 6:10,13,16 7:15 8:12 (8)	inclusion 11:1
finalize 10:4	grid's 4:25 6:25	incur 12:13
finance 2:17	has 8:1 10:19,25 13:9,12 (5)	independent 8:7 11:7
firm 4:21 5:11,15 6:2,6,9,12,20 7:13,17 (10)	having 7:20	indicate 3:17
first 2:13,25	headquartered 9:15	initially 6:17
five 11:24	hearing 3 2:2,13,14,23 3:5,6,7,17,25 4:2 5:6 8:3 9:4,10 13:5,10,13,18,21 (20)	introduce 4:5
following 2:24 6:13 11:4	helping 11:24	investment 9:7 10:10 11:10,14 (4)
foregoing 15:6	her 3:14	involve 10:9
form 2:4 5:3,8 13:22 (4)	here 4:13	is 2:2,7 3:7 10:1,22 11:4 13:16,24 15:7 (9)
formal 9:11	hochheiser 11 2:1,7 4:12 13:1,6,7,12,16 (9)	its 6:16 9:24 10:18 11:23 (4)
forth 2:11 3:9	holdings 4:23 9:4	jackie 15:4,12,14
forwarded 3:14	house 10:14	january 8:24
four 2:23	hydro 6:8,16 7:20	job 11:16,17
fuel 9:21	hydroelectric 7:9	jobs 9:6 10:20
fuels 9:17	hydropower 4 2:5 4:21 5:11,12,19 6:3 7:3,13 8:6,10	july 4:24
fulltime 9:6		known 4:18 8:20,21

late 12:5	medina 9:7,19	8:22 (5)
law 2:2,10 5:7 6:9 8:17 9:11 (6)	meeting 4:24 9:1 14:2	night 14:1
lawrence 5:16	megawatt 5:2	no 13:12
laws 5:25	megawatts 5:1,1 6:10,10,11,14,14,15,20 7:13,14 8:19,20 (13)	none 15
leader 2:18,21	member 2:19	nonpayment 12:1
leading 2:23	mentecy 15:4,12,14	notes 15:7
least 9:6,7 10:10 11:23 (4)	met 11:15	notice 2:14,15 7:22
length 3:24	miles 8:21	notices 2:22
light 3:11	million 10:10,11,12,13 (4)	now 13:5,16,24
like 4:5	minority 2:18,19	number 9:13
load 12:16	mohawk 4:14	nyiso 8:8 11:8
local 12:23	monthtomonth 8:2	nypa 10 3:10 4:24 7:6,17,20 9:2 (7)
located 8:21 10:23	ms 4:10,12 13:1,6,8 (5)	nypa's 10:25
machinery 10:12	my 2:7 15:7	nyseg 4:17 5:9,11 6:11,14,23 7:15 8:13 (8)
mail 3:19	name 2:7	nyseg's 5:1
main 3:20	national 4:15,25 5:8,11 6:10,13,16,25 7:14 8:12 (10)	observer 3:2
majority 2:21	needed 10:7	october 9:1
make 3:16	negotiated 2:12	office@nypagov 3:23
making 9:6	new 2:3,10 3:21 4:16 6:1,9 8:7 9:6,18,19 10:6,12,14 11:7 12:8 (15)	officially 13:24
manhattan 9:15	news 2:25	once 2:22 3:7,12 11:24 (4)
manufacture 9:16	newspapers 2:24	one 5:2 13:12
manufacturing 10:18	next 3:9	oneyear 7:4,22
markup 5:22	niagara 2:24,25 4:14 5:16	open 4:2 13:18
may 3:24 8:18 11:12,20 (4)		operation 10:2
means 2:18,20		

operator 8:8 11:8 oral 3:16 4:1 other 12:7,19,20 page 10,14 pal 5:7 6:4 9:11 part 5:25 pass 7:17 passed 5:20 payment 12:5 peaking 4:21 5:11,15 6:12,20 7:2,13,16,18 (9) pending 8:2 percent 11:17,19 perform 11:23 period 3:5 plains 3:21 plan 3:16 10:20 11:2 platform 10:3 please 3:17 pm 8,8 13:16 point 4:5 potential 10:7 power 5 2:3,6 4:6,8,15 5:15,16,17,18 6:1,6,12,20 7:2,8,16,18 8:19,20,22 11:11,14 13:24 (24) preference 5:18 7:8	present 4:13 president 2:8,20 previously 6:3 13:17 prior 2:13 3:5 10:4 pro 2:20 procedures 2:11 proceedings 15:6 process 3:9 8:3 processes 10:18 produce 9:20,25 program 6:1,4 project 8:22 9:23 10:1,9 (4) projects 5:16 proposed 2:4 3:4,11 4:8,14,22 5:3,7,10 7:11 8:5,16 9:11 10:22 11:5 13:2,22 (17) proposes 9:18 proprietary 9:24 provide 4:7,20 7:22 10:6 (4) provided 2:14 5:5,23 8:12,22 12:22 (6) provides 11:6,22 12:10 provisions 6:8 7:7 8:5 11:5 12:4,7 (6) public 3,14 2:2,10 3:3,6,12 5:6,7 8:3,14,17 9:10,10 12:24 13:21 (16) purchase 12:14	purchased 5:15,17 purchases 7:10 10:13 r 15:1 r&d 5:22 7:18 ranking 2:19 rate 5:19 7:7 rates 5:23 12:19 reasonable 12:4 recess 13:13,15 recharge 6:1 12:8 recommence 6:18 reconsider 3:11 reconvene 13:14 record 3:25 4:1 13:17 15:7 (4) recover 12:13 reduce 11:13,20 referred 5:21 regarding 5:10 8:16 relatedly 11:15 relating 12:13 relevant 8:5 11:4 remain 4:2 13:18 renewable 9:20,22 10:17 12:11,14 (5) replacement 5 2:6 8:20 13:24 (4)
--	--	--

report 15:6	saf 9:21,25 10:2	signin 3:18
reporting 11:16	sale 4 2:5 4:20 7:12 8:19 9:14 12:8 13:23 (8)	since 13:12
require 12:6	sales 12:9	site 10:8,22
required 2:2	scaling 10:5	smallfarm 5:21
requirement 11:16	scheduled 7:25	so 3:17
requires 2:13	secretary 2:9 3:20	some 8:5
resale 8:19	secretarys 3:23	space 10:7
residential 5:20	secretarysoffice@nypagov 3:22	speak 13:9,13
respect 11:10	section 2:11 3:10	speaker 10,14 2:16
result 12:2	see 6:4	speakers 13:14
retail 5:23	sell 6:12 8:18	specifies 12:19
review 3:13	senate 2:16,18	st 5:16
rfd 7:10	sent 2:15	state 2:10 4:16
rfp 9:8	sentinellewiston 3:1	stated 13:1,17
rg&e 4:18 5:9,12 6:11,14,23 7:15 8:13 (8)	september 7 4:4 13:4,20,21 15:9 (6)	statement 3:16,19
rg&e's 5:1	serve 10:3	statements 3:24 4:1
right 7:21	service 5:23 6:19,19 8:11,14,15 9:13 12:18,21,24,25 (11)	states 9:23
risks 12:1	set 3:9	statute 6:2
rny 6:4	sets 2:11	stenographer 15:4,14
rochester 4:17	shall 8:24	stenographic 15:7
room 10:15	sheet 3:18	stenographically 15:5
rp 8:21 9:3,14 12:20 (4)	should 11:17	step 3:9
rulemaking 7:8	signed 5:13 6:17 13:9,12 (4)	street 3:20
rural 5:22		subsection 8:17
s 15:12		subsequent 5:14

subsequently 7:4 substitute 8:9 such 5:17 summary 4:13,22 11:4 supply 8:7,9 11:7 sustainable 9:16,20 system 8:8 11:7 t 15:1,1 tariff 9:13 12:18 tariffs 4:7 8:15 12:25 taxes 8:8 11:8 technological 10:4 technology 9:16,24 tempore 2:20 term 9:3 terminate 7:21 11:13 terminated 6:9 terms 6:24 7:2 12:19 thank 4:9,11 13:7 14:1 (4) their 3:13 4:24 5:21 6:23 9:1 (5) therefore 2:15 these 7:16,22 12:6 three 5:10 threeyear 6:24 threshold 11:17,19	through 5:23 7:5,23 thursday 4:3 13:3,19 time 13:11 timesunion 3:2 today 4:13 today's 3:5 transcript 3:7 15:6 transmission 8:11 12:21 tribune 3:1 true 15:7 trustees 2:4 3:10,12 4:25 5:5 9:2,9 10:21 11:2 (9) turn 13:5 unanticipated 8:10 under 6:19 8:16 10:20,25 11:12 (5) uni 10:3 unit 10:12 until 4:3 6:20 13:3,19 (4) up 2:23 4:3 10:5 13:9,13,19 (6) update 7:7 upon 7:21 use 6:2 9:8 11:25 using 9:20 utilities 4:20 5:13,14,17,24 6:3,7,12 7:13,19 (10)	utilities' 5:20 7:18 8:13 12:23 (4) utility 7:11 12:23 utility's 7:9 utilization 11:11,14 utilize 9:24 utilizing 10:16 vice 2:8 volumes 10:5 ways 2:17,19 website 3:4 week 2:22 weeks 2:23 well 4:21 5:2 8:9 which 5:19 7:14 10:11 12:19 (4) white 3:21 who 4:7 will 3:6,10,13,25 4:2,7 7:16 8:12 9:8 10:16 12:17,22 13:2,13,18 (15) withdrawal 6:7 withdrew 6:6 within 8:21 10:23 11:24 without 5:22 wny2 12:18 wny2stwny2 9:13
--	--	--

would 4:5,18 7:12 9:12,23 10:3,6,9 12:13 (9) written 3:18,24 wwwnypagov 3:8 year 5:2 years 9:3 11:24 york 2:3,10 3:21 4:16 6:1 8:7 9:19 11:7 12:8 (9) zero 12:14 zeroemission 12:11 250 8:19 360 7:12 445 8:20 600 8 13:16 1009 2:11 3:10 5:7 9:11 (4) 1987 8:24 1990 5:13 6:8,16,19 7:3,20 (6) 2011 5:25 6:5 2020 6:17,23 10:21 2021 11:3 2022 6:17 2023 6:22,25 7:1 2024 9:1 2025 7:6,8 2026 7 4:4,24 7:5,11,25 13:4,20,21 15:9 (10) 2027 7:23	10601 3:21 100000 9:25	
--	---	--



Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Recommendation for Award of Fund Benefits from the Northern New York Economic Development Fund by the Northern New York Power Proceeds Allocation Board

SUMMARY

The Trustees are requested to: (1) accept the recommendations of the Northern New York Power Proceeds Allocation Board (the "Allocation Board" or "Board") and make an award of fund benefits ("Fund Benefits") from the Northern New York Economic Development Fund to Corning Incorporated ("Applicant") as further described in Exhibits "A", and "A-1," in the amount indicated in the Exhibits, and for the reasons described below and in the Exhibits; and (2) authorize the other actions described herein with respect to the Applicant and the recommended award.

BACKGROUND

1. Northern New York Power Proceeds Allocation Act

The Northern New York Power Proceeds Allocation Act (the "Act") became law on December 29, 2014. The Act adds provisions to the Economic Development Law ("EDL"), and the Public Authorities Law under the Power Authority Act, the enabling statute of the New York Power Authority ("NYPA" or "Authority") (collectively, the "Statutes"). As discussed in more detail below, the Act creates a program, administered by NYPA and the Allocation Board, to support economic development in Northern New York (the "Program"). Under the Program, financial assistance known as Fund Benefits may be awarded to "eligible applicants" for "eligible projects" based on criteria set forth in the Statutes.

The Act defines an "eligible applicant" as a private business, including a not-for-profit corporation that is a private business. "Eligible projects" are defined as "economic development projects" that are, or would be, physically located within St. Lawrence County, that will support the growth of business in St. Lawrence County and thereby lead to the creation or maintenance of jobs and tax revenues for state and local governments. Examples of "eligible projects" include; capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant; transportation projects under state or federally approved plans; the acquisition

of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York State; support for tourism and marketing and advertising efforts for St. Lawrence County tourism and business; and energy-related projects.

Eligible projects do not include, and Fund Benefits may not be used for; public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses, as defined by the Board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

2. The Northern New York Economic Development Fund

NYPA and the Town of Massena Electric Department are parties to a contract that provides for NYPA's sale of up to 20 megawatts ("MW") of hydropower, known as "St. Lawrence County Economic Development Power" ("SLCEDP"), to the Town. As detailed in the Statutes, NYPA is authorized to sell unallocated SLCEDP into the market to generate revenue for the Program. The Statutes provide that NYPA will deposit proceeds from such sales into the Fund no less frequently than quarterly.

At least 15 percent of the Fund is dedicated to eligible projects that are "energy-related projects, programs and services," defined as "energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and services, and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services."

Monies from the Fund – Fund Benefits – are awarded in the form of grants, and, in most cases, Fund Benefits are disbursed on a reimbursement basis for eligible expenses incurred by an awardee. Allocations of Fund Benefits may be made only from monies that have been deposited into the Fund. No award may encumber Fund monies or net earnings that have been received but not yet deposited in the Fund.

3. Northern New York Power Proceeds Allocation Board

Under the Act, the Allocation Board's primary responsibilities with respect to applications for Fund Benefits under the Program are to (i) administer the application process; (ii) make determinations regarding eligibility; and (iii) where an applicant and project are eligible, evaluate applications against the statutory criteria and make recommendations to the NYPA Board of Trustees as to whether an applicant should be awarded Fund Benefits. The Allocation Board applies criteria applicable to Expansion Power, Replacement Power and Preference Power allocations, as well as to the revitalization of industry, as provided for in Public Authorities Law § 1005.

Additionally, the Allocation Board is authorized to consider the extent to which a proposed award of Fund Benefits aligns with the strategies and priorities of the North Country

Regional Economic Development Council, which covers the region in which eligible projects may be proposed.

At its meeting on January 25, 2017, the Allocation Board, in accordance with the Act, adopted bylaws, operating procedures, application guidelines, and an application form. A copy of the relevant criteria (collectively, "Program Criteria"), as adapted from the Allocation Board's adopted "Procedures for the Review of Applications for Fund Benefits," is attached as Exhibit "B" to this memorandum.

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by the Authority, and the Act authorizes the Authority to award Fund Benefits to an applicant upon such recommendation. Upon a showing of good cause, the Authority has discretion whether to adopt the Allocation Board's recommendation or to award Fund Benefits in a different amount or on different terms and conditions from those proposed by the Allocation Board. In addition, the Authority is authorized to include within the contract governing an award ("Award Contract") such other terms and conditions as the Authority deems appropriate.

4. Application Process

In an effort to provide for the efficient review of applications and the disbursement of Fund Benefits, the Allocation Board establishes an annual schedule of meeting dates on which it will meet to consider applications. At this time, applications are being accepted on a rolling basis. A webpage has been created and is hosted on WWW.NYPA.GOV/NNYPPAB with application instructions, a link to the approved application form, and other program details, including a contact phone number and email address maintained by NYPA.

DISCUSSION

At its August 12, 2026 meeting, the Allocation Board considered an application from Corning Incorporated seeking \$1.8 million in Fund Benefits.

As detailed in Exhibit "A-1," Corning Incorporated seeks Fund Benefits to support the conversion of an existing warehouse at its Canton location into a ceramic manufacturing facility through targeted building renovations, process development, and installation of a continuous 24/7 slip-cast production line. Proceeds funding will also support electrical infrastructure improvements required to serve thermal processing and forming systems essential to production, as well as specialized energy-efficient equipment needed to operate the new line reliably and efficiently. The project will strengthen Corning's long-term presence as an advanced manufacturer in the region, helping to retain 344 highly competitive full-time jobs that provide family-sustaining wages, and create up to five new full-time positions. The Applicant anticipates investing approximately \$10 million in the project.

Allocation Board staff analyzed the application and made the award recommendation based on the Applicant's satisfaction of eligibility requirements and the Program Criteria, which

are described in Exhibit "B". Copies of the recommendation memoranda and supporting documents were provided to the Allocation Board and to the Trustees for review.

The Allocation Board has recommended that the Applicant receive a Fund Benefits award in the amount and for the purposes indicated in Exhibits "A", and "A-1". Given the nascent stage of the proposed project, it was not practical to recommend the specific terms and conditions that would be applicable to the award. Such terms and conditions will be memorialized in an Award Contract between the Authority and the Applicant governing the award, if approved.

To the extent that an application proposes a project that must receive approval and/or comply with other legal requirements, including, without limitation, the State Environmental Quality Review Act ("SEQRA"), before the project may proceed, Staff recommends that (i) such award shall not be made until Staff, on behalf of the Board of Trustees, receives appropriate notification that such legal approvals or requirements necessary for the project to proceed have been satisfied; and (ii) such award shall be subject to further review by the Board of Trustees in the event that such approvals and SEQRA or other legal requirements are not satisfied.

If the Applicant receives a Fund Benefits award, Staff will negotiate final terms and conditions with the Applicant following receipt of more detailed information concerning the project and proposed schedule. Award Contracts may include scheduled payments tied to commitment milestones, such as employment creation and retention. In addition, Staff anticipates that Award Contracts will contain provisions for periodic audits of the successful Applicants for purposes of determining contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursements if an applicant fails to satisfy agreed-upon commitments.

RECOMMENDATION

The Senior Vice President, Clean Energy Solutions recommends that:

- (1) the Trustees accept the recommendation of the Allocation Board and approve the award of Fund Benefits to Corning Incorporated, in the amount recommended in Exhibits "A", and "A-1" utilizing funds from the 15% of the fund proceeds that are dedicated to energy projects, conditioned upon the negotiation and execution of an Award Contract with the Applicant setting forth the final terms and conditions applicable to the award. Such terms and conditions shall be set forth in the Award Contract approved by the President and Chief Executive Officer, or his designee, and approved as to form by the Executive Vice President and General Counsel, or such official's designee; and
- (2) the Executive Vice President and Chief Operating Officer, or such official's designee, be authorized to negotiate with the Applicant concerning the final terms and conditions applicable to the award; and
- (3) the Senior Vice President for Customer Solutions, or such official's designee, be authorized to execute, on behalf of the Authority, an Award Contract for the award

listed in Exhibits “A”, and “A-1” subject to the foregoing conditions.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

WHEREAS, the Northern New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make an award of Fund Benefits from the Northern New York Economic Development Fund ("Fund") to Corning Incorporated, as more particularly described in the accompanying Memorandum of the President and Chief Executive Officer ("Memorandum") and the other information referred to therein;

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to Corning Incorporated in the amount recommended in the attached Memorandum and the other information referred to therein utilizing for the award funds from the 15% of the fund proceeds that are dedicated to energy projects, provided that (i) if an application proposes a project that must receive approvals or comply with other legal requirements, including without limitation the State Environmental Quality Review Act ("SEQRA"), before it may proceed, no disbursements shall be made until Staff, on behalf of the Board of Trustees, receives written notification that the project has received all required approvals or is in full compliance with all applicable legal requirements, including confirmation that SEQRA review has been completed by all involved agencies that are necessary for the project to proceed and that no further SEQRA review is necessary; (ii) the applicant shall promptly notify NYPA of any material change to the Project that may require supplemental SEQRA review, and no disbursements shall be made until any required supplemental review is completed, and provided further that all disbursements shall be subject to further review by the Board of Trustees in the event that such approvals or legal requirements are not satisfied; and (iii) provided further that the awards are conditioned upon agreements between the Authority and Corning Incorporated, setting forth the final terms and conditions applicable to the award, which shall be set forth in a written award contract ("Award

Contract”) between the Authority and applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or such official’s designee as to form; and be it further

RESOLVED, that the Executive Vice President and Chief Operating Officer, or such official’s designee, is hereby authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the award; and be it further

RESOLVED, that the Senior Vice President for Customer Solutions, or such official’s designee, is authorized to execute on behalf of the Authority, an Award Contract for the award, subject to the foregoing conditions; and be it further

RESOLVED, that the New York Power Authority Board of Trustees recommends that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

Exhibit "A"

Applicants Recommended for an Award of Fund Benefits by the NNY Proceeds Allocation Board

Line	Business	City	County	Economic Development Region	Project Description	Project Type	Recommended Award Amount	Total Project Cost	Jobs Retained	Jobs Created
1	Corning Incorporated	Canton	SLC	North Country	Canton Ceramic Production Expansion	Business Investment	\$1,800,000	\$9,738,075	344	5
Total:							\$1,800,000	\$9,738,075	344	5

Total Jobs Created & Retained: 349

Northern New York Economic Development Fund Recommendation Memo

EXHIBIT A-1

Applicant Name:	Corning Incorporated	REDC Region:	North Country
Project Type:	Business Investment	County:	St. Lawrence
Industry:	Other Miscellaneous Manufacturing	Locality:	Canton
Amount Requested:	\$1,800,000	Start Date:	9/2026
		Finish Date:	6/2028
RECOMMENDED OFFER			
Recommended Total Award:	\$1,800,000		
Total Project Cost:	\$9,738,075		
% of Project Cost Recommended:	18%		
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Planning (Architectural, Engineering Design)	\$450,000	NNYEDF Corporate Cash	\$1,800,000 \$7,938,075
Demolition & Construction	\$5,766,000		
Infrastructure Costs (Substation)	\$250,000		
Machinery & Equipment	\$1,465,500		
Soft Costs, including Contingency	\$1,806,575		
Total:	\$9,738,075	Total:	\$9,738,075
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:	Retain 344 existing jobs, create 5 full-time positions within three years.		
Average Salary of Jobs:	\$86,383		
Indirect Jobs Created	n/a		
Other Impact	n/a		
PROJECT DESCRIPTION (Adapted from Application)			
Corning Inc. will invest ~\$10M to repurpose an existing warehouse at its Canton location into a ceramic manufacturing facility through targeted building renovations, process development, and installation of a continuous 24/7 slip-cast production line. Proceeds funding will also support electrical infrastructure improvements required to serve thermal processing and forming systems essential to production, as well as specialized energy-efficient equipment needed to operate the new line reliably and efficiently. The project will strengthen Corning's long-term presence as an advanced manufacturer in the region, retain 344 highly competitive full-time jobs, and create up to five new full-time positions.			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
None			

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED		
TYPE	AMOUNT	STATUS
None		
BASIS FOR RECOMMENDATION		
• Supports ~\$10M expansion of its Canton Plant in St. Lawrence County to create a new ceramic manufacturing facility. • With the planned conversion of the warehouse into a manufacturing facility, the applicant will create five new full-time positions, further strengthening local employment and career opportunities. • The project will help retain 344 highly competitive full-time jobs that provide family-sustaining wages and comprehensive benefits, with compensation above the regional average. • This project is highly significant to the economy of St. Lawrence County and the surrounding region because it anchors long-term advanced manufacturing investment in Canton, strengthens the local tax base, and reinforces the County's position as a competitive location for high-value industrial growth. • Indirect economic benefits will be realized through construction activity, increased purchases from regional suppliers, and added demand for transportation, maintenance and other local services. • Canton's selection over competing sites in Arizona and France demonstrates the facility's competitiveness and importance of this investment in keeping high-value manufacturing in New York. • These investments address critical infrastructure and process requirements necessary to launch the new product line which will strengthen domestic production capacity for critical U.S. Dept. of Defense supply needs and deepen supply chain resilience. • This project advances North Country Regional Economic Development Council priorities by: ○ Strengthening a key tradeable sector, the workforce needed, and supporting long-term regional economic growth. ○ Enhancing the competitiveness of a major North Country industry serving domestic and global markets. ○ Reinforcing the North Country's role as a center for advanced manufacturing.		
ANTICIPATED DISBURSEMENT TERMS		
Fund Benefits are anticipated to reimburse the applicant for a portion of eligible project costs, including demolition and construction costs; machinery and equipment; and soft costs, incurred to establish a new ceramic manufacturing facility at their Canton location. It is anticipated that funds will be disbursed in arrears, in a manner proportionate to total eligible project costs. Disbursements will be made upon presentation to NYPA of invoices and other documentation acceptable to NYPA demonstrating that the applicant has incurred eligible expenses of \$9,738,075.		

“EXHIBIT B”

Criteria adapted from the “Board Procedures, and Board Policies Relating to the Review of Applications for Fund Benefits”, adopted by the Northern New York Power Proceeds Allocation Board

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the North Country Regional Economic Development Council (“NCREDC”). Such strategies and priorities include the following:
 - Energize our communities by building on growth in the aerospace, transit equipment, defense, biotech, energy, and manufacturing industries
 - Leverage our gateway to Canada, the nation’s largest trading partner, to lead the State in global investment
 - Attract and nurture entrepreneurs through innovation to catalyze the highest per capita rate of small business start-ups and expansions in the state
 - Invest in community development infrastructure that expands opportunities and capacity
 - Innovate effective rural healthcare and education delivery networks
 - Elevate global recognition of the region as one of the special places on the planet to visit, live, work and study
 - Activate tourism as a driver to diversify our economies by creating demand to accelerate private investment
 - Invest in agriculture as we help feed the region and the world
 - Create the greenest energy economy in the state
2. Whether the eligible project would occur in the absence of an award of Fund Benefits.
3. The extent to which an award of Fund Benefits will result in new capital investment in the State by the eligible applicant and the extent of such investment.
4. Other assistance the eligible applicant may receive to support the eligible project.
5. The type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the eligible applicant were to receive an award of Fund Benefits.
6. The eligible applicant's payroll, salaries, benefits and number of jobs at the eligible project for which an award of Fund Benefits is requested.
7. Where applicable, the number of jobs that will be created or retained within St. Lawrence County and any other parts of the State in relation to the requested award of Fund Benefits, and the extent to which the eligible applicant will agree to commit to creating or retaining such jobs as a condition to receiving an award of Fund Benefits.
8. Whether the eligible applicant is at risk of closing or curtailing facilities or operations in St. Lawrence County and other parts of the State, relocating facilities or operations out of St. Lawrence County and other parts of the State, or losing a significant number of jobs in

“EXHIBIT B”

St. Lawrence County and other parts of the State, in the absence of an award of Fund Benefits.¹

9. The significance of the eligible project that would receive an award of Fund Benefits to the economy of the area in which such eligible project is located.
10. For new, expanded and/or rehabilitated facilities, the extent to which the eligible applicant will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving an award of Fund Benefits.²

¹ Job creation and retention are key indicators of economic activity. However, the Allocation Board recognizes that certain investments may increase productivity and revitalize areas without immediately increasing permanent employment. Therefore, job creation/retention commitments will be emphasized primarily in the Business Investment Track. While job creation and retention may not be a significant factor for other Tracks, demonstration of economic development benefits to the Region will generally be considered favorably when assessing applications under all Tracks.

² As provided for in Economic development Law § 197-c(4), many of the criteria are adapted from criteria used in determining eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law (“PAL”) § 1005(13). Certain criteria identified in PAL § 1005(13) are relevant to power allocations under these programs and do not have any logical application to the allocation of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits.



**NY Power
Authority**

**Canal
Corporation**

Memorandum

Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Expansion Power Allocation and Modification

SUMMARY

The New York Power Authority Board of Trustees ("Board of Trustees") is requested to approve the following:

- (a) An allocation of 210 kW of Expansion Power ("EP") to Sigma Advanced Materials, LLC ("Sigma") for a ten-year term in support of the company's proposed expansion at its facility located at 2115 Old Union Road, Cheektowaga, New York (Erie County);
- (b) Authorization of a public hearing, in accordance with Public Authorities Law ("PAL") §1009, on the proposed form of contract ("Proposed Contract") with Sigma, which, together with Authority Service Tariff No. WNY -2 ("ST WNY-2"), would govern the sale of EP to Sigma; and
- (c) A modification to Americold Logistics, LLC ("Americold") existing EP allocation to reduce its associated employment commitment.

These matters are discussed in more detail below. Exhibit "A" provides background regarding the proposed new EP allocation, and the Proposed Contract for Sigma and ST WNY-2 are attached as Exhibit "A-1".

BACKGROUND

Under PAL §1005(13), the Authority may contract to allocate up to 250 MW of firm hydroelectric power as EP and up to 445 MW of Replacement Power ("RP") to businesses in the State located within 30 miles of the Niagara Power Project, provided that the amount of power allocated to businesses in Chautauqua County on January 1, 1987, shall continue to be allocated in such county.

Each application for an allocation of EP and RP is evaluated under criteria that include, but need not be limited to, those set forth in PAL §1005(13)(a), which establishes general

eligibility requirements. Among the factors considered in evaluating a request for an allocation of hydropower are (i) the number of jobs created as a result of the allocation; (ii) the business's long-term commitment to the region, as evidenced by current and/or planned capital investment in the business's facilities in the region; (iii) the ratio of the number of jobs to be created to the amount of power requested; (iv) the types of jobs to be created, as measured by wage and benefit levels and the security and stability of employment; and (v) the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed.

The Authority works closely with business associations, local distribution companies, and economic development entities to gauge support for projects that would receive allocations of Authority hydropower. Discussions routinely occur with National Grid, New York State Electric & Gas, Empire State Development, Invest Buffalo Niagara, the Niagara County Center for Economic Development, the Erie County Industrial Development Agency, and the County of Chautauqua Industrial Development Agency (collectively, the "Economic Development Entities") to coordinate other economic development incentives that may help bring economic development to New York State. Authority staff confer with the Economic Development Entities to help maximize the value of hydropower in improving the economies of Western New York and the State of New York. Each organization has expressed support for the recommended new EP allocation.

At this time, 70,221 kW of unallocated EP and 105,687 kW of unallocated RP are available to be awarded to businesses under the criteria set forth in PAL §1005(13)(a).

DISCUSSION

Sigma Advanced Materials, LLC

Established in 2014 and based in Cheektowaga, New York, Sigma specializes in ceramic-to-metal joining, high-temperature brazing, and thick film coatings for technical ceramic components. The company provides design consulting and precision manufacturing services to customers in several critical industries including the aerospace, defense, medical, and electronics sectors.

Sigma is a current Authority customer with a 20 kW Recharge New York ("RNY") Power allocation at its Cheektowaga facility, with commitments to retain five jobs and make \$300,000 in capital investments.

To support growing demand for advanced materials and complex ceramic assemblies, Sigma proposes to install a new high-temperature furnace for sintering, brazing, vacuum processing, and ceramic-to-metal sealing. The investment would significantly expand its processing capabilities and improve production throughout for next-generation components. The project would also include the purchase and installation of a 20-ton chiller to support furnace operations. The proposed expansion would involve a capital investment of at least \$238,000, including approximately \$233,000 for machinery and equipment and \$5,000 for cabling and installation. Sigma plans to begin the initial phases of the project this year, with additional phases targeted for completion in late 2026. The company currently employs seven full-time

employees and would commit to creating two new permanent, full-time jobs at its Cheektowaga facility over the term of the allocation. Average annual compensation and benefits for the new jobs are estimated at \$22,000 per job. Sigma applied for a 330 kW hydropower allocation in connection with the expansion project. Authority Staff recommends a 210 kW EP allocation for a ten-year term.

The job creation ratio for the proposed allocation of 210 kW is 10 new jobs per MW, compared with the historic average of 61 new jobs per MW for previously awarded allocations. The proposed capital investment of at least \$238,000 would result in a capital investment ratio of \$1.1 million per MW compared with the historic average of \$20.6 million per MW.

The Economic Development Entities have expressed support for an allocation of EP to Sigma.

Americold Logistics, LLC

Americold was previously awarded an 830 kW EP allocation on December 9, 2025, in support of its facility located at 4053 Williams St., Dunkirk, New York (Chautauqua County). The allocation award supported the establishment of a new cold storage facility serving Wells Enterprises, Inc., a major ice cream manufacturer in the region.

The company originally committed to creating at least 60 new jobs with an expansion project cost of \$40.4M. Americold has since determined that its projected employment commitment was overstated, and that 40 new jobs more accurately reflect the employment associated with the project. The revised employment commitment is consistent with an amended incentives agreement issued by the County of Chautauqua Industrial Development Agency. At 40 new jobs, the project would have a job creation ratio of approximately 48 new jobs per MW, which continues to meet the jobs-per-MW threshold.

Staff is recommending that the Trustees approve a modification to Americold's EP award to adjust its associated employment commitment from 60 to 40 new jobs. The amount of the company's award and its expansion project cost would remain unchanged.

EP Allocation – Contract Information

The following summarizes certain matters addressed in the Proposed Contract with Sigma and in ST WNY-2:

- Base rates for demand and energy, an annual adjustment factor, and a minimum monthly charge designed to help the Authority recover its fixed costs of serving a customer, including during periods when the customer does not utilize its full allocation in a billing period.

- Direct billing of all production charges (i.e., demand and energy), as well as all New York Independent System Operator, Inc. charges, taxes and any other required assessments.
- Provision of substitute energy in the event of hydropower curtailments caused by adverse water conditions affecting power project operations.
- Basic customer metering requirements.
- Early outreach to customers regarding allocation extension initiatives undertaken by the Authority.
- Energy audit requirements for facilities receiving an allocation. The customer may satisfy the audit requirement through either a traditional physical audit or a virtual audit using the Authority's New York Energy Manager, which is expected to provide considerable cost savings to customers electing this option.
- Periodic communications with customers regarding energy-related projects, programs, and services offered by the Authority.
- Compliance provisions allowing the Authority to reduce a customer's allocation if the customer fails to meet supplemental commitments, with an opportunity for the customer to submit a proposed corrective action plan with actionable milestones to remedy such deficiencies.
- Collection of a Zero Emission Credit Charge and a Monthly Renewable Energy Credit Charge to allow the Authority to recover costs incurred in connection with its purchase of Zero Emission Credits and Renewable Energy Credits attributable to the customer's load.

Staff intends to discuss the form of the Proposed Contract with Sigma and anticipates reaching agreement on a contract substantially similar to the form attached as Exhibit "A-1". Accordingly, the Board of Trustees is requested to authorize a public hearing, pursuant to PAL §1009, on the form of the Proposed Contract with Sigma attached as Exhibit "A-1". The form of the Proposed Contract is consistent with recently approved contracts for the sale of EP and RP.

As required by PAL §1009, when the Authority believes it has reached agreement with its prospective co-party on a contract for the sale of EP or RP, it will transmit the proposed form of the contract to the Governor and other elected officials and hold a public hearing on the contract. Notice of the hearing must be provided by publication once each week during a 30-day period in each of six selected newspapers. Following the public hearing, the form of the contract may be modified, if advisable. Staff will report to the Board of Trustees on the results of the public hearing and the Proposed Contract at a later time and make any additional recommendations regarding the Proposed Contract, as appropriate.

Upon approval of the final Proposed Contract by the Authority, the Authority must “report” the Proposed Contract, together with its recommendations and the public hearing record, to the Governor and other elected officials. Upon approval by the Governor, the Authority is authorized to execute the final contract.

If approved, the modification to Americold would be reflected in the customer’s hydropower contract. ST WNY-2 would continue to apply to the sale of the allocation.

FISCAL INFORMATION

The actions recommended herein are not expected to have a significant adverse impact on the Authority’s finances.

RECOMMENDATION

The Senior Vice President, Customer Solutions, requests that the Board of Trustees:

- 1) Approve an allocation of 210 kW of EP to Sigma as described herein and in Exhibit “A” for a term of ten years;
- 2) Authorize a public hearing, in accordance with PAL §1009, on the Proposed Contract with Sigma attached as Exhibit “A-1”; and
- 3) Approve a modification to the existing EP allocation to Americold to adjust its associated employment commitment.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

RESOLUTION

RESOLVED, That an allocation of 210 kilowatts ("kW") of Expansion Power ("EP") to Sigma Advanced Materials, LLC ("Sigma") for a term of ten years, to support the company's proposed expansion at 2115 Old Union Road, Cheektowaga, New York, as detailed in the foregoing memorandum of the President and Chief Executive Officer ("Memorandum"), be and hereby is approved, subject to rates previously approved by the Board of Trustees; and be it further;

RESOLVED, That the Board of Trustees hereby authorizes a public hearing, pursuant to Public Authorities Law ("PAL") §1009, on the terms of the proposed form of contract for the direct sale of the EP allocation (the "Proposed Contract"); and be it further;

RESOLVED, That the Corporate Secretary be, and hereby is, authorized to transmit a copy of the Proposed Contract to the Governor, the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate, and the Chairman of the Senate Finance Committee, pursuant to PAL §1009; and be it further;

RESOLVED, That a modification to the existing EP allocation to Americold Logistics, LLC, to adjust its associated employment commitment, as detailed in the foregoing Memorandum, be and hereby is approved; and be it further

RESOLVED, That the New York Power Authority Board of Trustees hereby authorizes the Chair, the President and Chief Executive Officer, and all other officers of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements,

certificates and other documents to effectuate the foregoing resolution on behalf of the Authority, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

APPLICATION SUMMARY
Expansion Power (“EP”)

Company: Sigma Advanced Materials, LLC (“Sigma”)

Location: Cheektowaga, NY

County: Erie County

IOU: National Grid

Business Activity: Established in 2014, Sigma specializes in ceramic-to-metal joining, high-temperature brazing, and thick-film coatings for technical ceramics. Operating out of Cheektowaga, New York, the company primarily serves the aerospace, medical, energy, and semiconductor industries with design consulting and precision manufacturing services.

Project Description: Sigma’s expansion project includes the installation of a Camco J16 high-temperature electric furnace at their existing facility, along with a 20-ton process chiller and the supporting electrical and mechanical upgrades needed to operate the system.

Existing Allocation(s): 20 kW of ReCharge New York (“RNY”)

Power Request: 330 kW of EP

Power Recommended: 210 kW of EP

Job Commitment: 9 total

Base: 7

New: At least 2 new jobs

New Jobs/Power Ratio: 10 jobs/MW

Avg. Wage and Benefits: \$22,000

Capital Investment: At least \$238,000

Capital Investment/MW: \$1.1 million/MW

Other ED Incentives: Sigma is not currently seeking other Economic Development incentives.

Summary: Sigma would plan to install a high-temperature furnace capable of sintering, brazing, vacuum processing, and ceramic-to-metal sealing for technical ceramic components. The project would also include purchasing and installing a 20-ton chiller, which is necessary to maintain stable furnace operation.

An allocation of low-cost hydropower could further incentivize Sigma to consider additional expansion opportunities at its Cheektowaga site in the future.

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE
OF EXPANSION POWER AND/OR REPLACEMENT POWER

Sigma Advanced Materials, LLC

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power (“Agreement”) with Sigma Advanced Materials, LLC (“Customer”) with offices and principal place of business at 2115 Old Union Road, Cheektowaga, NY 14227. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission (“FERC”) Project No. 2216, including hydropower known as Expansion Power (“EP”) and Replacement Power (“RP”) to qualified businesses in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer has applied for an allocation of EP and/or RP, or for an extension of an existing allocation of EP or RP, for use at facilities defined in this Agreement as the “Facility”;

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and/or retention of jobs, capital investments, power usage and energy efficiency measures at the Facility;

WHEREAS, the Authority’s Board of Trustees approved an allocation of EP and/or RP to the Customer;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the EP and/or RP for a term provided in this Agreement;

WHEREAS, the Authority’s provision of Electric Service under this Agreement is an unbundled service separate from the transmission of the allocation, and the delivery of the Allocation;

WHEREAS, electric service to be provided hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff No. WNY-2 as provided in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement; and

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I **DEFINITIONS**

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices.

“Adverse Water Condition” means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

“Agreement” means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

“Allocation” refers to the allocation(s) of EP and/or RP awarded to the Customer as specified in Schedule A.

“Alternative REC Compliance Program” has the meaning provided in Schedule E.

“Annual Capital Investment Commitment” has the meaning set forth in Schedule B.

“Annual CI Expenditures” has the meaning set forth in Schedule B.

“Base Employment Level” has the meaning set forth in Schedule B.

“Contract Demand” is as defined in Service Tariff No. WNY-2.

“Customer-Arranged Energy” means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

“Effective Date” means the date that this Agreement is fully executed by the Parties.

“Electric Service” is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

“Energy Services” has the meaning set forth in Article V of this Agreement.

“Expansion Power” (or “EP”) is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Expansion Project” has the meaning set forth in Section IV.3.a of this Agreement.

“Expansion Project Capital Investment Commitment” has the meaning set forth in Schedule B.

“Facility” means the Customer’s facilities as described in Schedule A to this Agreement.

“Firm Power” is as defined in Service Tariff No. WNY-2.

“Firm Energy” is as defined in Service Tariff No. WNY-2.

“FERC” means the Federal Energy Regulatory Commission (or any successor organization).

“FERC License” means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.

“Hydro Projects” is a collective reference to the Project and the Authority’s St. Lawrence-FDR Project, FERC Project No. 2000.

“International Joint Commission” or “IJC” refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

“Load Reduction” has the meaning set forth in Section IX.6 of this Agreement.

“Load Serving Entity” (or “LSE”) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

“Metering Arrangement” has the meaning set forth in Section II.8 of this Agreement.

“NYEM” means the New York Energy Manager, an energy management center owned and operated by the Authority.

“NYEM Agreement” means a written agreement between the Authority and the Customer providing for the Facility’s enrollment and Customer’s participation in NYEM.

“NYEM Participation” has the meaning specified in Schedule B of this Agreement.

“NYISO” means the New York Independent System Operator or any successor organization.

“NYISO Charges” has the meaning set forth in Section VII.3 of this Agreement.

“NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

“Planned Hydropower Curtailment” means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

“Physical Energy Audit” or “Audit” means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility’s energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility’s index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

“Project” means the Niagara Power Project, FERC Project No. 2216.

“Replacement Power” (or “RP”) is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Reporting Year” means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

“Rolling Average” has the meaning set forth in Schedule B.

“Rules” are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

“Service Information” has the meaning set forth in Section II.12 of this Agreement.

“Service Tariff No. WNY-2” means the Authority’s Service Tariff No. WNY-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Schedule A” refers to the Schedule A entitled “Expansion Power and/or Replacement Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Expansion Power and/or Replacement Power Commitments” which is attached to and made part of this Agreement, including any appendices attached thereto.

“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

“Schedule D” refers to the Schedule D entitled “Zero Emission Credit Charge” which is attached to and made part of this Agreement.

“Schedule E” refers to the Schedule E entitled “Monthly Renewable Energy Credit Charge” which is attached to and made part of this Agreement.

“Substitute Energy” means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment or an Unplanned Hydropower Curtailment.

“Takedown” means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

“Taxes” is as defined in Service Tariff No. WNY-2.

“Unforced Capacity” (or “UCAP”) means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

“Unplanned Hydropower Curtailment” means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to Adverse Water Condition that the Authority did not anticipate or forecast.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

ARTICLE II

ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.
2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.
3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.
4. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).
6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.
7. The Contract Demand may not exceed the Allocation.
8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.
9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.
11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the EP and/or RP programs, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III

RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.
2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:
 - a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or
 - b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.
3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-2 and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV

SUPPLEMENTAL COMMITMENTS

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.
2. *[Intentionally Left Blank]*
3. Special Provisions Relating to a New or Expanded Facility.

- a. Proposed New or Expanded Facility; Failure to Complete.

If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

- b. Proposed New or Expanded Facility; Partial Performance.

If the Expansion Project results in a completed Facility that is only partially operational, or is material different than the Expansion Project agreed to in Schedule B (as measured

by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

- (i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.
- (ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of Service Tariff No. WNY-2 in effect upon the execution of this Agreement is attached to this Agreement as Exhibit 1, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of Service Tariff WNY-2. Service Tariff No. WNY-2 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide the Customer with prior written notice of any revisions to Service Tariff No. WNY-2.
2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:
 - a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;
 - b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and
 - c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.
2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.
3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

Tariff No. WNY-2 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

4. The Authority will consider opportunities to assist the Customer concerning actions, practices, or procedures of the Customer's local electric utility identified by the Customer that could adversely impact the implementation and effectiveness of the EP and RP programs, provided that whether or not to take any action or adopt any position on any issue, including any adverse position, is within the Authority's discretion and further subject to applicable laws, regulations and existing legal obligations.

ARTICLE VIII

BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.
2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.
3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX

HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.
2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.
3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.
5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.
6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.
7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.
8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.
9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.
10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.
12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X

EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.
2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.
3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.
4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI

EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:
 - a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

- b. pursuant to any other process that the Authority establishes; or
 - c. with the Authority's written consent.
2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.
3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII

NOTICES

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: ContractDocs@nypa.gov
Facsimile: (914) 390-8156
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Sigma Advanced Materials, LLC
2115 Old Union Road
Cheektowaga, NY 14227
Email: dianne@sigmaadvancedmaterials.com
Facsimile: N/A
Attention: Dianne Pilon

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.
3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII

SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.
2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.
3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV

MISCELLANEOUS

1. Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or

for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

- a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.
- b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.
- c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this

Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

SIGMA ADVANCED MATERIALS, LLC

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Sigma Advanced Materials, LLC				
Type of Allocation	Allocation Amount (kW)	Facility Address	Trustee Approval Date	Allocation Expiration Date
EP	210 kW	2115 Old Union Road Cheektowaga, NY 14227	September 29, 2026	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
**SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER
COMMITMENTS**

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

- a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.
- b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.
- c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s discretion.

2. Capital Investment Commitments

The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in Service Tariff No. WNY-2), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

- a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.
- b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term (“NYEM Participation”) in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.
- c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.
- d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III

COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

If the average of the Customer's six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-2) for Expansion Power and/or Replacement Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, Service Tariff WNY-2 and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction.

Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 9 full-time, permanent employees (“Base Employment Level”) at the Customer’s Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)
 - a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility (“Rolling Average”) shall total not less than N/A (the “Annual Capital Investment Commitment”). For purposes of this provision, “Rolling Average” means the three-year average comprised of (1) the total amount of capital investments (“Annual CI Expenditures”) made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.
 - b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.
 - c. If the Customer’s Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.
2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)
 - a. The Customer shall make a minimum capital investment of \$238,000 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	EXPENDITURE
Cabling & Installation	\$5,000
Machinery & Equipment	\$233,000
Total Minimum Expansion Project Capital Investment Commitment:	<u>\$238,000</u>

Total Expansion Project Capital Investment Commitment:

- b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than September 29, 2029 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Affected LSEs” has the meaning provided in Section II.2 of this Schedule D.

“CES Order” means the Order issued by the PSC entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“EP and RP Programs ZEC Costs” has the meaning provided in Section II.4.b of this Schedule D.

“Government Action” has the meaning provided in Section II.8 of this Schedule D.

“Load Serving Entity” or “LSE” has the meaning provided in the CES Order.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“Zero Emission Credit” or “ZEC” has the meaning provided in the CES Order.

“Zero Emission Credit Charge” or “ZEC Charge” means the charge to the Customer established in this Schedule D.

“ZEC Purchase Obligation” has the meaning provided in Section II.2 of this Schedule D.

“ZEC Program Year” has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.
2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order (“Affected LSEs”) to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE’s proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).
3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.
4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:
 - a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

- b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the “EP and RP Programs ZEC Costs”). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).
 - c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer’s annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority’s inability to collect a ZEC Charge from any other Authority customer.
5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.
6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.
8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Alternative REC Compliance Program” has the meaning provided in Section III.1 of this Schedule E.

“Annual REC Percentage Target” has the meaning provided in Section II.2 of this Schedule E.

“CES Order” means the Order issued by the Public Service Commission entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State in the CES Order.

“Load Serving Entity” has the meaning provided in the CES Order.

“Mandatory Minimum Percentage Proportion” has the meaning provided in the CES Order.

“Monthly Renewable Energy Credit Charge” or “Monthly REC Charge” means the monthly charge to the Customer established in this Schedule E.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as described in the CES Order.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“REC Compliance Measures” mean: (1) the Authority’s procurement of RECs from NYSERDA in accordance with NYSERDA procedures and/or the CES Order; (2) the Authority’s procurement of RECs from available REC markets; (3) the Authority’s procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

“Total Monthly EP-RP Load” has the meaning provided in Section II.3.b of this Schedule E

“Total Monthly REC Costs” has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.
2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the “Annual REC Percentage Target”) for the purpose of ultimately meeting the RES.
3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

- a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.
 - b. The Authority will, for each month of each calendar year, calculate the total costs (“Total Monthly REC Costs”) that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month (“Total Monthly EP-RP Load”). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.
 - c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer’s share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer’s total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:
 - i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority’s inability to collect the Monthly REC Charge from other Authority customers; and
 - ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA’s published REC price for the REC Program Year.
4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.
5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer’s Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority’s bills

for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.
7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").
2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.



Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Recharge New York Power – Extended and Modified Allocations

SUMMARY

The New York Power Authority Board of Trustees ("Board of Trustees") is requested to approve the following:

- a) The extension of the 28 allocations of Recharge New York ("RNY") Power awarded to the businesses and not-for-profit entities listed in Exhibit "A," as described below, for a term of seven years, unless otherwise noted, to commence upon the expiration of each such allocation or, in the Authority's discretion, on a date to be agreed upon by the Authority and the customer, for a term not to exceed seven years, or for such longer term as may be permitted under Authority's statutory authority and approved by the Board of Trustees (collectively, the "Extended Term"), subject to the following conditions: Customers whose allocations are extended will be required to agree to provide supplemental commitments, including, among other things, job retention or job creation and capital investments, consistent with the commitments contained in their current RNY Power agreement(s) with the Authority (collectively, "Current RNY Power Agreement"), for the duration of the Extended Term. These supplemental commitments will be incorporated into the final contract that is executed by the parties. With respect to capital investments, the vast majority of RNY Power customers (i.e., those without project/expansion capital investment commitments) would be expected to meet a minimum capital investment commitment; and
- b) Seven modifications related to previously-approved RNY Power allocations, extensions, and/or related supplemental commitments for the customers listed in Exhibit "B";

The sale of any extended or modified allocations proposed herein would be governed by the form of the RNY Power contract approved by the Trustees on March 26, 2019, and existing Authority Service Tariff RNY-1.

All the above actions were recommended by the Economic Development Power Allocation Board ("EDPAB") at its September 29, 2026 meeting.

BACKGROUND

On April 14, 2011, the RNY Power Program was signed into law as part of Chapter 60 (Part CC) of the Laws of 2011. The RNY Power Program is codified primarily in Economic Development Law (“EDL”) § 188-a and Public Authorities Law § 1005(13-a) (the “RNY Statutes”). The program makes available 910 megawatts (“MW”) of “RNY Power,” 50% of which will be provided by certain Authority hydropower resources and 50% of which will be procured by the Authority from other sources. RNY Power contracts may be awarded for a term of up to seven years in exchange for commitments related to job retention, job creation and capital investment. RNY Power is available to businesses and not-for-profit corporations for purposes of job retention and business expansion or attraction.

As part of New York State’s initiative to foster business activity and streamline economic development, applications for statewide economic development programs, including the RNY Power Program, have been incorporated into a single online Consolidated Funding Application (“CFA”), marking a fundamental shift in how State economic development resources are marketed and allocated. Beginning in September 2011, the CFA was made available to applicants. The CFA continues to serve as an efficient and effective tool to streamline and expedite the State’s efforts to generate sustainable economic growth and employment opportunities. All applications considered for an RNY Power allocation are submitted through the CFA process.

RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion or attraction purposes. Specifically, at least 350 MW of RNY Power shall be dedicated to facilities in the service territories served by the New York State Electric and Gas, National Grid, and Rochester Gas and Electric utility companies and at least 200 MW of RNY Power shall be dedicated to the purpose of attracting new businesses and encouraging the expansion of existing businesses statewide. In July 2021, legislation was enacted increasing the dedicated amount of RNY Power from 100 MW to no more than 150 MW for eligible not-for-profit corporations and eligible small businesses statewide.

“Eligible applicant” is defined by statute to mean an eligible business, eligible small business, or eligible not-for-profit corporation; however, an eligible applicant shall not include retail businesses as defined by EDPAB, including, without limitation, sports venues, gaming or entertainment-related establishments or places of overnight accommodations.

RNY Power allocation awards are comprised of 50% hydropower and 50% Authority-procured market power. Prior to entering into a contract with an eligible applicant for the sale of RNY power, and prior to the provision of electric service relating to an RNY Power allocation, the Authority shall offer each eligible applicant the option to decline to purchase the RNY market power component of such allocation. If an eligible applicant declines to purchase the RNY market power component, the Authority has no responsibility to supply such market power to that applicant.

Under applicable law, applications for RNY Power are first considered by EDPAB. EDPAB is authorized to recommend applicants to the Authority’s Trustees that it believes

should receive an award of RNY Power based on the applicable statutory criteria and other pertinent considerations. The criteria provided in the RNY Statutes are summarized in Exhibit “C” to this memorandum. An allocation recommended by EDPAB qualifies the applicant to enter into a contract with the Authority for the purchase of the RNY Power if the Authority makes an allocation award.

In developing recommendations for EDPAB’s consideration, Staff, among other things, attempted to maximize the economic benefits of low-cost NYPA hydropower, the critical state asset at the core of the RNY Power Program, while attempting to provide each recipient with a meaningful extension of its RNY Power allocation.

RNY Power allocation extensions have been awarded by the Trustees on 27 prior occasions, spanning from October 2018 through July 2026. These recommendations pertain to existing RNY Power customers receiving an Extended Term of seven years, unless otherwise noted.

EDPAB, at its meeting held on September 29, 2026, recommended that:

- a) the Trustees approve extensions for the 28 RNY Power allocations that are listed in Exhibit “A” for a term of seven years, unless otherwise noted; and
- b) the Trustees approve the modifications related to seven RNY Power allocations, extensions, and/or supplemental commitments listed in Exhibit “B,” for the reasons discussed in Exhibit B.

Consistent with the RNY Statutes, EDPAB recommended that the contracts for the sale of extended allocations contain:

- (1) provisions for effective periodic audits of allocation recipients to determine compliance with contractual and program requirements, including the partial or complete withdrawal of an allocation if the recipient fails to maintain commitments relating to employment levels, power utilization, capital investments, and/or energy efficiency measures;
- (2) a requirement for the recipient to undertake at its own expense an energy audit of its facilities at which the allocation is consumed, which may be modified by the Authority on a showing of good cause by the recipient, and that the recipient provide the Authority with a copy of any such audit or a report describing the results of the audit;
- (3) a requirement that the recipient agree to make its facilities available at reasonable times and intervals for energy audits and related assessments performed by the Authority; and
- (4) a requirement that if the actual metered load at the facility where the allocation is utilized is less than the allocation, the allocation will be reduced accordingly.

The sale of RNY Power allocations extended or modified by the Trustees today would be governed by the form of RNY Power contract that was approved by the Trustees on March 26, 2019, and Authority Service Tariff RNY-1. The terms and conditions in the RNY Power contract

form are consistent with the terms and conditions recommended by EDPAB, as described above.

DISCUSSION

1. Extension of Existing RNY Power Allocations

For the current round of recommendations, Authority Staff has reviewed applications from 28 RNY Power customers listed in Exhibit “A” who are seeking extensions, and a copy of each application was made available to EDPAB. Staff’s review consisted of a customer-specific evaluation of several factors, including the amount of each allocation proposed for extension, the supplemental commitments that these customers have made under their current RNY Power Agreement and are prepared to make as consideration for an extension, and each customer’s compliance status under its current RNY Power Agreement, including its compliance with supplemental commitments related to jobs and capital investments.

In summary, the businesses listed in Exhibit “A”, which are located in the areas of the State where indicated, bring valuable benefits to the State. In total, the allocations listed in Exhibit “A” support the retention of more than 32,000 jobs and approximately \$2.4 billion in capital investments throughout New York State. The Authority will require customers to commit to the same or substantially similar supplemental commitments relating to jobs and capital investments, as summarized in Exhibit “A,” for the Extended Term.

Based on the foregoing discussion and EDPAB’s recommendations, Staff recommends that the Trustees extend the allocations listed in Exhibit “A,” as described above and in Exhibit “A,” subject to the following conditions:

- (a) The sale of any allocation extended as proposed herein will be governed by the RNY Power contract form approved by the Trustees on March 26, 2019, and Authority Service Tariff RNY-1.
- (b) To receive an extension of its allocation, the customer must agree, for the Extended Term, to provide the supplemental commitments for jobs and capital investments that are the same as, or substantially similar to, those that are summarized in Exhibit “A” (subject to adjustments described above), through the incorporation of such supplemental commitments in the final contract that is executed by the parties. With respect to capital investments, RNY Power customers who do not have current project/expansion capital investment commitments will be expected to meet a minimum capital investment commitment, which may be satisfied through capital expenditures made over a five-year period.
- (c) Unless otherwise noted in Exhibit “A,” each customer is in compliance with its contractual obligations to the Authority under its Current RNY Power Agreement. Certain customers did not meet the 90% threshold for job retention. Based on the circumstances of those customers, Staff is not recommending reductions of

allocations at this time but will continue to monitor employment levels for future recommendations.

Staff recommends that an extension of each allocation listed in Exhibit “A” is appropriate and consistent with the applicable statutory criteria listed in Exhibit “C”. In addition, the terms and conditions in the RNY Power contract form approved by the Trustees on March 26, 2019, are consistent with the terms and conditions recommended by EDPAB.

The extension recommendations listed in Exhibit “A” include companies being recommended for transfers of allocations to new entities or due to corporation changes, which are detailed in a separate item for the September 29, 2026 Board of Trustees meeting, as indicated in Exhibit “A”.

The extension recommendations listed in Exhibit “A” also include companies being recommended for modifications to its legal name entity, as indicated in Exhibit “A”.

2. Modifications to Existing Allocations, Extensions, and/or Related Supplemental Commitments

At its meeting held on September 29, 2026, EDPAB recommended that the Trustees approve seven modifications relating to customers previously approved for RNY Power allocations, extensions, and/or related supplemental commitments listed in Exhibit “B,” for the reasons presented below.

Staff has reviewed each of these applications, and a copy of each application was made available to EDPAB. If approved, these modifications would be implemented through the customers’ respective power contracts.

Two modifications relate to the legal names of entities associated with previously approved RNY Power allocation extensions, as listed in Exhibit “B”. In each case, Staff determined that the allocation extensions should reflect the customer’s correct legal name. Specifically, an RNY Power allocation extension was previously approved for Thermo Fisher Scientific Inc. Due to corporate changes, the correct legal name is now Life Technologies Corporation. Similarly, an RNY Power allocation extension was previously approved under the legal name of Special Metals Corporation for its site located in Dunkirk, New York facility. Due to corporate changes, the correct legal name is now Special Metals LLC.

One modification relates to the legal name of a company staff is currently recommending for an RNY Power allocation extension. Specifically, an RNY Power allocation was previously approved for NYSE Holdings LLC. Although the company’s prior applications referenced other entity names, it has been determined that the correct legal name of the entity that received the allocation of RNY Power is NYSE Markets (DE), Inc., which is the entity consistently listed and maintained in all applications. Accordingly, the proposed modification would correct the legal name of the entity receiving the RNY Power allocation to NYSE Markets (DE), Inc.

One modification relates to the employment and capital investment commitments associated with an RNY Power allocation extension previously approved by the Trustees. Staff determined that the customer inadvertently overstated these job and capital investment commitments and that the corrected commitments should apply to the customer's RNY Power allocation extension. Specifically, an RNY Power allocation extension was approved for SI Group, Inc. with supplemental commitments of 125 retained jobs and \$11 million in capital investment. The corrected commitments are 120 retained jobs and \$9 million in capital investment.

One modification relates to an RNY Power allocation extension amount previously approved by the Trustees. Staff determined that the extension amount was incorrectly associated with the company's expansion-based award instead of its retention-based award. Specifically, an RNY Power allocation extension was approved for Kraft Heinz Foods Company for its Lowville, New York facility in the amount of 1,510 kW. The corrected extension amount associated with the company's retention-based RNY Power award should be 2,476 kW.

One modification relates to the conversion of a customer's RNY Power allocation extension to a campus configuration to accommodate multiple facilities. Ohel Children's Home and Family Services, Inc., operates multiple facilities in Manhattan, Brooklyn, and Queens. The proposed campus configuration would allow Ohel to utilize its RNY award across multiple sites, providing more flexibility in meeting its job and capital investment spending commitments.

One modification relates to the consolidation of two previously approved RNY Power allocations at the customer's request. Specifically, United Baking Co., Inc. currently utilizes a retention-based RNY Power allocation extension of 316 kW and an expansion-based RNY Power allocation of 250 kW, of which it currently utilizes 136 kW. The customer has requested that the two allocations be consolidated into a single allocation. The proposed modification would streamline administration by eliminating the need for separate allocations and contract terms. As a condition of the modification, the unused 114 kW portion of the expansion-based allocation would be rescinded, resulting in a combined RNY Power allocation of 452 kW. The supplemental commitments associated with the proposed modification would consist of 120 retained jobs and \$1 million in capital investment.

Staff recommends that the allocation awards be modified to reflect the adjustments specified above for each entity. The proposed modifications to the legal named entities, where applicable, will not result in any changes to the job or capital investment commitments associated with these customers.

Staff has reviewed these requests and recommends that the Trustees accept EDPAB's recommendations and approve each of the modifications described above.

FISCAL INFORMATION

The actions recommended herein will have no negative impact on the Authority's finances.

RECOMMENDATION

The Senior Vice President, Customer Solutions, requests that the Board of Trustees accept the recommendations of EDPAB and:

- (1) Authorize the extension of each of the existing 28 allocations of RNY Power for the customers listed in Exhibit "A," in the manner described above, for a term of seven years, or such longer term as permitted under Authority's statutory authority and approved by the Board of Trustees, as recommended in Exhibit "A", commencing upon expiration of the existing allocation or on such other date as may be agreed upon by the parties, for a term not to exceed seven years unless otherwise noted, and subject to the conditions described above; and
- (2) Approve the seven modifications to the RNY Power allocations, allocation extensions, and/or related supplemental commitments described in Exhibit "B," for the reasons discussed above and in Exhibit "B";

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

RESOLUTION

RESOLVED, That the Trustees hereby accept the recommendations of the Economic Development Power Allocation Board (“EDPAB”) and approve the extension of each of the existing 28 Recharge New York (“RNY”) Power allocations previously awarded, in the manner described in the accompanying memorandum of the President and Chief Executive Officer (“Memorandum”), for a term of seven years, or for such longer term if applicable, to commence upon either (1) the expiration of the term of the existing allocation, or (2) at the Authority’s discretion, on a date to be agreed upon by the Authority and the customer (collectively, the “Extended Term”), subject to the following conditions:

(a) the sale of the allocations as extended herein shall be made pursuant to the contract form approved by the Board of Trustees on March 26, 2019, and in accordance with Authority Service Tariff RNY-1; and

(b) in order to receive an extension of its allocation, the customer shall agree, for the Extended Term, to provide supplemental commitments related to jobs, capital investment and power utilization that are the same as, or substantially similar to, the recommendations set forth in the Memorandum, subject to such adjustments as may be determined by the Authority. The supplemental commitments shall be incorporated into the final contract executed by the parties. RNY Power customers who do not have an ongoing project or expansion-related capital investment commitment shall be required to meet a minimum capital investment commitment, which may be satisfied through capital expenditures made over a five-year period; and be it further

RESOLVED, That the Trustees hereby accept the recommendations of the EDPAB and approve the seven modifications and/or adjustments to the RNY Power allocations, allocation extensions, and/or related supplemental commitments described in the Memorandum, for the reasons described in the Memorandum; and be it further

RESOLVED, That the Senior Vice President, Customer Solutions, or such official's designee, is hereby authorized, on behalf of the Authority, to establish the final terms and conditions that will be applicable to the foregoing allocations and/or projects, including, without limitation, progress milestones and provisions for the expiration of any allocation in the event that such milestones are not met; and be it further

RESOLVED, that the New York Power Authority Board of Trustees recommends that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

New York Power Authority
Extension Recommendations - RNY Power Allocations for Retention Purposes (Large Businesses, Small Business, and/or NFP Corporations)

Exhibit "A"
September 29, 2026

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Job Commitments	Capital Investment Commitment (\$)		Contract Term (Years)
1	Curia Global, Inc.	Albany	Albany	Capital District	NGRID	Pharmaceutical research & development	1,110	1,110	201	\$7,500,000	(1)	7
2	Curia Global, Inc.	Rensselaer	Rensselaer	Capital District	NGRID	Pharmaceutical research & development	136	136	17	\$500,000		7
3	Curia New York, Inc.	Rensselaer	Rensselaer	Capital District	NGRID	Pharmaceutical research & development	1,810	1,810	280	\$2,500,000		7
	Capital District Region Sub-totals:						3,056	3,056	498	\$10,500,000		
4	Bestway of New York, Inc.	Cortland	Cortland	Central New York	NGRID	Lumber treating & wholesale distribution	70	70	39	\$250,000	(2)	7
5	Echelon Supply & Service, Inc.	Liverpool	Onondaga	Central New York	NGRID	Supplier of industrial hose products	120	120	165	\$500,000	(3)	7
6	Tessy Plastics Corp.	Elbridge	Onondaga	Central New York	NYSEG	Manufacturer of plastic components	2,530	2,530	630	\$100,000		7
	Central New York Region Sub-totals:						2,720	2,720	834	\$850,000		
7	American Rock Salt Company LLC	Mount Morris	Livingston	Finger Lakes	RGE	Distributor of rock salt products	2,650	2,650	300	\$40,000,000		7
8	Flower City Printing, Inc.	Rochester	Monroe	Finger Lakes	RGE	Commercial printing services	752	752	190	\$2,000,000		7
9	H. H. Dobbins, Inc.	Lyndonville	Orleans	Finger Lakes	NGRID	Wholesale fruit distributor	140	140	53	\$400,000		7
10	IDEX Health & Science LLC	West Henrietta	Monroe	Finger Lakes	RGE	Research & development of optofluidics	834	834	268	\$10,000,000		7
11	Optimax Systems, Inc.	Ontario	Wayne	Finger Lakes	RGE	Manufacturer of optical products	310	310	400	\$5,000,000	(1)	7
12	TMP Technologies, Inc.	Wyoming	Wyoming	Finger Lakes	NYSEG	Rubber injection molding services	180	180	24	\$200,000		7
	Finger Lakes Region Sub-totals:						4,866	4,866	1,235	\$57,600,000		
13	Air Techniques, Inc.	Melville	Suffolk	Long Island	LIPA	Manufacturer of dental equipment	330	330	195	\$1,500,000		7
14	Alphamed Bottles Inc.	Central Islip	Suffolk	Long Island	LIPA	Manufacturer of pharmaceutical packaging	290	290	50	\$2,000,000		7
15	Ascent Pharmaceuticals Inc.	Central Islip	Suffolk	Long Island	LIPA	Manufacturer of generic drug products	896	896	450	\$19,650,000		7
	Long Island Region Sub-totals:						1,516	1,516	695	\$23,150,000		

New York Power Authority
Extension Recommendations - RNY Power Allocations for Retention Purposes (Large Businesses, Small Business, and/or NFP Corporations)

Exhibit "A"
September 29, 2026

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Job Commitments	Capital Investment Commitment (\$)		Contract Term (Years)
16	Albert Einstein College of Medicine	Bronx	Bronx	New York City	CONED	Medical school of higher education	1,320	1,320	1,800	\$30,000,000	(1), (3)	7
17	NYSE Market (DE), Inc.	New York	New York	New York City	CONED	New York Stock Exchange	1,686	1,686	400	\$10,000,000	(1), (4)	7
18	NYU Langone Hospitals	New York	New York	New York City	CONED	Hospital & healthcare services	6,940	6,940	24,000	\$2,244,754,905	(1)	7
19	Perrigo New York, Inc.	Bronx	Bronx	New York City	CONED	Manufacturer of pharmaceutical products	160	160	270	\$10,000,000	(1)	7
20	Steinway, Inc.	Long Island City	Queens	New York City	CONED	Manufacturer of world-renowned pianos	500	500	274	\$5,000,000	(3)	7
21	ProAmpac Ultra Flex Inc.	Brooklyn	Kings	New York City	CONED	Manufacturer of packaging products	656	656	200	\$5,000,000	(1), (3)	7
22	Yeshiva University	New York	New York	New York City	CONED	Institution of higher education	1,216	1,216	1,506	\$3,000,000	(1)	7
	New York City Region Sub-totals:						12,478	12,478	28,450	\$2,307,754,905		
23	CPEG Buffalo LLC	Tonawanda	Erie	Western New York	NGRID	Manufacturer of industrial process equipment	180	180	45	\$50,000	(3)	7
24	Dynabrade, Inc.	Clarence	Erie	Western New York	NYSEG	Manufacturer of industrial tools	176	176	147	\$1,500,000		7
25	Graphic Controls Acquisition Corp.	Buffalo	Erie	Western New York	NGRID	Manufacturer of medical chart products	310	310	325	\$2,000,000		7
26	Mayer Bros. Apple Products Inc.	West Seneca	Erie	Western New York	NYSEG	Manufacturer of beverage products	376	376	210	\$10,000,000		7
27	Pivot Punch Corporation	Lockport	Niagara	Western New York	NGRID	Manufacturer of punch & die products	160	160	45	\$300,000	(3)	7
28	TMP Technologies, Inc.	Buffalo	Erie	Western New York	NGRID	Manufacturer of stock & foam applicators	60	60	22	\$100,000	(3)	7
	Western New York Region Sub-totals:						1,262	1,262	794	\$13,950,000		

Totals

25,898	25,898	32,506	\$2,413,804,905
---------------	---------------	---------------	------------------------

- (1) The recommendation and associated commitments will apply to multiple facilities/addresses. This configuration will be implemented accordingly in the customer's power contract.
(2) A transfer is being recommended for this company in a separate item for the September 29, 2026 Board of Trustees meeting.
(3) The customer's extension-related job commitment is below the evaluation threshold associated with its current commitment. A compliance-related adjustment is not being recommended at this time.
(4) A modification to the legal name entity is being recommended for this company at the September 29, 2026 Board of Trustees meeting.

New York Power Authority

Modifications to Existing RNY Power Allocations, Extensions, and/or Related Supplemental Commitments

Exhibit "B"

September 29, 2026

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Final Job Commitments	Final Capital Investment Commitment	Contract Term (years)
1	Kraft Heinz Foods Company	Lowville	Lewis	North Country	NGRID	Manufacturer of food products	2,476	2,476	403	\$20,000,000	7
2	Life Technologies Corporation	Grand Island	Erie	Western New York	NGRID	Research & development in the life sciences	506	506	554	\$5,000,000	7
3	NYSE Market (DE), Inc.	New York	New York	New York City	CONED	New York Stock Exchange	1,686	1,686	400	\$10,000,000	7
4	Ohel Children's Home and Family Services, Inc.	Brooklyn	Kings	New York City	CONED	Social & community services	266	266	625	\$10,000,000	7
5	SI Group, Inc.	Rotterdam Junction	Schenectady	Capital District	NGRID	Manufacturer of electrical insulation	1,850	1,850	120	\$9,000,000	7
6	Special Metals LLC	Dunkirk	Chautauqua	Western New York	NGRID	Production of nickel & cobalt alloys	500	500	51	\$20,000,000	7
7	United Baking Co., Inc.	Islip	Suffolk	Long Island	LIPA	Manufacturer & distributor of cookies	566	452	120	\$1,000,000	7

New York Power Authority
Statutory Criteria - RNY Power Program

Exhibit "C"
September 29, 2026

Line	Criteria Description
1	The significance of the cost of electricity to the applicant's overall cost of doing business, and the impact that a Recharge New York power allocation will have on the applicant's operating costs;
2	The extent to which a Recharge New York power allocation will result in new capital investment in the state by the applicant;
3	The extent to which a Recharge New York power allocation is consistent with any regional economic development council strategies and priorities;
4	The type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;
5	The applicant's payroll, salaries, benefits and number of jobs at the facility for which a Recharge New York power allocation is requested;
6	The number of jobs that will be created or retained within the state in relation to the requested Recharge New York power allocation, and the extent to which the applicant will agree to commit to creating or retaining such jobs as a condition to receiving a Recharge New York power allocation;
7	Whether the applicant, due to the cost of electricity, is at risk of closing or curtailing facilities or operations in the state, relocating facilities or operations out of the state, or losing a significant number of jobs in the state, in the absence of a Recharge New York power allocation;
8	The significance of the applicant's facility that would receive the Recharge New York power allocation to the economy of the area in which such facility is located;
9	The extent to which the applicant has invested in energy efficiency measures, will agree to participate in or perform energy audits of its facilities, will agree to participate in energy efficiency programs of the authority, or will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving a Recharge New York power allocation;
10	Whether the applicant receives a hydroelectric power allocation or benefits supported by the sale of hydroelectric power under another program administered in whole or in part by the New York Power Authority;
11	The extent to which a Recharge New York power allocation will result in an advantage for an applicant in relation to the applicant's competitors within the state; and
12	In addition to the foregoing criteria, in the case of a not-for-profit corporation, whether the applicant provides critical services or substantial benefits to the local community in which the facility for which the Recharge New York power allocation is requested is located.



Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Transfer of Recharge New York Power Allocation

SUMMARY

The New York Power Authority Board of Trustees ("Board of Trustees") is requested to approve the transfer of a Recharge New York ("RNY") Power allocation previously awarded by the New York Power Authority ("Authority" or "NYPA"), as follows:

1. The transfer of a 70 kilowatt ("kW") RNY Power allocation awarded to Bestway Enterprises Inc. ("Bestway Enterprises"), for use at the facility located at 3877 Luker Road, Cortland, New York 13045, to Bestway of New York, Inc. ("Bestway of New York"), to reflect organizational changes.

Transfers of RNY Power allocations are subject to review and approval by the Economic Development Power Allocation Board ("EDPAB"). At its September 29, 2026 meeting, the EDPAB approved the transfer of this RNY Power allocation.

DISCUSSION

The following discussion describes the circumstances underlying the recommended transfer:

1) Bestway Enterprises Inc.

Bestway Enterprises was awarded a 70 kW RNY Power allocation for use at its facility located in Cortland, New York. This facility produces and distributes pressure-treated lumber and wholesale building products. Bestway of New York plans to continue the business operations at the facility without material change.

Bestway Enterprises and Bestway of New York request that the 70 kW RNY Power allocation be transferred to Bestway of New York. Bestway of New York has indicated that it will assume and comply with all terms and commitments applicable to the allocation under the Agreement for the Sale of Recharge New York and Energy with the Authority covering the allocation.

The Board of Trustees has previously approved transfers of RNY Power allocations under similar circumstances.

RECOMMENDATION

The Senior Vice President, Customer Solutions, requests that the Board of Trustees approve the transfer discussed above, subject to the following conditions: (1) there shall be no material reductions in the base employment levels or capital investment commitments associated with the allocation to be transferred; and (2) the transfer shall be effectuated through contract documents containing such terms and conditions as the Authority deems necessary to effectuate the transfer.

For the reasons stated above, I recommend approval of the requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

RESOLUTION

RESOLVED, That the transfer of the 70 kilowatt ("kW") Recharge New York ("RNY") Power allocation awarded to Bestway Enterprises Inc., for use at its facility located at 3877 Luker Road, Cortland, New York 13045, to Bestway of New York, Inc., as described in the foregoing memorandum of the President and Chief Executive Officer ("Memorandum"), be, and hereby is, approved, subject to (1) the terms and conditions set forth in the foregoing Memorandum; and (2) such additional terms and conditions as may be required by the New York Power Authority ("Authority") to effectuate the transfer, as reflected in contract documents prepared by the Authority; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.



Memorandum

Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Extension of Hydropower Contracts with Upstate Investor-Owned Utilities for the Benefit of Rural and Domestic Consumers - Final Approval and Transmittal to the Governor

SUMMARY

The Trustees are requested to authorize: (1) the approval of the proposed contract extensions ("2026 Amendments") for the sale by the New York Power Authority ("Authority") to Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid"), New York State Electric and Gas Corporation ("NYSEG"), and Rochester Gas and Electric Corporation ("RGE") (collectively, the "Utilities") of firm peaking hydropower totaling 360 megawatts ("MW"); and (2) the post-hearing transmittal of the 2026 Amendments to the Governor for review and approval, in accordance with Public Authority Law ("PAL") §1009, and, upon such approval, to authorize the Authority to execute the 2026 Amendments. The forms of the 2026 Amendments, as set forth in the "2026 Amendment to 1990 Service Agreement" with National Grid, NYSEG and RGE are attached as Exhibit "A", Exhibit "B", and Exhibit "C", respectively. This request follows the public hearing and comment period on the form of the 2026 Amendments that the Trustees authorized at their July 28, 2026 meeting. The public hearing was held on September 16, 2026, and a transcript is attached as Exhibit "D".

BACKGROUND

In accordance with hydropower contracts signed with the Utilities in 1990 ("1990 Hydro Contracts") and subsequent contract extensions, the Utilities have purchased both firm power and firm peaking power from the St. Lawrence/FDR and Niagara Power Projects.

The Utilities have purchased such power at the Authority's cost-based preference power hydropower rate, the benefits of which have been passed on to the Utilities' residential and small farm customers (also referred to as their rural and domestic or "R&D consumers") without markup, through the retail service rates provided by the Utilities.

Chapter 60 (Part CC) of the Laws of 2011 created the Recharge New York Power Program ("RNY Program"). This statute authorized the Authority to use the firm hydropower previously allocated to the Utilities for the RNY Program. See PAL § 1005(13-a).

Effective August 1, 2011, the Authority withdrew the firm power allocations from the Utilities in accordance with the withdrawal provisions of the 1990 Hydro Contracts and the new law, and terminated the firm power allocations of 189 MW for Niagara Mohawk Power Corporation d/b/a National Grid, 167 MW for NYSEG, and 99 MW for RGE, but continued to sell the firm peaking power to the Utilities in the following amounts: National Grid, 175 MW; NYSEG, 150 MW; and RGE, 35 MW.

Beginning in 2014, the Trustees approved successive extensions of the peaking hydropower allocations and the 1990 Hydro Contracts through December 31, 2023. National Grid did not initially extend its 1990 Hydro Contract in 2020, but in 2022 entered into an agreement with the Authority to recommence electric service for 175 MW of firm peaking power through December 31, 2023.

In 2023, the Authority began extending the peaking power allocations and terms of the 1990 Hydro Contracts on an annual basis. The Authority subsequently approved one-year extensions through December 31, 2026. In 2025 NYPA amended the contract to update rate provisions consistent with the Authority's 2025 preference power rulemaking applicable to the Utilities' hydroelectric purchases on behalf of R&D consumers. The proposed 2026 Amendments would extend the peaking power allocations and 1990 Hydro Contracts for an additional one-year period through December 31, 2027.

DISCUSSION

The Authority and each of the Utilities have negotiated the 2026 Amendments, which provide for the continued sale of the peaking power in the amounts indicated above through December 31, 2027. The 2026 Amendments specify the terms and conditions applicable to these sales, including the Authority's right to terminate any extension upon thirty (30) days' written notice to the Utilities.

At their July 28, 2026 meeting, the Trustees authorized submission of the 2026 Amendments to the Governor for review and approval under PAL § 1009. To avoid interruption of the financial benefits that peaking power provides to the R&D customers, the Trustees also authorized interim execution of the Amendments pending the Governor's approval. Following the public hearing described below, the 2026 Amendments are now presented for final approval and post-hearing transmittal to the Governor for approval, subject to provisions for their cancellation in the event that the Governor does not approve the contracts pursuant to PAL § 1009.

In accordance with PAL § 1009, a public hearing was held on the 2026 Amendments on September 16, 2026, at 40 La Riviere Drive, Buffalo, NY 14202. No public comments were received, and Authority staff recommends no modifications to the 2026 Amendments.

FISCAL INFORMATION

The proposed 2026 Amendments would allow the Utilities to continue purchasing firm peaking hydropower at the Authority's cost-based rates applicable to Preference Power customers, in accordance with the Authority's rate-setting methodologies and principles. The contract extensions are therefore expected to have no fiscal impact on the Authority.

RECOMMENDATION

The Senior Vice President – Customer Solutions requests that the Trustees approve the proposed 2026 Amendments with the Utilities and authorize their post-hearing transmittal to the Governor for review and approval for the Authority to execute the 2026 Amendments, and to transmit the proposed 2026 Amendments to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee, in accordance with PAL § 1009.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the proposed contract extensions (“2026 Amendments”) attached to the accompanying Memorandum of the President and Chief Executive Officer, are hereby approved; and be it further

RESOLVED, That the 2026 Amendments be submitted to the Governor for review and approval, in accordance with Public Authorities Law § 1009, and, upon such approval, the Authority is authorized to execute the 2026 Amendments; and be it further

RESOLVED, That copies of the 2026 Amendments be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chair of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chair of the Senate Finance Committee, in accordance with Public Authorities Law §1009; and be it further

RESOLVED, that the New York Power Authority Board of Trustees recommends that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions, and execute and delivery any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

2026 Amendment to 1990 Service Agreement

This 2026 Amendment to 1990 Service Agreement, dated this ___ day of _____, 2026 is made between Niagara Mohawk Power Corporation d/b/a National Grid (the “Company”) and the Power Authority of the State of New York (the “Authority”).

WHEREAS, the Company and the Authority are parties to an agreement dated February 22, 1989 under which the Authority has sold certain quantities of hydroelectric power and energy (“Power and Energy”) in accordance with Authority Service Tariff (“ST”) No. 41 and ST No. 42 from Authority’s Niagara and St. Lawrence Projects to the Company for resale to its rural and residential consumers (the “1990 Service Agreement”).

WHEREAS, the Company and the Authority have previously modified and extended the 1990 Service Agreement, most recently by the “First Revised 2025 Amendment to 1990 Service Agreement” (the “First Revised 2025 Amendment”).

WHEREAS, by letter dated June 29, 2011, the Authority withdrew all 189 MW of Firm Hydroelectric Power and Energy allocated under ST No. 41 and terminated service under the 1990 Service Agreement under ST No. 41 with respect to all 189 MW of Firm Hydroelectric Power and Energy, effective August 1, 2011, for use in the Recharge New York (“RNY”) Power Program created pursuant to Chapter 60 (Part CC) of the Laws of 2011 (the “Firm Power and Energy Withdrawal/Termination”).

WHEREAS, the Company and the Authority agree to further modify and extend certain terms of the 1990 Service Agreement as follows:

- 1) As a result of the Firm Power and Energy Withdrawal/Termination, the amount of Firm Hydroelectric Power and Energy allocated to the Company under ST No. 41 is zero (0), and the Firm Peaking Power allocation of 175 MW under ST No. 42 will remain unchanged.
- 2) Article E - Rates. The current text is deleted in its entirety and is replaced with the following text.

“The rates charged by the Authority under this 1990 Service Agreement shall be established in accordance with this Article.

- A. Power and Energy provided by the Authority from the Niagara Power Project shall be sold to the Company at cost-based rates consistent with the Niagara Redevelopment Act (“NRA”) and the Federal Energy Regulatory Commission (“FERC”) Project No. P-2216 license, and at the “lowest rates reasonably possible” as referred to in the NRA, 16 U.S.C. § 836(b)(1), per the 1990 Service Agreement, and at the “lowest possible price” as referred to in the N.Y. Public Authorities Law (“PAL”) § 1005(5). The Authority shall charge and the Company shall pay the preference power rates as adopted by the Authority’s Trustees, as revised from time to time at the discretion of the Authority’s Trustees, exercised in accordance with the terms and conditions of this 1990 Service Agreement. During the Term of this 1990 Service Agreement, the

Company will not object to rates that apply the following Cost of Service (“CoS”) provisions (“Principles and Methodologies”):

- (i) Recovery of the “cost of generation, plus capital and operating charges,” or any other charge permitted under PAL § 1005(5);
- (ii) The melding of the costs of the Niagara Power Project and St. Lawrence-Franklin D. Roosevelt (“FDR”) Power Project, FERC Project No. P-2000 (collectively, the “Hydro Projects”) for ratemaking purposes;
- (iii) The use of the Authority’s ‘labor/labor’ method (i.e., labor ratios) for allocation of Administrative and General (“A&G”) costs;
- (iv) Recovery of the Authority’s capital costs and depreciation expense, as defined below.
 - (a) The Authority’s capital costs are defined as rate base (defined in subparagraph (iv)(b) below) times the Authority’s actual long-term debt rate as published annually in the Authority’s Consolidated Financial Statements contained within its annual Financial Report;
 - (b) The Authority’s rate base will be comprised of net plant balances (net of accumulated depreciation), for the following: Niagara Power Project production and allocated general plant, St. Lawrence-FDR Power Project production and allocated general plant, headquarters cost center (“Headquarters”) allocated general plant, and the Authority’s Clark Energy Center located in Marcy, New York allocated general plant, plus applicable prepayments, materials & supplies, and cash working capital (labor ratio allocators applied to all allocable costs);
 - (c) The Authority will recover depreciation expense for plant in service, including Niagara Power Project production and allocated general plant, St. Lawrence-FDR Power Project production and allocated general plant, Headquarters allocated general plant, and Clark Energy Center allocated general plant. Depreciation expense shall not include an adjustment for inflation and shall be calculated using generally accepted accounting principles, consistent with the Authority’s depreciation studies performed by outside experts and as adopted by the Authority from time to time following any applicable regulatory approvals;
- (v) Continued recovery of all prudent Hydro Projects relicensing costs in the exercise of the Authority’s broad discretion and in accordance with the Authority’s obligations under its FERC licenses for the Hydro Projects;
- (vi) Continuation of the Authority’s existing practice of retaining excess revenues from the sale of hydroelectric energy from the Hydro Projects after the preference power rate is set;

- (vii) Use of the Rate Stabilization Reserve (“RSR”) for the tracking of any under-collection or over-collection of the Authority’s CoS developed for the Hydro Projects;
 - (viii) In developing preference power rates, the Authority to include crediting to the CoS the Hydro Projects’ revenues from the projected sales of excess Unforced Capacity (“UCAP”) and Ancillary Services revenues;
 - (ix) The use of a five-year historical average of actual generation levels of the Hydro Projects in the development of preference power rates. Annual RSR calculations shall use the annual generation level;
 - (x) Elimination of the RNY Program normalization in the preference power rate development; and
 - (xi) The RSR reconciliations will be subject to the following:
 - (a) Excess UCAP not needed to meet firm demands of customers served from the Hydro Projects will be credited to the CoS based on the sale of such UCAP in the NYISO capacity auctions. To the extent excess UCAP is used by the Authority to make bilateral transactions, preference customers shall be credited on a pro-rata basis in the RSR reconciliation based on the assumption that such quantity of excess UCAP is sold at the NYISO monthly average “Rest of State” UCAP auction prices in the wholesale market, weighted at 1/3 for the Strip auction price, 1/3 for the Monthly auction price, and 1/3 for the Spot auction price.
 - (b) The Authority’s A&G expenses collected in preference rates commencing April 1, 2026 through March 31, 2031 will use a 2023 base year of \$212,665,707 of actual expenses, escalated 4% annually. Such A&G expenses will not be subject to reconciliation to actual A&G in annual RSR calculations, except for reconciliation based on annual updates to the labor ratio. After March 31, 2031, A&G expenses will be determined by mutual agreement with all appropriate counterparties.
 - (c) The Authority’s Operation & Maintenance (“O&M”) expenses collected in preference rates commencing April 1, 2026 through March 31, 2031 will be based on budgeted projections. Such O&M expenses will not be subject to reconciliation to actual O&M in annual RSR calculations, except for reconciliation of any direct O&M related to emergent work (identified through specific project coding) at the Hydro Projects. After March 31, 2031, O&M expenses will be determined by mutual agreement with all appropriate counterparties.
 - (d) The Authority’s actual Ancillary Service revenues from the Hydro Projects will be credited to the CoS.
- B. In the event the Authority ceases to employ any of the methodologies and principles enumerated above, the Company shall have the right to take any

position whatsoever with respect to such methodology or principle, but shall not have the right to challenge any of the remaining methodologies and principles that continue to be employed by the Authority. Notwithstanding the foregoing, nothing in this Article shall limit the Authority and the Company from entering into good faith negotiations to change the above methodologies and principles.”

- 3) Article F - Transmission. The current text is deleted in its entirety and is replaced with the following text.

“The Company takes transmission service associated with the Power and Energy sold under this 1990 Service Agreement under the NYISO Open Access Transmission Tariff. No transmission service is provided by the Authority with respect to the sales of Power and Energy under this 1990 Service Agreement.”

- 4) Article G - Notification. In the contact address for the Authority, replace “10 Columbus Circle, New York, NY 10019” with “123 Main Street, White Plains, NY 10601”.

- 5) Article K - Restoration of Withdrawn Power and/or Energy is deleted in its entirety.

- 6) Article L - Term of Service, is revised to read as follows:

“Service under this contract shall commence at 12:01 A.M. on January 1, 1990 and shall continue unless cancelled as provided for in the “Withdrawals of Power and/or Energy” or the “Cancellation or Reduction” provisions until December 31, 2027, subject to earlier termination by the Authority at any time with respect to any or all of the quantities of power and energy provided hereunder on at least thirty (30) days’ prior written notice to the Company.”

- 7) Article M - Availability of Energy - Firm and Firm Peaking Hydroelectric Power Service. In the third paragraph, line 1, starting with the words “In the event that...” through “... minimize the impact of such reductions.” on line 10, replace with the following:

“The Authority will have the right to reduce on a pro rata basis the amount of energy provided to the Company under Service Tariff No. 42 if such reductions are necessary due to low flow (i.e., hydrologic) conditions at the Niagara Power Project. In the event that hydrologic conditions require the Authority to reduce the amount of energy provided to the Company, reductions as a percentage of the otherwise required, energy deliveries will be the same for all firm Niagara Power Project customers. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Company in later billing periods. The offer of Energy for delivery shall fulfill the Authority’s obligations for purposes of this Provision whether or not the Energy is taken by the Company. The Authority shall provide reasonable notice to the Company of any condition or activities that could result, or have resulted, in low flow conditions consistent with the notice provided to other similarly affected customers.”

- 8) This amendment shall be referred to as the “2026 Amendment to 1990 Service Agreement”.

- 9) Continuation of service under this 2026 Amendment to 1990 Service Agreement shall be subject to approval of this 2026 Amendment to 1990 Service Agreement by the Governor of the State of New York pursuant to PAL § 1009. If the Governor disapproves this 2026 Amendment to 1990 Service Agreement, service will cease on the last day of the month following the month during which the Governor disapproved this 2026 Amendment to 1990 Service Agreement. If the Governor takes no action within the time frame provided for in PAL § 1009, service will cease on the last day of the month following the month during which such timeframe expired.
- 10) Except as expressly provided in this 2026 Amendment to 1990 Service Agreement, the 1990 Service Agreement shall remain unchanged and in full force and effect.
- 11) This 2026 Amendment to 1990 Service Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts and to be performed in such state, without regard to conflict of laws principles.
- 12) This 2026 Amendment to 1990 Service Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.
- 13) Upon approval of the Governor of the State of New York pursuant to PAL § 1009, and upon execution by the Chairman of the Authority, this 2026 Amendment to 1990 Service Agreement shall come into full force and effect, provided however that pending such gubernatorial approval and execution, this 2026 Amendment to 1990 Service Agreement shall replace the First Revised 2025 Amendment and take effect on January 1, 2027 and continue on a month to month basis.
- 14) This 2026 Amendment to 1990 Service Agreement may be amended or modified by written agreement signed by the Authority and the Company.

AGREED:

Niagara Mohawk Power Corporation

By: _____

Name: _____

Title: _____

Date: _____

Power Authority of the State of New York

By: _____

Name: John R. Koelmel

Title: Chairman

Date: _____

2026 Amendment to 1990 Hydropower Contract

This 2026 Amendment to the 1990 Hydropower Contract, dated this ___ day of _____, 2026 is made between New York State Electric & Gas Corporation ("Company") and the Power Authority of the State of New York ("Authority").

WHEREAS, the Company and the Authority are parties to an agreement dated February 22, 1989 under which the Authority sells certain quantities of hydroelectric power and energy from Authority's Niagara and St. Lawrence Projects to Company for resale to its rural and residential consumers (the "1990 Hydropower Contract").

WHEREAS, Authority, Rochester Gas and Electric Corporation ("RGE") and Company are also parties to a letter agreement dated February 14, 2008, which modified Article D - Regulation of Rates and Charges as it pertained to the calculation of the monthly savings realized by the customers of Company and RGE from the purchase of Authority hydropower.

WHEREAS, Company and Authority have previously modified and extended the 1990 Hydropower Contract, most recently by the "First Revised 2025 Amendment to 1990 Hydropower Contract" (the "First Revised 2025 Amendment").

WHEREAS, by letter dated June 29, 2011, Authority withdrew all 167 MW of Firm Hydroelectric Power and Energy allocated under Service Tariff No. 41 and terminated service under the 1990 Hydropower Contract with respect to all 167 MW of Firm Hydroelectric Power and Energy, effective August 1, 2011, for use in the Recharge New York Power Program created pursuant to Chapter 60 (Part CC) of the Laws of 2011 (the "Firm Power and Energy Withdrawal/Termination").

WHEREAS, Company and Authority agree to further modify and extend certain terms of 1990 Hydropower Contract as follows:

- 1) As a result of the Authority's Firm Power and Energy Withdrawal/Termination, the amount of Firm Hydroelectric Power and Energy allocated to Company under Service Tariff No. 41 is zero (0). The Firm Peaking Power allocation of 150 MW under Service Tariff No. 42 will remain unchanged.
- 2) Article E - Rates. The current text is deleted in its entirety and is replaced with the following text.

"The rates charged by the Authority under this Agreement shall be established in accordance with this Article.

- A. Project Power and Energy provided by the Authority from the Project shall be sold to the Customer at cost-based rates consistent with the NRA and the FERC License, and at the "lowest rates reasonably possible" as referred to in the NRA, § 836(b)(1) and at the "lowest possible price" as referred to in the N.Y. Public Authorities Law ("PAL") § 1005(5). The Authority shall charge and the Customer shall pay the preference power rates as adopted by the Authority's Trustees, as revised from time to time at the discretion of the Authority's Trustees, exercised in accordance with the terms and conditions of

this Agreement. During the Term of this Agreement, the Customer will not object to rates that apply the following Cost of Service (“CoS”) provisions (“Principles and Methodologies”):

- (i) Recovery of the “cost of generation, plus capital and operating charges,” or any other charge permitted under PAL § 1005(5);
- (ii) The melding of the costs of the Niagara Power Project and St. Lawrence-FDR Power Project (“Hydro Projects”) for ratemaking purposes;
- (iii) The use of Authority’s ‘labor/labor’ method (i.e. labor ratios) for allocation of Administrative and General (“A&G”) costs;
- (iv) Recovery of capital costs and depreciation expense, as defined below.
 - (a) The Authority’s capital costs are defined as rate base (defined in subparagraph (iv)(b) below) times the Authority’s actual long-term debt rate as published annually in the Authority’s Consolidated Financial Statements report;
 - (b) The Authority’s rate base will be comprised of net plant balances, (net of accumulated depreciation), for the following: Project production and allocated general plant, St. Lawrence-FDR Project production and allocated general plant, Headquarters allocated general plant, and Clark Energy Center allocated general plant, plus applicable prepayments, materials & supplies and cash working capital (labor ratio allocators applied to all allocable costs);
 - (c) The Authority will recover depreciation expense for plant in service, including Project production and allocated general plant, St. Lawrence-FDR Project production and allocated general plant, Headquarters allocated general plant, and Clark Energy Center allocated general plant. Depreciation expense shall not include an adjustment for inflation and shall be calculated using generally accepted accounting principles, consistent with the Authority’s depreciation studies performed by outside experts and as adopted by the Authority from time to time following any applicable regulatory approvals;
- (v) Continued recovery of all prudent Hydro Project relicensing costs in the exercise of the Authority’s broad discretion and in accordance with the Authority’s obligations under its FERC licenses for the Hydro Projects;
- (vi) Continuation of Authority’s existing practice of retaining excess revenues from the sale of hydroelectric energy from the Hydro Projects after the preference power rate is set;
- (vii) Use of the Rate Stabilization Reserve (“RSR”) for the tracking of any under-collection or over-collection of the Authority’s CoS developed for the Hydro Projects;

- (viii) In developing preference power rates, Authority to include crediting to the CoS the Hydro Project revenues from the projected sales of excess Unforced Capacity (“UCAP”) and Ancillary Services revenues;
 - (ix) The use of a five-year historical average of actual generation levels of the Hydro Projects in the development of preference power rates. RSR calculations made each year will use the annual generation level;
 - (x) Elimination of the ReCharge NY Program normalization in the preference power rate development; and
 - (xi) The RSR reconciliations will be subject to the following:
 - (a) Excess UCAP not needed to meet firm demands of customers served from the Hydro Projects will be credited to the CoS based on the sale of such UCAP in the NYISO capacity auctions. To the extent excess UCAP is used by Authority to make bilateral transactions, preference customers shall be credited on a pro-rata basis in the RSR reconciliation based on the assumption that such quantity of excess UCAP is sold at the NYISO monthly average “Rest of State” UCAP auction prices in the wholesale market, weighted at 1/3 for the Strip auction price, 1/3 for the Monthly auction price, and 1/3 for the Spot auction price.
 - (b) Authority’s A&G expenses collected in preference rates commencing April 1, 2026 through March 31, 2031 will use a 2023 base year of \$212,665,707 of actual expenses, escalated 4% annually. Such A&G expenses will not be subject to reconciliation to actual A&G in annual RSR calculations, except for reconciliation based on annual updates to the labor ratio. After March 31, 2031, A&G expense will be determined by mutual agreement.
 - (c) Authority’s Operation & Maintenance (“O&M”) expenses collected in preference rates commencing April 1, 2026 through March 31, 2031 will be based on budgeted projections. Such O&M expenses will not be subject to reconciliation to actual O&M in annual RSR calculations, except for reconciliation of any direct O&M related to emergent work (identified through specific project coding) at the Hydro Projects. After March 31, 2031, O&M expense will be determined by mutual agreement.
 - (d) Authority’s actual Ancillary Service revenues from the Hydro Projects will be credited to the CoS.
- B. In the event the Authority ceases to employ any of the methodologies and principles enumerated above, the Customer or the Customer’s Authorized Recipient shall have the right to take any position whatsoever with respect to such methodology or principle, but shall not have the right to challenge any of the remaining methodologies and principles that continue to be employed by the Authority. Notwithstanding the foregoing, nothing in this Article shall

limit the Authority and Customer or Customer's Authorized Recipient from entering into good faith negotiations to change the above methodologies and principles.

- 3) Article F - Transmission. The current text is deleted in its entirety and is replaced with the following text.

“In accordance with the terms of the existing transmission Hydropower Contract, which by its terms will expire on August 31, 2007, Company will cease taking transmission service from Authority and will instead take transmission service under the New York Independent System Operator's (“NYISO”) Open Access Transmission Tariff. Company agrees to settle any outstanding transmission charges that may apply prior to September 1, 2007 including any subsequent NYISO true up settlements.”

- 4) Article G - Notification. In the contact address for Authority replace “10 Columbus Circle, New York, NY 10019” with “123 Main Street, White Plains, NY 10601”. For Company, delete the current reference in its entirety and replace with the following “Patrick W. Fox, Senior Director, NY Energy Services, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, 18 Link Drive, P.O. Box 5224, Binghamton, New York 13902-5224”.

- 5) Article K - Restoration of Withdrawn Power and/or Energy is deleted in its entirety.

- 6) Article L - Term of Service, is revised to read as follows:

“Service under this contract shall commence at 12:01 A.M. on January 1, 1990 and shall continue unless cancelled as provided for in the “Withdrawals of Power and/or Energy” or the “Cancellation or Reduction” provisions until December 31, 2027, subject to earlier termination by the Authority at any time with respect to any or all of the quantities of power and energy provided hereunder on at least thirty (30) days’ prior written notice to Company.”

- 7) Article M - Availability of Energy - Firm and Firm Peaking Hydroelectric Power Service. In the third paragraph, line 1, starting with the words “In the event that...” through “... minimize the impact of such reductions.” on line 10, replace with the following:

“The Authority will have the right to reduce on a pro rata basis the amount of energy provided to Company under Service Tariff No. 42 if such reductions are necessary due to low flow (i.e. hydrologic) conditions at the Authority's Niagara Project hydroelectric generating station. In the event that hydrologic conditions require the Authority to reduce the amount of energy provided to the Company, reductions as a percentage of the otherwise required, energy deliveries will be the same for all firm Niagara Project customers. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Company in later billing periods. The offer of Energy for delivery shall fulfill Authority's obligations for purposes of this Provision whether or not the Energy is taken by the Company. The Authority shall provide reasonable notice to the Company of any condition or activities that could result, or have resulted, in low

flow conditions consistent with the notice provided to other similarly affected customers.”

- 8) This amendment shall be referred to as the “2026 Amendment to the 1990 Hydropower Contract”.
- 9) Continuation of service under this 2026 Amendment to the 1990 Hydropower Contract shall be subject to approval of this 2026 Amendment to the 1990 Hydropower Contract by the Governor of the State of New York pursuant to Public Authorities Law § 1009. If the Governor disapproves this 2026 Amendment to the 1990 Hydropower Contract, service will cease on the last day of the month following the month during which the Governor disapproved this 2026 Amendment to the 1990 Hydropower Contract. If the Governor takes no action within the time frame provided for in Public Authorities Law § 1009, service will cease on the last day of the month following the month during which such timeframe expired.
- 10) Except as expressly provided in this 2026 Amendment to the 1990 Hydropower Contract, the 1990 Hydropower Contract shall remain unchanged and in full force and effect.
- 11) This 2026 Amendment to the 1990 Hydropower Contract shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts and to be performed in such state, without regard to conflict of laws principles.
- 12) This 2026 Amendment to the 1990 Hydropower Contract may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.
- 13) Upon approval of the Governor of the State of New York pursuant to Public Authorities Law § 1009, and upon execution by the Chairman of the Authority, this 2026 Amendment to the 1990 Hydropower Contract shall come into full force and effect, provided however that pending such gubernatorial approval and execution, this 2026 Amendment to the 1990 Hydropower Contract shall replace the First Revised 2025 Amendment and take effect on January 1, 2027 and continue on a month to month basis.
- 14) This 2026 Amendment to the 1990 Hydropower Contract may be amended or modified by a written agreement signed by the Authority and the Company.

AGREED:

New York State Electric & Gas Corporation

By: _____
Name: Andrea VanLuling
Title: Controller
Date: _____

By: _____
Name: Patricia Nilsen

Title: Chief Executive Officer
Date: _____

Power Authority of the State of New York

ACCEPTED:

By: _____
Name: John R. Koelmel
Title: Chairman
Date: _____

2026 Amendment to 1990 Hydropower Contract

This 2026 Amendment to the 1990 Hydropower Contract, dated this ____ day of _____, 2026 is made between Rochester Gas and Electric Corporation ("Company") and the Power Authority of the State of New York ("Authority").

WHEREAS, the Company and the Authority are parties to an agreement dated February 22, 1989 under which the Authority sells certain quantities of hydroelectric power and energy from Authority's Niagara and St. Lawrence Projects to Company for resale to its rural and residential consumers (the "1990 Hydropower Contract").

WHEREAS, Authority, New York State Electric & Gas Corporation ("NYSEG") and Company are also parties to a letter agreement dated February 14, 2008 which modified Article D - Regulation of Rates and Charges as it pertained to the calculation of the monthly savings realized by the customers of Company and NYSEG from the purchase of Authority hydropower.

WHEREAS, Company and Authority have previously modified and extended the 1990 Hydropower Contract, most recently by the "First Revised 2025 Amendment to 1990 Hydropower Contract" (the "First Revised 2025 Amendment").

WHEREAS, by letter dated June 29, 2011, Authority withdrew all 99 MW of Firm Hydroelectric Power and Energy allocated under Service Tariff No. 41 and terminated service under the 1990 Hydropower Contract with respect to all 99 MW of Firm Hydroelectric Power and Energy, effective August 1, 2011, for use in the Recharge New York Power Program created pursuant to Chapter 60 (Part CC) of the Laws of 2011 (the "Firm Power and Energy Withdrawal/Termination").

WHEREAS, Company and Authority agree to further modify and extend certain terms of 1990 Hydropower Contract as follows:

- 1) As a result of the Authority's Firm Power and Energy Withdrawal/Termination, the amount of Firm Hydroelectric Power and Energy allocated to Company under Service Tariff No. 41 is zero (0). The Firm Peaking Power allocation of 35 MW under Service Tariff No. 42 will remain unchanged.
- 2) Article E - Rates. The current text is deleted in its entirety and is replaced with the following text.

"The rates charged by the Authority under this Agreement shall be established in accordance with this Article.

- A. Project Power and Energy provided by the Authority from the Project shall be sold to the Customer at cost-based rates consistent with the NRA and the FERC License, and at the "lowest rates reasonably possible" as referred to in the NRA, § 836(b)(1) and at the "lowest possible price" as referred to in the N.Y. Public Authorities Law ("PAL") § 1005(5). The Authority shall charge and the Customer shall pay the preference power rates as adopted by the Authority's Trustees, as revised from time to time at the discretion of the Authority's Trustees, exercised in accordance with the terms and conditions of

this Agreement. During the Term of this Agreement, the Customer will not object to rates that apply the following Cost of Service (“CoS”) provisions (“Principles and Methodologies”):

- (i) Recovery of the “cost of generation, plus capital and operating charges,” or any other charge permitted under PAL § 1005(5);
- (ii) The melding of the costs of the Niagara Power Project and St. Lawrence-FDR Power Project (“Hydro Projects”) for ratemaking purposes;
- (iii) The use of Authority’s ‘labor/labor’ method (i.e. labor ratios) for allocation of Administrative and General (“A&G”) costs;
- (iv) Recovery of capital costs and depreciation expense, as defined below.
 - (a) The Authority’s capital costs are defined as rate base (defined in subparagraph (iv)(b) below) times the Authority’s actual long-term debt rate as published annually in the Authority’s Consolidated Financial Statements report;
 - (b) The Authority’s rate base will be comprised of net plant balances, (net of accumulated depreciation), for the following: Project production and allocated general plant, St. Lawrence-FDR Project production and allocated general plant, Headquarters allocated general plant, and Clark Energy Center allocated general plant, plus applicable prepayments, materials & supplies and cash working capital (labor ratio allocators applied to all allocable costs);
 - (c) The Authority will recover depreciation expense for plant in service, including Project production and allocated general plant, St. Lawrence-FDR Project production and allocated general plant, Headquarters allocated general plant, and Clark Energy Center allocated general plant. Depreciation expense shall not include an adjustment for inflation and shall be calculated using generally accepted accounting principles, consistent with the Authority’s depreciation studies performed by outside experts and as adopted by the Authority from time to time following any applicable regulatory approvals;
- (v) Continued recovery of all prudent Hydro Project relicensing costs in the exercise of the Authority’s broad discretion and in accordance with the Authority’s obligations under its FERC licenses for the Hydro Projects;
- (vi) Continuation of Authority’s existing practice of retaining excess revenues from the sale of hydroelectric energy from the Hydro Projects after the preference power rate is set;
- (vii) Use of the Rate Stabilization Reserve (“RSR”) for the tracking of any under-collection or over-collection of the Authority’s CoS developed for the Hydro Projects;

- (viii) In developing preference power rates, Authority to include crediting to the CoS the Hydro Project revenues from the projected sales of excess Unforced Capacity (“UCAP”) and Ancillary Services revenues;
 - (ix) The use of a five-year historical average of actual generation levels of the Hydro Projects in the development of preference power rates. RSR calculations made each year will use the annual generation level;
 - (x) Elimination of the ReCharge NY Program normalization in the preference power rate development; and
 - (xi) The RSR reconciliations will be subject to the following:
 - (a) Excess UCAP not needed to meet firm demands of customers served from the Hydro Projects will be credited to the COS based on the sale of such UCAP in the NYISO capacity auctions. To the extent excess UCAP is used by Authority to make bilateral transactions, preference customers shall be credited on a pro-rata basis in the RSR reconciliation based on the assumption that such quantity of excess UCAP is sold at the NYISO monthly average “Rest of State” UCAP auction prices in the wholesale market, weighted at 1/3 for the Strip auction price, 1/3 for the Monthly auction price, and 1/3 for the Spot auction price.
 - (b) Authority’s A&G expenses collected in preference rates commencing April 1, 2026 through March 31, 2031 will use a 2023 base year of \$212,665,707 of actual expenses, escalated 4% annually. Such A&G expenses will not be subject to reconciliation to actual A&G in annual RSR calculations, except for reconciliation based on annual updates to the labor ratio. After March 31, 2031, A&G expense will be determined by mutual agreement.
 - (c) Authority’s Operation & Maintenance (“O&M”) expenses collected in preference rates commencing April 1, 2026 through March 31, 2031 will be based on budgeted projections. Such O&M expenses will not be subject to reconciliation to actual O&M in annual RSR calculations, except for reconciliation of any direct O&M related to emergent work (identified through specific project coding) at the Hydro Projects. After March 31, 2031, O&M expense will be determined by mutual agreement.
 - (d) Authority’s actual Ancillary Service revenues from the Hydro Projects will be credited to the CoS.
- B. In the event the Authority ceases to employ any of the methodologies and principles enumerated above, the Customer or the Customer’s Authorized Recipient shall have the right to take any position whatsoever with respect to such methodology or principle, but shall not have the right to challenge any of the remaining methodologies and principles that continue to be employed by the Authority. Notwithstanding the foregoing, nothing in this Article shall

limit the Authority and Customer or Customer's Authorized Recipient from entering into good faith negotiations to change the above methodologies and principles.

- 3) Article F - Transmission. The current text is deleted in its entirety and is replaced with the following text.

“In accordance with the terms of the existing transmission Hydropower Contract, which by its terms will expire on August 31, 2007, Company will cease taking transmission service from Authority and will instead take transmission service under the New York Independent System Operator's (“NYISO”) Open Access Transmission Tariff. Company agrees to settle any outstanding transmission charges that may apply prior to September 1, 2007 including any subsequent NYISO true up settlements.”

- 4) Article G - Notification. In the contact address for Authority replace “10 Columbus Circle, New York, NY 10019” with “123 Main Street, White Plains, NY 10601”. For Company, delete the current reference in its entirety and replace with the following “Patrick W. Fox, Senior Director, NY Energy Services, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, 18 Link Drive, P.O. Box 5224, Binghamton, New York 13902-5224”.

- 5) Article K - Restoration of Withdrawn Power and/or Energy is deleted in its entirety.

- 6) Article L - Term of Service, is revised to read as follows:

“Service under this contract shall commence at 12:01 A.M. on January 1, 1990 and shall continue unless cancelled as provided for In the “Withdrawals of Power and/or Energy” or the “Cancellation or Reduction” provisions until December 31, 2027, subject to earlier termination by the Authority at any time with respect to any or all of the quantities of power and energy provided hereunder on at least thirty (30) days’ prior written notice to Company.”

- 7) Article M - Availability of Energy - Firm and Firm Peaking Hydroelectric Power Service. In the third paragraph, line 1, starting with the words “In the event that...” through “... minimize the impact of such reductions.” on line 10, replace with the following:

“The Authority will have the right to reduce on a pro rata basis the amount of energy provided to Company under Service Tariff No. 42 if such reductions are necessary due to low flow (i.e. hydrologic) conditions at the Authority's Niagara Project hydroelectric generating station. In the event that hydrologic conditions require the Authority to reduce the amount of energy provided to the Company, reductions as a percentage of the otherwise required, energy deliveries will be the same for all firm Niagara Project customers. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Company in later billing periods. The offer of Energy for delivery shall fulfill the Authority's obligations for the purposes of this Provision whether or not the Energy is taken by the Company. The Authority shall provide reasonable notice to Company of any condition or activities that could result, or have resulted, in low

flow conditions consistent with the notice provided to other similarly affected customers.”

- 8) This amendment shall be referred to as the “First Revised 2025 Amendment to the 1990 Hydropower Contract”.
- 9) Continuation of service under this First Revised 2025 Amendment to the 1990 Hydropower Contract shall be subject to approval of this 2026 Amendment to the 1990 Hydropower Contract by the Governor of the State of New York pursuant to Public Authorities Law § 1009. If the Governor disapproves this 2026 Amendment to the 1990 Hydropower Contract, service will cease on the last day of the month following the month during which the Governor disapproved this 2026 Amendment to the 1990 Hydropower Contract. If the Governor takes no action within the time frame provided for in Public Authorities Law § 1009, service will cease on the last day of the month following the month during which such timeframe expired.
- 10) Except as expressly provided in this 2026 Amendment to the 1990 Hydropower Contract, the 1990 Hydropower Contract shall remain unchanged and in full force and effect.
- 11) This 2026 Amendment to the 1990 Hydropower Contract shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts and to be performed in such state, without regard to conflict of laws principles.
- 12) This 2026 Amendment to the 1990 Hydropower Contract may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.
- 13) Upon approval of the Governor of the State of New York pursuant to Public Authorities Law § 1009, and upon execution by the Chairman of the Authority, this 2026 Amendment to the 1990 Hydropower Contract shall come into full force and effect, provided however that pending such gubernatorial approval and execution, this 2026 Amendment to the 1990 Hydropower Contract shall replace the First Revised 2025 Amendment and take effect on January 1, 2027 and continue on a month to month basis.
- 14) This 2026 Amendment to the 1990 Hydropower Contract may be amended or modified by a written agreement signed by the Authority and the Company.

AGREED:

Rochester Gas and Electric Corporation

By: _____
Name: Andrea VanLuling
Title: Controller
Date: _____

By: _____
Name: Patricia Nilsen

Title: Chief Executive Officer
Date: _____

Power Authority of the State of New York

ACCEPTED:

By: _____
Name: John R. Koelmel
Title: Chairman
Date: _____

PUBLIC HEARING

Extension of Hydropower Contracts, and the Sale of
Replacement Power Allocations

September 16, 2026

2:00 p.m. to 6:00 p.m.

NYPA SPEAKER	PAGE
Felisa Hochheiser	2
Emily Alkiewicz	4

PUBLIC SPEAKER	PAGE
(None.)	

FELISA HOCHHEISER: Good afternoon. This is a public hearing required by law and authorized by the New York Power Authority's Board of Trustees on a proposed form of contract for the extension of hydropower contracts, and the sale of replacement power allocations.

My name is Felisa Hochheiser, and I'm the Authority's Vice President and Corporate Secretary.

New York State Public Authorities Law, Section 1009, sets forth procedures for executing certain contracts negotiated by the Authority.

First, prior to the hearing, it requires that notice of the hearing be provided. Therefore, a notice was sent to the Governor, the Speaker of the Assembly, the Chair of Senate Finance Committee, the Chair of Assembly Ways and Means Committee, the Senate Minority Leader, the Ranking Minority Member of the Assembly Ways and Means, and the President Pro Tempore and the Majority Leader.

In addition, notices appeared once a week for the four weeks leading up to this hearing in the following newspapers: Niagara Gazette, Buffalo News, Buffalo Business First, Niagara

1 County Tribune Sentinel-Lewiston, Albany
2 Times-Union, and Dunkirk Observer.

3 The public was also given access to the
4 proposed contracts on the Authority's website
5 during the 30-day period prior to today's hearing.

6 After the hearing, the public will be given
7 access to the hearing transcript, once it is
8 completed at www.nypa.gov.

9 The next step in the process set forth in
10 Section 1009 will be for the NYPA Trustees to
11 reconsider the proposed contracts in light of
12 public comments. Once the Trustees have completed
13 their final review, the contracts will be
14 forwarded to the Governor for her consideration
15 and approval.

16 If you plan to make an oral statement at
17 this hearing, I ask that you please indicate so on
18 the sign-in sheet. Also, if you have a written
19 statement, you can mail or email the Corporate
20 Secretary at 123 Main Street, 9-B, as in boy,
21 White Plains, New York 10601, or email at
22 secretarys.office@nypa.gov. That's
23 s-e-c-r-e-t-a-r-y-s dot office@nypa.gov.

24 The written statements may be of any length
25 and will appear in the record of the hearing in

1 addition to oral statements. The record of the
2 hearing will remain open for additional comments
3 up to and until close of business, Thursday,
4 September 17th, 2026.

5 At this point, I would like to introduce
6 Emily Alkiewicz, Director of Power Contracts and
7 Tariffs, who will provide additional details on
8 the proposed contracts for expansion power
9 allocations. Thank you.

10 Ms. Alkiewicz?

11 EMILY ALKIEWICZ: Thank you,
12 Ms. Hochheiser.

13 I'm here today to present a summary of the
14 proposed contract extensions for Niagara Mohawk
15 Power Corporation, doing business as National
16 Grid, New York State Electric and Gas Corporation,
17 or NYSEG, and Rochester Gas and Electric
18 Corporation, known as RG&E, that would amend
19 existing contracts between the Authority and each
20 of the utilities to provide for the continued sale
21 of firm peaking hydropower allocations, as well as
22 a summary of a proposed contract for Air Company
23 Holdings, Inc.

24 At their July 28th, 2026 meeting, the NYPA
25 Trustees approved an extension of National Grid's

1 175 megawatts, NYSEG's 115 megawatts, and RG&E's
2 35 megawatt allocations for one year, as well as
3 approved the form of the proposed contract
4 extension.

5 The Trustees also provided authorization
6 for this public hearing in accordance with the
7 Public Authorities Law, PAL 1009, on the proposed
8 form of contract extensions for National Grid,
9 NYSEG, and RG&E.

10 Regarding the three proposed contracts of
11 firm peaking hydropower to National Grid, NYSEG,
12 and RG&E, in accordance with the hydropower
13 contracts signed with the utilities in 1990, and
14 subsequent contract extensions, the utilities have
15 purchased both firm and peaking power from the
16 St. Lawrence FDR and Niagara Power Projects.

17 The utilities have purchased such power at
18 the Authority's cost-based preference power
19 hydropower rate, the benefits of which have been
20 passed on to the utilities' residential and
21 small-farm customers, also referred to as their
22 rural and domestic R&D consumers, without markup,
23 through the retail service rates provided by the
24 utilities.

25 Chapter 60 (Part CC) of the Laws of 2011,

1 created the Recharge New York Power Program. The
2 statute authorized the Authority to use the firm
3 hydropower previously allocated to the utilities
4 for the RNY program. See PAL 1005(13-a).

5 Effective August 1st, 2011, the Authority
6 withdrew the firm power allocations from the
7 utilities in accordance with the withdrawal
8 provisions of the 1990 hydro contracts, and the
9 new law, and terminated the firm allocations of
10 189 megawatts for National Grid, 167 megawatts for
11 NYSEG, and 99 megawatts for RG&E, but continued to
12 sell the firm peaking power to the utilities in
13 the following amounts: National Grid, 175
14 megawatts; NYSEG, 150 megawatts; and RG&E, 35
15 megawatts.

16 National Grid did not extend its 1990 hydro
17 contract initially in 2020, but in 2022, it signed
18 an agreement with the Authority to recommence
19 electric service under the 1990 service agreement
20 for the 175 megawatts of firm peaking power until
21 the expiration of the agreement on December 31st,
22 2023.

23 In 2020, NYSEG and RG&E extended their
24 agreements for three-year terms, expiring along
25 with National Grid's contract at the end of 2023.

1 In 2023, the Authority began extending the
2 peaking power allocations and the terms of the
3 1990 hydropower contracts on an annual basis. The
4 Authority subsequently approved one-year
5 extensions through December 36, 2026.

6 In 2025, NYPA amended the contract to
7 update the rate provisions consistent with the
8 Authority's 2025 preference power rulemaking
9 applicable to the utility's hydroelectric
10 purchases on behalf of RFD consumers.

11 The proposed 2026 utility contract
12 extensions would continue the sale of 360
13 megawatts of firm peaking hydropower to utilities,
14 which consists of the 175 megawatts for National
15 Grid, 150 for NYSEG, and 35 for RG&E.

16 These peaking power allocations will
17 continue to allow NYPA to pass on benefits of firm
18 peaking power to the utilities' R&D consumers.

19 The utilities have agreed to an extension
20 of the 1990 hydro contracts With NYPA having the
21 right to terminate each contract upon 30 days'
22 notice. These contracts provide for a one-year
23 extension through December 31st, 2027.

24 In addition, because the current extensions
25 are scheduled to expire on December 31st, 2026,

1 the Authority has agreed to execute contract
2 extensions on a month-to-month basis, pending the
3 completion of the public hearing process and
4 approval by the governor.

5 Some relevant provisions of the proposed
6 contracts include direct billing of all hydropower
7 supply charges, and all New York Independent
8 System Operator and NYISO charges and taxes, as
9 well as the supply of substitute energy in the
10 case of an unanticipated hydropower curtailment.

11 Transmission and delivery service for the
12 allocations will be provided by National Grid,
13 NYSEG, and RG&E in accordance with the utilities'
14 Public Service Commission-approved delivery
15 service tariffs.

16 Regarding the proposed contract, under
17 Public Authorities Law, subsection 13, the
18 Authority may sell and allocate directly or by
19 sale for resale 250 megawatts of expansion power,
20 known as EP, 445 megawatts of replacement power,
21 known as RP, to businesses located within 30 miles
22 of the Niagara Power Project, provided that the
23 amount of EP allocated to the businesses in
24 Chautauqua County on January 1st, 1987, shall
25 continue to be allocated in Chautauqua County.

1 At their October 8th, 2024 meeting, the
2 NYPA Trustees approved a 3,000-kilowatt allocation
3 of RP for a term of 10 years to Air Company
4 Holdings, Inc., abbreviated for this hearing as
5 Air Company, based on commitments of creating at
6 least 17 new full-time jobs, and making a capital
7 investment of at least \$30,100,000 at the Medina
8 facility that will use the RFP allocation.

9 The Trustees also approved authorization
10 for this public hearing in accordance with Public
11 Authorities Law PAL 1009 on a proposed formal
12 contract with the company that would, along with
13 the Authority service tariff number WNY2-ST-WNY2
14 applied to the sale of RP to Air Company.

15 Air Company, headquartered in Manhattan,
16 develops technology to manufacture sustainable
17 fuels and chemicals from captured biogenic carbon
18 dioxide. The company proposes to construct a new
19 218,000-square-foot facility in Medina, New York,
20 using renewable electricity to produce sustainable
21 aviation fuel, abbreviated as SAF, and byproducts
22 including renewable diesel and alcohols.

23 Air Company states that the project would
24 utilize its proprietary AIRMADE technology to
25 produce approximately 100,000 gallons of SAF

1 annually. A critical component of the project is
2 the construction and operation of an SAF
3 demonstration unit that would serve as a platform
4 to finalize technological developments prior to
5 scaling up commercial volumes.

6 The new facility would also provide the
7 company with additional space needed for potential
8 future expansion at the site. The company's
9 expansion project would involve a capital
10 investment expenditure of at least \$30.1 million,
11 which includes \$20 million to construct an assay
12 demonstration unit, \$5.1 million for new machinery
13 and equipment purchases, and \$5 million to
14 construct a new enclosure building to house
15 auxiliary equipment and the control room.

16 Given that Air Company will be utilizing
17 biogenic carbon dioxide and renewable energy in
18 its manufacturing processes, the company's
19 application for hydropower has been considered
20 under the Green Jobs Evaluation and Incentive Plan
21 approved by the Trustees on December 9th, 2020.

22 The site of the proposed expansion is also
23 located within a disadvantaged community.
24 Accordingly, the company's application for
25 hydropower has been considered under NYPA's

1 diversity, equity, inclusion evaluation incentive
2 plan approved by the Board of Trustees on December
3 7th, 2021.

4 The following is a summary of relevant
5 provisions in the proposed contract: The contract
6 provides for the direct billing of all hydropower
7 supply charges and all New York Independent System
8 Operator, Inc., NYISO, charges and taxes. The
9 contract includes customer agreed-upon commitments
10 with respect to employment, capital investment,
11 and power utilization.

12 Under the contract, the Authority may
13 reduce or terminate the allocation if employment,
14 power utilization, or capital investment
15 commitments are not met. Relatedly, the contract
16 includes an annual job reporting requirement and a
17 job compliance threshold of 90 percent. Should
18 the company's average annual employment fall below
19 the compliance threshold of 90 percent of the
20 employment commitment, the Authority may reduce
21 the allocation.

22 The contract provides for the company to
23 perform an energy audit at its facility at least
24 once within five years, helping to ensure That the
25 customer use the hydropower efficiently.

1 To address nonpayment risks that could
2 result from the direct billing arrangement, the
3 company include -- the contract includes
4 commercially reasonable provisions concerning the
5 Authority's ability to charge late payment fees
6 and to require deposits. These contract
7 provisions are consistent with other authority
8 direct sale contracts, including Recharge New York
9 sales contracts.

10 The contract provides for the collection of
11 a zero-emission credit charge and a renewable
12 energy credit charge to allow the Authority to
13 recover costs that it would incur relating to the
14 purchase of zero emission credits and renewable
15 energy credits attributable to the customer's
16 load.

17 The contract will address the allocation
18 along with the Authority service tariff WNY2,
19 which specifies rates and other terms applicable
20 to other EP and RP allocations.

21 Transmission and delivery service for the
22 allocation will be provided by the customer's
23 local utility in accordance with the utilities'
24 Public Service Commission-approved delivery
25 service tariffs.

1 As Ms. Hochheiser stated earlier, the
2 Authority will accept comments on the proposed
3 contracts until the close of business on Thursday,
4 September 17th, 2026.

5 I'll now turn the hearing back to
6 Ms. Hochheiser.

7 FELISA HOCHHEISER: Thank you,
8 Ms. Alkiewicz.

9 Has anyone signed up to speak at the
10 hearing?

11 EMILY ALKIEWICZ: Not at this time.

12 FELISA HOCHHEISER: Since no one has signed
13 up to speak at the hearing, we will recess and
14 reconvene as speakers arrive.

15 (In recess.)

16 FELISA HOCHHEISER: It is now 6:00 p.m.

17 As I previously stated, the record of the
18 hearing will remain open for additional comments
19 up to and until close of business Thursday,
20 September 17th, 2026.

21 The September 16th, 2026 public hearing on
22 the proposed form of contracts for the extension
23 of hydropower contracts and the sale of
24 replacement power allocations is now officially
25 closed.

1 Thank you and good night.

2 (Meeting adjourned.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E

I, Jackie Mentecky, Court Stenographer,
certify that I was authorized to and did stenographically
report the foregoing proceedings and that the transcript
is a true and complete record of my stenographic notes.

Dated this 16th day of September, 2026.

/s/ Jackie Mentecky

Jackie Mentecky, Court Stenographer

\$20 10:11	additional 4:2,7 10:7 13:18 (4)	amended 7:6
\$301 10:10	address 12:1,17	amount 8:23
\$30100000 9:7	adjourned 14:2	amounts 6:13
\$5 10:13	after 3:6	annual 7:3 11:16,18
\$51 10:12	afternoon 2:1	annually 10:1
100513a 6:4	agreed 7:19 8:1	anyone 13:9
16th 13:21 15:9	agreedupon 11:9	appear 3:25
17th 4:4 13:4,20	agreement 6:18,19,21	appeared 2:22
1st 6:5 8:24	agreements 6:24	applicable 7:9 12:19
218000squarefoot 9:19	air 4:22 9:3,5,14,15,23 10:16 (7)	application 10:19,24
28th 4:24	airmade 9:24	applied 9:14
3000kilowatt 9:2	albany 3:1	approval 3:15 8:4
30day 3:5	alcohols 9:22	approved 4:25 5:3 7:4 9:2,9 10:21 11:2 (7)
31st 6:21 7:23,25	alkiewicz 12 4:6,10,11 13:8,11 (6)	approximately 9:25
7th 11:3	allocate 8:18	are 7:25 11:15 12:7
8th 9:1	allocated 6:3 8:23,25	arrangement 12:2
9b 3:20	allocation 9:2,8 11:13,21 12:17,22 (6)	arrive 13:14
9th 10:21	allocations 5 2:6 4:9,21 5:2 6:6,9 7:2,16 8:12 12:20 13:24 (12)	ask 3:17
abbreviated 9:4,21	allow 7:17 12:12	assay 10:11
ability 12:5	along 6:24 9:12 12:18	assembly 2:16,17,19
accept 13:2	also 3:3,18 5:5,21 9:9 10:6,22 (7)	attributable 12:15
access 3:3,7	amend 4:18	audit 11:23
accordance 5:6,12 6:7 8:13 9:10 12:23 (6)		august 6:5
accordingly 10:24		authorities 2:10 5:7 8:17 9:11 (4)
addition 2:22 4:1 7:24		

authority 2:12 4:19 6:2,5,18 7:1,4 8:1,18 9:13 11:12,20 12:7,12,18 13:2 (16) authority's 2:3,8 3:4 5:18 7:8 12:5 (6) authorization 5:5 9:9 authorized 2:2 6:2 15:5 auxiliary 10:15 average 11:18 aviation 9:21 back 13:5 based 9:5 basis 7:3 8:2 because 7:24 began 7:1 behalf 7:10 below 11:18 benefits 5:19 7:17 between 4:19 billing 8:6 11:6 12:2 biogenic 9:17 10:17 board 2:3 11:2 both 5:15 boy 3:20 buffalo 2:25,25 building 10:14 business 2:25 4:3,15 13:3,19	(5) businesses 8:21,23 byproducts 9:21 c 15:1,1 can 3:19 capital 9:6 10:9 11:10,14 (4) captured 9:17 carbon 9:17 10:17 case 8:10 cc 5:25 certain 2:12 certify 15:5 chair 2:16,17 chapter 5:25 charge 12:5,11,12 charges 8:7,8 11:7,8 (4) chautauqua 8:24,25 chemicals 9:17 close 4:3 13:3,19 closed 13:25 collection 12:10 comments 3:12 4:2 13:2,18 (4) commercial 10:5 commercially 12:4 commissionapproved 8:14	12:24 commitment 11:20 commitments 9:5 11:9,15 committee 2:17,18 community 10:23 company 4:22 9:3,5,12,14,15,18,23 10:7,16 11:22 12:3 (12) company's 10:8,18,24 11:18 (4) complete 15:7 completed 3:8,12 completion 8:3 compliance 11:17,19 component 10:1 concerning 12:4 consideration 3:14 considered 10:19,25 consistent 7:7 12:7 consists 7:14 construct 9:18 10:11,14 construction 10:2 consumers 5:22 7:10,18 continue 7:12,17 8:25 continued 4:20 6:11 contract 2:4 4:14,22 5:3,8,14 6:17,25 7:6,11,21 8:1,16 9:12 11:5,5,9,12,15,22 12:3,6,10,17
---	---	--

(24) contracts 4 2:5,12 3:4,11,13 4:6,8,19 5:10,13 6:8 7:3,20,22 8:6 12:8,9 13:3,22,23 (21) control 10:15 corporate 2:8 3:19 corporation 4:15,16,18 costbased 5:18 costs 12:13 could 12:1 county 3:1 8:24,25 court 15:4,14 created 6:1 creating 9:5 credit 12:11,12 credits 12:14,15 critical 10:1 current 7:24 curtailment 8:10 customer 11:9,25 customer's 12:15,22 customers 5:21 dated 15:9 day 15:9 days' 7:21 december 6:21 7:5,23,25 10:21 11:2 (6)	delivery 8:11,14 12:21,24 (4) demonstration 10:3,12 deposits 12:6 details 4:7 developments 10:4 develops 9:16 diesel 9:22 dioxide 9:18 10:17 direct 8:6 11:6 12:2,8 (4) directly 8:18 director 4:6 disadvantaged 10:23 diversity 11:1 doing 4:15 domestic 5:22 dot 3:23 dunkirk 3:2 during 3:5 e 15:1,1 each 4:19 7:21 earlier 13:1 effective 6:5 efficiently 11:25 electric 4:16,17 6:19 electricity 9:20	email 3:19,21 emily 12 4:6,11 13:11 (4) emission 12:14 employment 11:10,13,18,20 (4) enclosure 10:14 end 6:25 energy 8:9 10:17 11:23 12:12,15 (5) ensure 11:24 ep 8:20,23 12:20 equipment 10:13,15 equity 11:1 evaluation 10:20 11:1 execute 8:1 executing 2:11 existing 4:19 expansion 4:8 8:19 10:8,9,22 (5) expenditure 10:10 expiration 6:21 expire 7:25 expiring 6:24 extend 6:16 extended 6:23 extending 7:1 extension 4 2:5 4:25 5:4
---	--	---

7:19,23 13:22 (7)	future 10:8	10:19,25 11:6,25 13:23 (16)
extensions 4:14 5:8,14 7:5,12,24 8:2 (7)	gallons 9:25	i'll 13:5
f 15:1	gas 4:16,17	i'm 2:7 4:13
facility 9:8,19 10:6 11:23 (4)	gazette 2:24	inc 4:23 9:4 11:8
fall 11:18	given 3:3,6 10:16	incentive 10:20 11:1
fdr 5:16	good 2:1 14:1	include 8:6 12:3
fees 12:5	governor 2:15 3:14 8:4	includes 10:11 11:9,16 12:3 (4)
felisa 11 2:1,7 13:7,12,16 (6)	green 10:20	including 9:22 12:8
final 3:13	grid 4:16 5:8,11 6:10,13,16 7:15 8:12 (8)	inclusion 11:1
finalize 10:4	grid's 4:25 6:25	incur 12:13
finance 2:17	has 8:1 10:19,25 13:9,12 (5)	independent 8:7 11:7
firm 4:21 5:11,15 6:2,6,9,12,20 7:13,17 (10)	having 7:20	indicate 3:17
first 2:13,25	headquartered 9:15	initially 6:17
five 11:24	hearing 3 2:2,13,14,23 3:5,6,7,17,25 4:2 5:6 8:3 9:4,10 13:5,10,13,18,21 (20)	introduce 4:5
following 2:24 6:13 11:4	helping 11:24	investment 9:7 10:10 11:10,14 (4)
foregoing 15:6	her 3:14	involve 10:9
form 2:4 5:3,8 13:22 (4)	here 4:13	is 2:2,7 3:7 10:1,22 11:4 13:16,24 15:7 (9)
formal 9:11	hochheiser 11 2:1,7 4:12 13:1,6,7,12,16 (9)	its 6:16 9:24 10:18 11:23 (4)
forth 2:11 3:9	holdings 4:23 9:4	jackie 15:4,12,14
forwarded 3:14	house 10:14	january 8:24
four 2:23	hydro 6:8,16 7:20	job 11:16,17
fuel 9:21	hydroelectric 7:9	jobs 9:6 10:20
fuels 9:17	hydropower 4 2:5 4:21 5:11,12,19 6:3 7:3,13 8:6,10	july 4:24
fulltime 9:6		known 4:18 8:20,21

late 12:5	medina 9:7,19	8:22 (5)
law 2:2,10 5:7 6:9 8:17 9:11 (6)	meeting 4:24 9:1 14:2	night 14:1
lawrence 5:16	megawatt 5:2	no 13:12
laws 5:25	megawatts 5:1,1 6:10,10,11,14,14,15,20 7:13,14 8:19,20 (13)	none 15
leader 2:18,21	member 2:19	nonpayment 12:1
leading 2:23	mentecy 15:4,12,14	notes 15:7
least 9:6,7 10:10 11:23 (4)	met 11:15	notice 2:14,15 7:22
length 3:24	miles 8:21	notices 2:22
light 3:11	million 10:10,11,12,13 (4)	now 13:5,16,24
like 4:5	minority 2:18,19	number 9:13
load 12:16	mohawk 4:14	nyiso 8:8 11:8
local 12:23	monthtomonth 8:2	nypa 10 3:10 4:24 7:6,17,20 9:2 (7)
located 8:21 10:23	ms 4:10,12 13:1,6,8 (5)	nypa's 10:25
machinery 10:12	my 2:7 15:7	nyseg 4:17 5:9,11 6:11,14,23 7:15 8:13 (8)
mail 3:19	name 2:7	nyseg's 5:1
main 3:20	national 4:15,25 5:8,11 6:10,13,16,25 7:14 8:12 (10)	observer 3:2
majority 2:21	needed 10:7	october 9:1
make 3:16	negotiated 2:12	office@nypagov 3:23
making 9:6	new 2:3,10 3:21 4:16 6:1,9 8:7 9:6,18,19 10:6,12,14 11:7 12:8 (15)	officially 13:24
manhattan 9:15	news 2:25	once 2:22 3:7,12 11:24 (4)
manufacture 9:16	newspapers 2:24	one 5:2 13:12
manufacturing 10:18	next 3:9	oneyear 7:4,22
markup 5:22	niagara 2:24,25 4:14 5:16	open 4:2 13:18
may 3:24 8:18 11:12,20 (4)		operation 10:2
means 2:18,20		

operator 8:8 11:8 oral 3:16 4:1 other 12:7,19,20 page 10,14 pal 5:7 6:4 9:11 part 5:25 pass 7:17 passed 5:20 payment 12:5 peaking 4:21 5:11,15 6:12,20 7:2,13,16,18 (9) pending 8:2 percent 11:17,19 perform 11:23 period 3:5 plains 3:21 plan 3:16 10:20 11:2 platform 10:3 please 3:17 pm 8,8 13:16 point 4:5 potential 10:7 power 5 2:3,6 4:6,8,15 5:15,16,17,18 6:1,6,12,20 7:2,8,16,18 8:19,20,22 11:11,14 13:24 (24) preference 5:18 7:8	present 4:13 president 2:8,20 previously 6:3 13:17 prior 2:13 3:5 10:4 pro 2:20 procedures 2:11 proceedings 15:6 process 3:9 8:3 processes 10:18 produce 9:20,25 program 6:1,4 project 8:22 9:23 10:1,9 (4) projects 5:16 proposed 2:4 3:4,11 4:8,14,22 5:3,7,10 7:11 8:5,16 9:11 10:22 11:5 13:2,22 (17) proposes 9:18 proprietary 9:24 provide 4:7,20 7:22 10:6 (4) provided 2:14 5:5,23 8:12,22 12:22 (6) provides 11:6,22 12:10 provisions 6:8 7:7 8:5 11:5 12:4,7 (6) public 3,14 2:2,10 3:3,6,12 5:6,7 8:3,14,17 9:10,10 12:24 13:21 (16) purchase 12:14	purchased 5:15,17 purchases 7:10 10:13 r 15:1 r&d 5:22 7:18 ranking 2:19 rate 5:19 7:7 rates 5:23 12:19 reasonable 12:4 recess 13:13,15 recharge 6:1 12:8 recommence 6:18 reconsider 3:11 reconvene 13:14 record 3:25 4:1 13:17 15:7 (4) recover 12:13 reduce 11:13,20 referred 5:21 regarding 5:10 8:16 relatedly 11:15 relating 12:13 relevant 8:5 11:4 remain 4:2 13:18 renewable 9:20,22 10:17 12:11,14 (5) replacement 5 2:6 8:20 13:24 (4)
--	--	--

report 15:6	saf 9:21,25 10:2	signin 3:18
reporting 11:16	sale 4 2:5 4:20 7:12 8:19 9:14 12:8 13:23 (8)	since 13:12
require 12:6	sales 12:9	site 10:8,22
required 2:2	scaling 10:5	smallfarm 5:21
requirement 11:16	scheduled 7:25	so 3:17
requires 2:13	secretary 2:9 3:20	some 8:5
resale 8:19	secretarys 3:23	space 10:7
residential 5:20	secretarysoffice@nypagov 3:22	speak 13:9,13
respect 11:10	section 2:11 3:10	speaker 10,14 2:16
result 12:2	see 6:4	speakers 13:14
retail 5:23	sell 6:12 8:18	specifies 12:19
review 3:13	senate 2:16,18	st 5:16
rfd 7:10	sent 2:15	state 2:10 4:16
rfp 9:8	sentinellewiston 3:1	stated 13:1,17
rg&e 4:18 5:9,12 6:11,14,23 7:15 8:13 (8)	september 7 4:4 13:4,20,21 15:9 (6)	statement 3:16,19
rg&e's 5:1	serve 10:3	statements 3:24 4:1
right 7:21	service 5:23 6:19,19 8:11,14,15 9:13 12:18,21,24,25 (11)	states 9:23
risks 12:1	set 3:9	statute 6:2
rny 6:4	sets 2:11	stenographer 15:4,14
rochester 4:17	shall 8:24	stenographic 15:7
room 10:15	sheet 3:18	stenographically 15:5
rp 8:21 9:3,14 12:20 (4)	should 11:17	step 3:9
rulemaking 7:8	signed 5:13 6:17 13:9,12 (4)	street 3:20
rural 5:22		subsection 8:17
s 15:12		subsequent 5:14

subsequently 7:4 substitute 8:9 such 5:17 summary 4:13,22 11:4 supply 8:7,9 11:7 sustainable 9:16,20 system 8:8 11:7 t 15:1,1 tariff 9:13 12:18 tariffs 4:7 8:15 12:25 taxes 8:8 11:8 technological 10:4 technology 9:16,24 tempore 2:20 term 9:3 terminate 7:21 11:13 terminated 6:9 terms 6:24 7:2 12:19 thank 4:9,11 13:7 14:1 (4) their 3:13 4:24 5:21 6:23 9:1 (5) therefore 2:15 these 7:16,22 12:6 three 5:10 threeyear 6:24 threshold 11:17,19	through 5:23 7:5,23 thursday 4:3 13:3,19 time 13:11 timesunion 3:2 today 4:13 today's 3:5 transcript 3:7 15:6 transmission 8:11 12:21 tribune 3:1 true 15:7 trustees 2:4 3:10,12 4:25 5:5 9:2,9 10:21 11:2 (9) turn 13:5 unanticipated 8:10 under 6:19 8:16 10:20,25 11:12 (5) uni 10:3 unit 10:12 until 4:3 6:20 13:3,19 (4) up 2:23 4:3 10:5 13:9,13,19 (6) update 7:7 upon 7:21 use 6:2 9:8 11:25 using 9:20 utilities 4:20 5:13,14,17,24 6:3,7,12 7:13,19 (10)	utilities' 5:20 7:18 8:13 12:23 (4) utility 7:11 12:23 utility's 7:9 utilization 11:11,14 utilize 9:24 utilizing 10:16 vice 2:8 volumes 10:5 ways 2:17,19 website 3:4 week 2:22 weeks 2:23 well 4:21 5:2 8:9 which 5:19 7:14 10:11 12:19 (4) white 3:21 who 4:7 will 3:6,10,13,25 4:2,7 7:16 8:12 9:8 10:16 12:17,22 13:2,13,18 (15) withdrawal 6:7 withdrew 6:6 within 8:21 10:23 11:24 without 5:22 wny2 12:18 wny2stwny2 9:13
--	--	--

would 4:5,18 7:12 9:12,23 10:3,6,9 12:13 (9) written 3:18,24 wwwnypagov 3:8 year 5:2 years 9:3 11:24 york 2:3,10 3:21 4:16 6:1 8:7 9:19 11:7 12:8 (9) zero 12:14 zeroemission 12:11 250 8:19 360 7:12 445 8:20 600 8 13:16 1009 2:11 3:10 5:7 9:11 (4) 1987 8:24 1990 5:13 6:8,16,19 7:3,20 (6) 2011 5:25 6:5 2020 6:17,23 10:21 2021 11:3 2022 6:17 2023 6:22,25 7:1 2024 9:1 2025 7:6,8 2026 7 4:4,24 7:5,11,25 13:4,20,21 15:9 (10) 2027 7:23	10601 3:21 100000 9:25	
--	---	--



**NY Power
Authority**

**Canal
Corporation**
Memorandum

Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Recommendation for the Award of Fund Benefits from the Western New York Economic Development Fund by the Western New York Power Proceeds Allocation Board

SUMMARY

The Trustees are requested to: (1) accept the recommendation of the Western New York Power Proceeds Allocation Board (the "Allocation Board" or "WNYPPAB") and make awards of Fund Benefits from the Western New York Economic Development Fund to Candlelight Curated, Inc. ("Candlelight"), Niagara Power Transformer, LLC ("NPT"), and The Jacobs Institute, Inc. ("Jacobs Institute"). The projects and award amounts being recommended are discussed herein and detailed in Exhibits "A", "A-1" and "A-2" in the amounts indicated on the Exhibits and for the reasons discussed below and set forth in the Exhibits; and (2) authorize the other actions described herein with respect to such Applicants and the recommended awards.

BACKGROUND

1. Western New York Power Proceeds Allocation Act

The Western New York Power Proceeds Allocation Act (the "Act") was signed into law on March 30, 2012. The Act provides for the creation, by the Authority, of the Western New York Economic Development Fund (the "Fund"). The Fund consists of the aggregate excess revenues received by the Authority from the sale of Expansion Power ("EP") and Replacement Power ("RP") produced at the Niagara Power Project that were sold in the wholesale energy market in excess of what revenues would have been received had such energy been sold on a firm basis to an eligible EP or RP customer under the applicable tariff or contract. Under the program, financial assistance known as Fund Benefits may be awarded to "eligible applicants" for "eligible projects" based on criteria set forth in the Statutes.

The Act defines, an "eligible applicant" as a private business, including a not-for-profit corporation. The term "eligible projects" is defined to mean "economic development projects by eligible applicants that are physically located within the State of New York within a thirty-mile radius of the Niagara power project located in Lewiston, New York that will support the growth of business in the state and thereby lead to the creation or maintenance of jobs and tax revenues

for the state and local governments.” Eligible projects include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant for fund benefits; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York State; support for tourism and marketing and advertising efforts for Western New York State tourism and business; and energy-related projects.

Eligible projects do not include public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses, as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

Fund Benefits have been provided to successful eligible applicants in the form of grants. Generally, Fund Benefits are disbursed as reimbursement for expenses incurred by an Eligible Applicant for an Eligible Project. Occasionally, Fund Benefits may be disbursed in advance for proposed eligible expenditures to be incurred by the Eligible Applicant for an Eligible Project, when NYPA determines this approach is appropriate. In such cases, NYPA must authorize the approach in advance, and proposed expenses must be appropriately documented.

At least fifteen percent (15%) of Fund Benefits must be dedicated to eligible projects that are “energy-related projects, programs and services,” which is defined to include: energy efficiency projects and services; clean energy technology projects and services; high performance and sustainable building programs and services; and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.

Allocations of Fund Benefits may only be made based on the amount of money that has been deposited into the Fund. No award may encumber future funds that have been received but not deposited in the Fund.

2. Western New York Power Proceeds Allocation Board

Under the Act, the Allocation Board is charged with soliciting applications for Fund Benefits, reviewing applications, making eligibility determinations, evaluating the merits of applications for Fund Benefits, and making recommendations to NYPA regarding Fund Benefit awards. The Allocation Board uses the criteria applicable to EP, RP and Preservation Power, and for revitalization of industry as provided in Public Authorities Law §1005. Additionally, the Allocation Board is authorized to consider the extent to which an award of Fund Benefits is consistent with the strategies and priorities of the Regional Economic Development Council having responsibility for the region in which an eligible project is proposed. A copy of these

criteria (collectively, “Program Criteria”), adapted from the Allocation Board’s “Procedures for the Review of Applications for Fund Benefits,” is attached as Exhibit “B.”

In March 2013, the Allocation Board met and, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. At that time, the Allocation Board defined “retail business” to mean a business that is primarily engaged in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services.

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by the Authority, and the Act authorizes the Authority to award Fund Benefits to an applicant upon a recommendation of the Allocation Board. Upon a showing of good cause, the Authority has the discretion as to whether to adopt the Allocation Board’s recommendation, or to award benefits in a different amount or on different terms and conditions than proposed by the Allocation Board. In addition, the Authority is authorized to include within the contract covering an award (“Award Contract”) such other terms and conditions as the Authority deems appropriate.

3. Application Process

To provide for the efficient review of applications and disbursement of Fund Benefits, the Allocation Board established a schedule of dates through the end of 2026 during which the Allocation Board would consider applications. At this time, applications are being accepted on a rolling basis. In addition, the application process has been promoted through a media release and with assistance from state and local entities, including the Western New York and Finger Lakes Regional Economic Development Councils, the Empire State Development Corporation, and other local and regional economic development organizations within the State. A webpage was created that is hosted on WWW.NYPA.GOV/WNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by NYPA.

DISCUSSION

At its August 20, 2026 meeting, the Allocation Board considered applications from the Candlelight Curated, The Jacobs Institute, and Niagara Power Transformer.

As detailed in Exhibit “A-1”, Candlelight Curated, Inc., a New York corporation, seeks funds to support the rehabilitation and modernization of its 200,000-square-foot manufacturing facility at 24 Michigan Street in Lockport, NY. The company, formerly Candlelight Cabinetry, produced semi-custom and fully custom kitchen and bath cabinetry for independent showrooms across the Eastern U.S. before closing in January 2026 under prior ownership. The new ownership group acquired the operating assets through a foreclosure sale and plans to restart

and expand manufacturing operations. The project includes roof replacement, masonry restoration, modernization of legacy manufacturing systems, and the acquisition of new production equipment to increase capacity, improve workflow, and enhance product quality. These improvements will support renewed job creation. The company has already hired 15 employees and plans to hire an additional 70 employees over the next seven years. Candlelight Curated is expected to spend approximately \$4,250,000 to complete the project. Staff recommends an award of \$1,000,000 for project costs as set forth in Exhibit A-1.

As detailed in Exhibit "A-2", The Jacobs Institute, Inc., a not-for-profit medical device innovation center located on the Buffalo Niagara Medical Campus, seeks funds to support a capital expansion project to modernize and enlarge two critical spaces at 875 Ellicott Street in Buffalo, NY. The initiative will transform a decade-old boardroom into a state-of-the-art learning laboratory with upgraded audiovisual systems integrated into eight Gates Vascular Institute catheterization labs, enabling reliable, FDA-compliant collection of clinical trial and human-factors data. In addition, the JI Partners Center will be renovated into new wet-lab space to support device prototyping, testing, and early-stage engineering work, increasing the Institute's capacity to undertake new commercialization projects. The upgrades will replace outdated technology, improve workflow efficiency, and expand facilities essential to clinicians, engineers, and med-tech entrepreneurs advancing through JI's Idea to Reality (i2R) program. The project is expected to support future job creation and the growth of med-tech companies in Western New York. The Jacobs Institute is expected to spend approximately \$3,292,516 to complete the project. Staff recommends an award of \$658,503 for project costs as set forth in Exhibit A-2.

As detailed in Exhibit "A 3", Niagara Power Transformer LLC, a long-established Buffalo manufacturer of large liquid filled power and specialty transformers, seeks funds to support the Niagara Power 50 Initiative, a two-year, six-phase expansion of its Cheektowaga manufacturing campus at 1755 Dale Avenue. The project will add 96,000 square feet to the existing 121,000 square foot facility, increasing annual production capacity from 90 to approximately 140 units to meet increased demand for critical grid infrastructure required for electrification, renewable energy integration, and major industrial and data center development. The expansion will retain 146 full-time jobs and create 73 new full-time jobs, while significantly increasing in-state procurement from New York suppliers supporting steel fabrication, machining, coatings, electrical equipment, and industrial services. By strengthening domestic transformer manufacturing, the initiative will reduce supply chain delays that impede utility and economic development projects across New York and the United States. Niagara Power Transformer is expected to spend approximately \$71,203,456 to complete the project. Staff recommends an award of \$4,500,000 for project costs as set forth in Exhibit A-3.

The Allocation Board staff analyzed the applications and prepared award recommendations for the Allocation Board's consideration based on eligibility requirements and Program Criteria. A copy of the recommendation memorandum provided to the Allocation Board for the projects is attached as Exhibits "A-1", "A-2", and "A-3". The applications have also been made available to the Trustees for review.

The Allocation Board has recommended that the Applicants receive Fund Benefit awards in the amounts indicated on Exhibits "A", "A-1", "A-2" and "A-3. Given the nascent stage of the proposed projects, it was not practical at this time to determine the definitive terms and conditions that would be applicable to the awards and be memorialized in Award Contracts between the Authority and a successful applicant. Such terms and conditions will be memorialized in an Award Contract between the Authority and each Applicant governing each award, if successful.

To the extent that an application proposes a project that must receive approval and/or comply with other legal requirements, including, without limitation, the State Environmental Quality Review Act ("SEQRA"), before the project may proceed, Staff recommends that (i) such award shall not be made until Staff, on behalf of the Board of Trustees, receives appropriate notification that such legal approvals or requirements that are necessary for the project to proceed have been satisfied; and (ii) such award shall be subject to further review by the Board of Trustees in the event that such approvals and SEQRA or other legal requirements are not satisfied.

If an Applicant receives a Fund Benefit award, it is anticipated that Authority staff will negotiate final terms and conditions with the successful applicant after receiving more detailed information concerning the project and proposed schedules. An Award Contract may include scheduled payments tied to commitment milestones, such as employment creation and retention. In addition, staff anticipates that an Award Contract will include provisions for periodic audits of the successful applicant to determine contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursed if the applicant fails to maintain agreed-upon commitments, such as, among other things, employment levels or project milestone due dates.

RECOMMENDATION

The Senior Vice President, Clean Energy Solutions, recommends that:

- (1) the Trustees accept the recommendation of the Allocation Board and make awards of Fund Benefits to Candlelight Curated, Inc, Niagara Power Transformer, LLC, and The Jacobs Institute, Inc., in the amounts identified in Exhibits "A", "A-1", "A-2" and "A-3" conditioned upon an agreement to be negotiated with each applicant on the final terms and conditions applicable to the award. Such terms will be included in an Award Contract approved by the President and Chief Executive Officer, or their designee, and approved by the Executive Vice President and General Counsel, or such official's designee, as to form;
- (2) the Executive Vice President and Chief Operating Officer, or such official's designee, be authorized to negotiate with each applicant concerning such final terms and conditions that will be applicable to the awards; and

- (3) the Senior Vice President for Customer Solutions, or such official's designee, be authorized to execute on behalf of the Authority an Award Contract for the awards listed on Exhibits "A", "A-1", "A-2" and "A-3" subject to the foregoing conditions.

For the reasons stated, I recommend approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

RESOLUTION

WHEREAS, The Western New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make awards of Fund Benefits from the Western New York Economic Development Fund to Candlelight Curated, Inc., Niagara Power Transformer, LLC, and The Jacobs Institute, Inc., for the reasons set forth in the accompanying Memorandum of the President and Chief Executive Officer ("Memorandum") and the other information referred to therein;

NOW THEREFORE BE IT RESOLVED, that the Authority hereby accepts the recommendation of the Allocation Board and awards Fund Benefits to Candlelight Curated, Inc., Niagara Power Transformer, LLC, and The Jacobs Institute, Inc., in the amounts recommended in the attached Memorandum, for the reasons set forth in the attached Memorandum and other information referred to therein, provided, however, that (i) if an application proposes a project that must receive approvals and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before it may proceed, such award shall not be made until Staff, on behalf of the Board of Trustees, receives appropriate notification that such legal approvals and/or requirements that are necessary for the project(s) to proceed have been satisfied, and (ii) such award shall be subject to further review by the Board of Trustees in the event that such approvals and/or legal requirements are not satisfied; and provided further that the awards are conditioned upon agreements between the Authority and Candlelight Curated, Inc., Niagara Power Transformer, LLC, and The Jacobs Institute, Inc., on the final terms and conditions that would be applicable to the awards, as set forth in a written award contract ("Award Contract") between the Authority and each applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or such official's designee, as to form; and be it further

RESOLVED, That the Executive Vice President and Chief Operating Officer, or such official's designee, is authorized to negotiate with the applicants concerning such final terms and conditions applicable to the awards; and be it further

RESOLVED, That the Senior Vice President for Customer Solutions, or such official's designee, is authorized to execute, on behalf of the Authority, an Award Contract for these awards, subject to the forgoing conditions; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

Applications for Proceeds and Fund Recommendations

Total Jobs Created & Retained: 304



**NY Power
Authority**

**Canal
Corporation**

Western New York Economic Development Fund Recommendation Memo

Exhibit A-1

Applicant Name:	Candlelight Curated, Inc. ("Candlelight", "Applicant")	REDC Region:	Western New York ("WNY")
Project Type:	Business Investment	County:	Niagara
Industry:	Wood Cabinet Manufacturing	Locality:	Lockport
Amount Requested:	\$1,000,000	Start Date:	October 1, 2026
		Finish Date:	April 30, 2028
RECOMMENDED OFFER			
Recommended Total Award:		\$1,000,000	
Total Project Cost:		\$4,250,000	
% of Project Cost Recommended:		24%	
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Acquisition of Existing Assets	\$2,750,000	WNYEDF	\$1,000,000
Hard Costs	\$1,400,000	Senior Debt- NBT Bank	\$2,750,000
Machinery & Equipment	\$400,000	Cash Equity	\$500,000
Furniture, Fixtures & Equipment	\$100,000		
Total:	\$4,250,000	Total	\$4,250,000
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:		Applicant will retain 15 full time equivalents ("FTE") and create 70 FTE at the project location over seven years.	
Average Salary of Jobs:		\$55,000	
Indirect Jobs Created:			
Other Impact:		Revitalization of a major dormant industrial building in central Lockport. Supply chain impact.	
PROJECT DESCRIPTION (Adapted from Application)			
Candlelight Curated, Inc. is restoring and expanding manufacturing operations at 24 Michigan Street in Lockport, NY, after acquiring Candlelight Cabinetry's former operating assets through a foreclosure sale following the prior owner's shutdown in early 2026. The project centers on rehabilitating and modernizing a 200,000-square-foot industrial facility to reestablish production capacity and support long-term growth.			



**NY Power
Authority**

**Canal
Corporation**

Planned improvements include roof and masonry repair, infrastructure and workflow upgrades, and the acquisition of new production equipment, furniture, fixtures, and other essential systems. These updates will address longstanding facility deficiencies, enhance material handling, improve operational efficiency, and enable the company to resume and expand its manufacturing operations.

By modernizing the facility and restarting operations, Candlelight Curated aims to restore local manufacturing activity, strengthen a longstanding regional brand, and generate significant economic benefits. The project is expected to create up to 70 new full-time jobs over seven years, increase local spending, and revitalize a major industrial property in the heart of Lockport's employment district.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

NCIDA	PILOT	\$50,000	Pending
ESD	Grant	\$2,000,000	Pending

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS
------	--------	--------

BASIS FOR RECOMMENDATION

Several aspects of the project support a recommendation for Fund Benefits:

- The project will create significant new employment, with Candlelight Curated projecting 70 new full-time jobs over seven years at an average annual wage of \$55,000.
- The Applicant demonstrates a strong long-term commitment to Western New York by reopening and modernizing a longstanding Lockport manufacturing facility and permanently reestablishing local operations.
- The requested Fund Benefits will help close a financing gap for critical capital investments—including roof replacement, masonry restoration, workflow improvements, and furniture/fixtures/equipment purchases—that directly improve productivity and competitiveness.
- Award of Fund Benefits would positively impact the company's overall productivity by enabling full utilization of the 200,000-square-foot facility, improving material handling, increasing operational efficiency, and shortening product lead times.
- The project revitalizes and preserves an existing industrial building in central Lockport, enhancing the built environment and supporting Smart Growth principles by investing in established infrastructure rather than greenfield development.
- The project advances multiple WNY Regional Economic Development Council priorities, including reviving existing industrial sites; strengthening advanced manufacturing capacity; and increasing regional economic activity through local hiring and investment.



**NY Power
Authority**

**Canal
Corporation**

- The project has secured substantial private and bank financing, demonstrating financial readiness and owner commitment, including \$2.75 million in senior debt from NBT Bank and \$500,000 in cash equity.
 - The reopening of a major employer after an abrupt closure will reestablish local jobs, restore regional brand continuity, and strengthen Lockport's manufacturing cluster and economic stability.
-

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the Applicant for a portion of eligible machinery and equipment for the facility. It is anticipated that: (1) funds would be disbursed in arrears upon completion of the project; and (2) reimbursement would be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying that the Applicant has incurred eligible expenses of approximately \$4.2 million; and (3) other terms and conditions such as annual commitments that will be specified in the Fund Benefits Agreement.

Western New York Economic Development Fund Recommendation Memo

Exhibit A-2

Applicant Name:	The Jacobs Institute, Inc. ("Jacobs Institute", "JI", or "Applicant")	REDC Region:	Western New York ("WNY")
Project Type:	Innovation / Entrepreneur Development	County:	Erie
Industry:	Not-for-Profit	Locality:	Buffalo
Amount Requested:	\$658,503	Start Date:	November 1, 2026
		Finish Date:	May 31, 2027
RECOMMENDED OFFER			
Recommended Total Award:		\$658,503	
Total Project Cost:		\$3,292,516	
% of Project Cost Recommended:		20%	
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Demolition	\$40,660	WNYEDF	\$658,503
Hard Costs	\$758,039	Empire State Development	\$672,000
Machinery & Equipment	\$1,893,253	Foundation 214	\$1,725,200
Furniture, Fixtures & Equipment	\$353,554	Corporate Cash (JI)	\$136,813
Soft Costs & Project Contingency	\$247,010	Margaret L. Wendt Foundation	\$100,000
Total	\$3,292,516	Total:	\$3,292,516
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:		The Funding Track under which the application was submitted does not require job-related commitments.	
Average Salary of Jobs:		N/A	
Indirect Jobs Created:		N/A	
Other Impact:		Expansion of med-tech commercialization pipeline. Attraction of national/international clinicians and entrepreneurs. Increased visitor spending from professional training. Growth in advanced manufacturing and engineering jobs.	
PROJECT DESCRIPTION (Adapted from Application)			

The Jacobs Institute (JI), a not-for-profit medical device innovation center located on the Buffalo Niagara Medical Campus, proposes to modernize and expand facilities that support clinical training, medical device development, and early-stage commercialization. The project will renovate two key areas within the Institute to increase its capacity for advanced clinical education, product testing, and medical device innovation.

The project includes the conversion of the Jacob Institute’s existing boardroom into a technology-enabled learning laboratory equipped with upgraded audiovisual systems integrated with the Gates Vascular Institute’s catheterization laboratories. These improvements will enhance the reliability of live clinical broadcasts and strengthen the Jacob Institute’s ability to support physician training and clinical education.

The project also includes the conversion of existing meeting space into wet laboratory facilities, expanding capacity for product testing, prototyping, and engineering development. The additional laboratory space will enable the Institute to support more early-stage medical device companies while addressing current space limitations. Modernized facilities and technology will improve operational efficiency, support regulatory documentation requirements, and accelerate the commercialization of new medical technologies.

Upon completion, the project will strengthen Buffalo’s med-tech innovation ecosystem by expanding clinical training capacity, increasing research and development capabilities, and supporting the continued commercialization of medical technologies. The improvements will also enhance the Institute’s ability to attract clinicians, entrepreneurs, and industry partners while advancing the region’s life sciences and advanced manufacturing sectors.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

Empire State Development	Grant	\$672,000	Committed
--------------------------	-------	-----------	-----------

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS
------	--------	--------

BASIS FOR RECOMMENDATION

Several aspects of the project support a recommendation for Fund Benefits:

- The project advances med-tech innovation by modernizing and expanding lab and training facilities, enabling JI to support earlier-stage medical device companies and increase R&D and prototyping capacity.
- Upgraded audiovisual systems integrated with the Gates Vascular Institute’s catheterization labs will improve reliability and clinical trial documentation, strengthening FDA submissions and accelerating commercialization.
- Additional wet lab space will allow JI to accept more entrepreneurial projects, addressing current capacity limits.
- The project strengthens the region’s advanced manufacturing and life-sciences pipeline by supporting device development from ideation through clinical validation and into local contract manufacturing.
- JI’s i2R Center supports 13 portfolio companies and has a proven record of advancing med-tech startups toward commercialization, investment, and job creation.
- The expansion is expected to generate future high-skilled employment, including 3–5 new engineering positions and indirect jobs through device manufacturing and commercialization.
- The project increases regional economic activity by attracting entrepreneurs, clinicians, engineers, and industry representatives, boosting local visitation and spending.
- Modernization will improve energy efficiency by replacing outdated audiovisual and display systems with lower-consumption LED technology.
- The project advances WNY Regional Economic Development Council priorities, including entrepreneurship, life sciences growth, advanced manufacturing innovation, and higher-education-aligned research.

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the Applicant for eligible machinery, equipment, furniture and fixtures for the project. It is anticipated that: (1) funds would be disbursed in arrears upon completion of the project; and (2) reimbursement would be made upon presentation to NYPA of invoices and such other documentation acceptable to the Authority verifying that the Applicant has incurred eligible expenses of approximately \$3.3 million; and (3) other terms and conditions such as annual commitments that will be specified in the Fund Benefits Agreement.



**NY Power
Authority**

**Canal
Corporation**

Western New York Economic Development Fund Recommendation Memo

Exhibit A-3

Applicant Name:	Niagara Power Transformer, LLC ("NPT" or "Applicant")	REDC Region:	Western New York ("WNY")
Project Type:	Business Investment	County:	Erie
Industry:	Transformer Manufacturing	Locality:	Cheektowaga
Amount Requested:	\$4,500,000	Start Date:	August 18, 2026
		Finish Date:	December 31, 2028
RECOMMENDED OFFER			
Recommended Total Award:		\$4,500,000	
Total Project Cost:		\$71,203,456	
% of Project Cost Recommended:		6%	
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Planning & Feasibility	\$17,000	WNYEDF	\$4,500,000
Land Acquisition	\$5,417,218	Empire State Development	\$2,853,826
Demolition	\$718,335	Corp Cash/Line of Credit	\$62,949,630
Environmental Remediation	\$1,957,543		
Hard Costs, Inc. contingency	\$32,893,598		
Machinery & Equipment	\$ 16,375,574		
Furniture, Fixtures + Equipment	\$415,035		
Soft Costs, Inc. contingency	\$13,409,153		
Total:	\$71,203,456	Total:	\$71,203,456
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:	Applicant will retain 146 full time equivalents ("FTE") and create 73 FTE at the project location over seven years.		
Average Salary of Jobs:	\$79,532		
Indirect Jobs Created:	50-70 temporary construction jobs		
Other Impact:	Significant contribution to NY's energy infrastructure supply chain. Supports more than 160 New York suppliers.		
PROJECT DESCRIPTION (Adapted from Application)			
Niagara Power Transformer LLC (formerly known as Niagara Transformer Corp) is a long-established Buffalo manufacturer of large, liquid-filled power and specialty transformers used by utilities and industrial customers worldwide. Operating for more than a century, the company produces critical grid infrastructure that supports transmission reliability, electrification, and large-load customer growth.			

The company is undertaking the Niagara Power 50 (NP50) Initiative, a two-year, six-phase expansion of its Cheektowaga manufacturing campus that will boost transformer production capacity by 50 percent. The project adds 96,000 square feet to the existing 121,000-square-foot facility and increases annual output from 90 to roughly 140 units. NP50 will create 73 new full-time permanent jobs, (including 57 IBEW Local 41 positions), and support an additional 50–70 temporary construction jobs.

By expanding domestic transformer manufacturing, the project strengthens New York’s ability to meet rising demand driven by grid modernization, renewable energy integration, electrification, and new industrial and data center development. The initiative addresses a major national supply-chain bottleneck that delays utility, commercial, and economic development projects across the state and country.

The project will also generate significant regional economic activity. Niagara Power Transformer relies on more than 160 New York suppliers across steel fabrication, machining, coatings, electrical equipment, transportation, and industrial services, spending more than \$5.7 million annually with a sample of these firms. Expanded operations will increase in-state procurement, supporting indirect job growth throughout Western New York’s manufacturing supply chain.

NP50 further enhances workforce by expanding opportunities in a highly specialized trade where public training programs are limited. New manufacturing and union positions will be accessible to individuals without prior industry experience, increasing participation among underrepresented workers from nearby moderately and severely distressed census tracts.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

ESD	\$2,853,826	Tax Credit	Committed
-----	-------------	------------	-----------

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS
------	--------	--------

BASIS FOR RECOMMENDATION

Several aspects of the project support a recommendation for Fund Benefits:

- The NP50 Initiative will create 73 new full-time permanent jobs, including 57 union positions, and support 50–70 temporary construction jobs, directly advancing the Business Investment track’s core job-creation objective.
- The project significantly expands transformer manufacturing capacity—a 50% increase in annual output—strengthening New York’s ability to meet rising demand from grid modernization, renewable energy integration, electrification, and major industrial growth.

- The expansion supports WNY’s advanced manufacturing sector by growing production of critical grid infrastructure integral to utilities, data centers, large-load commercial customers, and regional economic development projects.
- The project will generate substantial economic activity throughout Western New York’s industrial supply chain, as Niagara Power Transformer relies on 160+ New York-based suppliers, with more than \$5.7 million in annual state spending that will grow with increased production.
- New manufacturing positions will be accessible to individuals without prior industry experience, increasing workforce participation among underrepresented communities near the Cheektowaga facility.
- The project demonstrates strong long-term commitment to the region, building on Niagara Power Transformer’s 100-year legacy as a major Western New York manufacturer and its recent acquisition by Quanta Services, a financially strong global infrastructure leader.
- The NP50 Initiative aligns with multiple WNY Regional Economic Development Council priorities, including supporting advanced manufacturing innovation; strengthening energy infrastructure essential for electrification and clean energy integration; expanding workforce opportunities for distressed communities; and reinforcing regional industrial competitiveness through modernization of key grid supporting industries.

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the Applicant for eligible machinery and equipment for Niagara Power Transformer’s expansion project. It is anticipated that: (1) funds would be disbursed in arrears upon completion of the project; and (2) reimbursement would be made upon presentation to NYPA of invoices and such other documentation acceptable to the Authority verifying that the Applicant has incurred eligible expenses of approximately \$71 million; and (3) other terms and conditions such as annual commitments that will be specified in the Fund Benefits Agreement.



Exhibit “B”

Criteria adapted from the Western NY Power Proceeds Allocation Board’s
“Procedures for the Review of Applications for Fund Benefits”

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council (“REDC”) having responsibility for the region in which an Eligible Project is located.¹ The Western New York Regional Economic Development Council which is responsible for Eligible Projects in Erie and Niagara Counties Strategies & Priorities are:
 - Promote “Smart Growth” by investing in areas that infrastructure already exists and achieves certain goals, such as: preserving historic buildings; reviving downtowns; reviving main streets; investing in existing neighborhoods; and investing in former industrial sites. A project consistent with Smart Growth will also focus on: enhancing walkability; enhancing multiple modes of transportation; connecting disadvantaged communities to employment clusters; spurring mixed-use private investment in existing communities and preserving/enhancing natural lands and or resources.
 - Promote workforce development by increasing diversity in the labor force, developing and cultivating that includes workers with advancement potential, underemployed, unemployed and special population; align education and skills training to job market for current and future industry needs.
 - Foster entrepreneurship and new business formation and growth. Designing a plan that brings new technologies and/or products to the marketplace, increases new startups in strategic industries and facilitates the commercialization of products that can lead to job growth in the Region.

¹ As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, “revitalization” projects.

- Increase the industry profile of agriculture in WNY by: creating better access to markets; creating new products; creating new more efficient processes; creating strong regional brands; creating programs that promote careers in agriculture.
- Utilize Western New York's proximity to Canadian and U.S. population centers to advance economic development in WNY. Bi-national projects will: utilize cross-border planning to create transportation and logistical infrastructure; improve operational relationships; promote the attractiveness of WNY as a hub for global trade.
- Position the WNY region as a global energy hub through new sources of clean energy, energy efficiency and energy efficient transportation.
- Support growth of advanced manufacturing by making research more available to manufacturers to help them innovate.
- Spur growth in the health and life sciences industry through improved commercialization, recruit high profile research talent and reducing the cost burden of healthcare while improving health outcomes.
- Expand the scope of higher education by increasing accessibility to Higher Education for communities that currently have limited access to educational opportunities; better aligning education with the industry needs and creating support structures for start-ups which will assist start-ups with commercialization, business planning, workforce preparation, facilities, etc.
- Grow visitors and visitor spending by raising the profile of WNY as a national and international destination; connect multiple tourist destinations in WNY; improve the profile of the WNY Gateway to the United States.

For more information on the Western New York Regional Economic Development Council please go to <http://regionalcouncils.ny.gov/content/western-new-york>.

2. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.² The Finger Lakes Regional Economic Development Council which is responsible for Eligible Projects in Orleans and Genesee Counties Strategies & Priorities can be found at: <http://regionalcouncils.ny.gov/content/finger-lakes>.
3. The number of jobs that would be created as a result of an award of Fund Benefits.
4. The applicant's long term commitment to the region as evidenced the current and/or planned capital investment in applicant's facilities in the region.
5. The ratio of the number of jobs to be created to the amount of Fund Benefits requested.

² As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

6. The types of jobs that would be created, as measured by wage and benefit levels, security and stability of employment.
 7. The amount of capital investment, including the type and cost of buildings, equipment and facilities, proposed to be constructed, enlarged or installed.
 8. The extent to which an award of Fund Benefits would affect the overall productivity or competitiveness of the applicant and its existing employment.
 9. The extent to which an award of Fund Benefits may result in a competitive disadvantage for other business in the State.
 10. The growth potential of the applicant's facilities and the contribution of economic strength to the area in which the applicant's facilities are or would be located.
 11. The extent of the applicant's willingness to satisfy affirmative action goals.
 12. The extent to which an award of Fund Benefits is consistent with state, regional and local economic development strategies and priorities and supported by local units of government in the area in which the business is located.
 13. The impact of an award of Fund Benefits on the operation of any other facilities of the applicant, and on other businesses within the region.
 14. That the business is likely to close, partially close or relocate resulting in the loss of a substantial number of jobs.
 15. That the applicant is an important employer in the community and efforts to revitalize the business are in long-term interests of both employers and the community.
 16. That a reasonable prospect exists that the proposed award of Fund Benefits will enable the applicant to remain competitive and become profitable and preserve jobs for a substantial period of time.
-
-



Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Contracts for the Sale of Hydropower (Preservation Power) - Final Approval and Transmittal to the Governor

SUMMARY

The Trustees are requested to:

1. Approve the final contract for the sale of 600 kilowatts ("kW") of Preservation Power ("PP") to Roth Industries Inc. ("Roth") and the final contract for the sale of 2,000 kW of PP to TRPC Potsdam LLC ("TRPC"). Copies of the Contracts, along with the applicable service tariff, Service Tariff No. 20 ("ST-20"), are attached as Exhibit "A" and Exhibit "B".
2. Authorize transmittal of the Contracts to the Governor for her review and authorization for the Authority to execute the Contracts pursuant to Public Authorities Law ("PAL") §1009.

BACKGROUND

Under PAL §1005(13), the New York Power Authority ("NYPA" or "Authority") may contract to allocate 490 megawatts ("MW") of PP to businesses in Franklin, Jefferson and St. Lawrence counties, and applies the same allocation criteria that pertain to the allocations of Replacement Power and Expansion Power.

As required by PAL §1009, when the Authority has reached agreement with its co-party on a proposed power sale contract, the Authority is required to transmit the proposed contract to the Governor and the other elected officials specified in the statute and hold a public hearing on the proposed contract. Notice of the hearing must be published at least once each week during a 30-day period in six selected newspapers. Following the public hearing, the proposed contract may be modified, if advisable.

Following approval of the final proposed contract by the Authority, the Authority "reports" the proposed contract, together with its recommendations and the record of the public hearing,

to the Governor and other officials specified in PAL §1009. Upon authorization by the Governor, the Authority may execute the contract.

DISCUSSION

At their meeting on July 28, 2026, the Trustees approved a 600 kW PP allocation extension to Roth for a term of ten years to support its Watertown (Jefferson County) manufacturing facility, which specializes in home heating oil storage tanks, lubricant storage tanks, radiant floor heating and plumbing systems, and septic and rainwater collection tanks. Roth's Supplemental Commitments include agreements to make a capital investment of at least \$125,000 annually at its facilities that would receive the allocation and to retain at least 22 full-time equivalent jobs at the Watertown facility for the term of the allocation.

At their meeting on July 28, 2026, the Trustees awarded a 2,000 kW PP allocation to TRPC for a term of ten years to support its Potsdam (St. Lawrence County) specialty paper business. Through its acquisition of Potsdam Specialty Paper, Inc.'s assets, TRPC is addressing critical operational challenges and continuing operations at the facility with improved reliability and productivity. TRPC's Supplemental Commitments include agreements to invest at least \$10,000,000 at its facilities that would receive the allocation and to retain at least 70 full-time equivalent jobs and create at least 20 new full-time jobs at the Potsdam facilities for a total of 90 jobs for the term of the allocation.

The following summarizes certain pertinent provisions of the Contracts and ST-20 applicable to the allocations:

- Base rates for demand and energy, an annual adjustment factor, and a minimum monthly charge designed to allow the Authority to recover fixed costs of serving a customer even when the customer does not utilize the allocation in a billing period.
- Direct billing of all production charges (i.e., demand and energy) as well as all New York Independent System Operator, Inc. charges, taxes and any other required assessments.
- Provision of substitute energy in the event of hydropower curtailments caused by adverse water conditions that impact power project operations.
- Customer metering requirements.
- Early outreach to the customer concerning allocation extension initiatives by the Authority.
- Requirements for energy audits at the facility receiving the allocation. The customer may satisfy the audit requirement through either a traditional physical audit or a

virtual audit using the Authority's New York Energy Manager, which is expected to provide considerable savings for customers who select it.

- Periodic communications to customers about energy-related projects, programs and services offered by the Authority.
- Compliance provisions that allow the Authority to reduce a customer's allocation for a failure to meet supplemental commitments, while providing the customer with an opportunity to submit a proposed plan with actionable milestones to cure deficiencies.
- The collection of a Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge to allow the Authority to recover costs it incurs relating to its purchase of Zero Emission Credits and Renewable Energy Credits attributable to the customer's load.

PUBLIC HEARING

In accordance with PAL § 1009, a public hearing on the proposed Contracts for Roth and TRPC was held on September 23, 2026, at 2 Water Street, The Mercantile Building, Lower Level, Massena, New York 13662. No public comments or written submittals were received. A copy of the official transcript of the public hearing, including any written submissions, is attached as Exhibit "C".

RECOMMENDATION

The Senior Vice President – Customer Solutions recommends that the Trustees approve the Contracts and authorize the transmittal of the Contracts to the Governor for her review and to seek her authorization for the Authority to execute the Contracts pursuant to PAL §1009.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

RESOLUTION

RESOLVED, That the contract for the sale of 600 kilowatts of Preservation Power to Roth Industries Inc. and the contract for the sale of 2,000 kW of Preservation Power to TRPC Potsdam LLC (the “Contracts”), are in the public interest and hereby approved, and in accordance with Public Authorities Law § 1009, the Contracts, together with the record of the public hearing thereon, shall be submitted to the Governor for her review and to seek her authorization for the Authority to execute the Contracts, and that copies of the Contracts, together with the record of the public hearing thereon, shall be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee; and be it further

RESOLVED, That the Chair and the Corporate Secretary be authorized and directed to execute such Contracts in the name of and on behalf of the Authority upon the Governor’s approval of the Contracts; and be it further

RESOLVED, That the Senior Vice President – Customer Solutions, or her designee, be, and hereby is, authorized, subject to the approval of the form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the Contracts, as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, that the Chair, President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all

agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

POWER AUTHORITY
OF THE
STATE OF NEW YORK
30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE OF
PRESERVATION POWER AND ENERGY

SERVICE TARIFF NO. 20

Roth Industries Inc.

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for Sale of Preservation Power and Energy (“Agreement”) with Roth Industries Inc. (“Customer”) having offices at 268 Bellew Avenue South, Watertown, New York, 13601. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the St. Lawrence-FDR Power Project known as Preservation Power (or “PP”), as further defined in this Agreement, to qualified businesses in New York State in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer applied for an allocation of PP or an extension of an existing PP allocation for use at its facilities defined in this Agreement as the “Facility”;

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and retention of jobs, capital investments, power usage and energy efficiency measures at the Facility, in exchange for an allocation of PP;

WHEREAS, the Authority’s Board of Trustees approved an allocation of PP to the Customer;

WHEREAS, the Authority’s provision of Electric Service under this Agreement is an unbundled service separate from (i) the transmission of the allocation, and (ii) the delivery of the Allocation;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the Allocation for a term as provided in this Agreement;

WHEREAS, electric service hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff as further provided in this Agreement; and

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement.

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I **DEFINITIONS**

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial

capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices. All other capitalized terms and abbreviations used in this Agreement but not defined in this Section or other provisions of this Agreement or its schedules or appendices shall have the same meaning as set forth in the Service Tariff.

“Adverse Water Condition” means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

“Agreement” means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

“Allocation” refers to the allocation(s) of PP awarded to the Customer as specified in Schedule A.

“Annual Capital Investment Commitment” has the meaning set forth in Schedule B.

“Annual CI Expenditures” has the meaning set forth in Schedule B.

“Base Employment Level” has the meaning set forth in Schedule B.

“Contract Demand” is as defined in the Service Tariff.

“Customer-Arranged Energy” means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

“Effective Date” means the date that this Agreement is fully executed by the Parties.

“Electric Service” is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, the Service Tariff and the Rules.

“Energy Services” has the meaning set forth in Article V of this Agreement.

“Expansion Project” has the meaning set forth in Section IV.2.a of this Agreement.

“Expansion Project Capital Investment Commitment” has the meaning set forth in Schedule B.

“Facility” means the Customer’s facilities as described in Schedule A to this Agreement.

“FERC” means the Federal Energy Regulatory Commission (or any successor organization).

“FERC License” means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.

“Firm Energy” is as defined in the Service Tariff.

“Firm Power” is as defined in the Service Tariff.

“International Joint Commission” or “IJC” refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

“Load Reduction” has the meaning set forth in Section IX.6 of this Agreement.

“Load Serving Entity” (or “LSE”) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

“Metering Arrangement” has the meaning set forth in Section II.7 of this Agreement.

“NYEM” means the New York Energy Manager, an energy management center owned and operated by the Authority.

“NYEM Agreement” means a written agreement between the Authority and the Customer providing for the Facility’s enrollment and Customer’s participation in NYEM.

“NYEM Participation” has the meaning specified in Schedule B of this Agreement.

“NYISO” means the New York Independent System Operator or any successor organization.

“NYISO Charges” has the meaning set forth in Section VII.2 of this Agreement.

“NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

“Physical Energy Audit” or “Audit” means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility’s energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility’s index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

“Planned Hydropower Curtailment” means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

“Preservation Power” (or “PP”) consists of 490 megawatts (“MW”) of firm hydroelectric power and associated energy produced by the Authority’s St. Lawrence-FDR Power Project.

“Prior Agreement” has the meaning set forth in the recitals to this Agreement.

“Project” means the Authority’s St. Lawrence-FDR Power Project, FERC Project No. 2000.

“Reporting Year” means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

“Rolling Average” has the meaning set forth in Schedule B.

“Rules” are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

“Schedule A” refers to the Schedule A entitled “Preservation Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Preservation Power Commitments” which is attached to and made part of this Agreement, including any appendices attached thereto.

“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

“Schedule D” refers to the Schedule D entitled “Clean Energy Standard Charge” which is attached to and made part of this Agreement.

“Service Information” has the meaning set forth in Section II.10 of this Agreement.

“Service Tariff” means the Authority’s Service Tariff No. 20, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Substitute Energy” means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy not supplied to the Customer in accordance with Article IX.

“Takedown” means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

“Taxes” is as defined in the Service Tariff.

“Unforced Capacity” (or “UCAP”) means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

“Unplanned Hydropower Curtailment” means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to an Adverse Water Condition that the Authority did not anticipate or forecast.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC that is applicable to the delivery of PP.

ARTICLE II

ELECTRIC SERVICE

1. The Authority will make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, the Service Tariff and the Rules. The Customer is not entitled to receive Electric Service under this Agreement for any PP allocation unless such PP allocation is identified in Schedule A.
2. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.
3. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with the Service Tariff.
4. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and the delivery of the Allocation. The Customer acknowledges

and agrees that Customer's local electric utility, not the Authority, is responsible for the delivery of the Allocation to the Facility in accordance with applicable Utility Tariff(s).

5. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as PP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all PP customers receiving Electric Service under the Service Tariff, as applicable, based on the terms of such ruling, order, or decision.
6. The Contract Demand may not exceed the Allocation.
7. The Customer's Facility must be metered by the Customer's local electric utility in a manner that is satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, the Service Tariff, and the Rules.
8. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer at the Facility, the proper and efficient implementation of the PP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.
9. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.

10. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the PP program, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III

RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, the Service Tariff and the Rules.
2. The Service Tariff and the Rules may be amended from time to time by the Authority and, if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide at least thirty (30) days prior written notice to the Customer of any proposed change in the Service Tariff or the Rules. No amendment to the Service Tariff or the Rules shall affect the determination of rates for PP to the Customer during the term of the Agreement except insofar as otherwise authorized by this Agreement. This provision shall not limit the Authority's discretion to determine rates applicable to allocations of power and energy awarded to the Customer beyond or in addition to the Allocation.
3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.
4. In addition to all other fees, assessments and charges provided for in the Agreement, the Service Tariff and the Rules, the Customer shall be responsible for payment of the Clean Energy Standard Charge provided for in Schedule D of this Agreement.

ARTICLE IV

SUPPLEMENTAL COMMITMENTS

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Preservation Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.

2. Special Provisions Relating to a New or Expanded Facility.

a. Proposed New or Expanded Facility; Failure to Complete.

If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

b. Proposed New or Expanded Facility; Partial Performance.

If the Expansion Project results in a completed Facility that is only partially operational, or is materially different than the Expansion Project agreed to in Schedule B (as measured by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

(i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.

(ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the

Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of the Service Tariff is attached to this Agreement as Exhibit 1 and shall apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of the Service Tariff.
2. In the event of any inconsistencies, conflicts, or differences between the provisions of the Service Tariff and the Rules, the provisions of the Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and the Service Tariff or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:
 - a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;
 - b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and

- c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.
2. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in the Service Tariff or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

ARTICLE VIII

BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.
2. Except as otherwise provided in this Agreement, all other provisions with respect to billing are set forth in the Service Tariff and the Rules.
3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX

HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.
2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.

3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.
4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.
5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.
6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.
7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a nondiscriminatory basis as to all Authority customers that are served by the Project.
8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.

9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.
10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for Firm Energy as provided for in this Agreement; and (2) any NYISO Charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff No. 20 relating to the rendition and payment of bills for Electric Service.
11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff No. 20 relating to the rendition and payment of bills for Electric Service.
12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.
13. The Customer shall not be entitled to power and energy sourced from another Authority power facility, including another Authority hydropower project, as Substitute Energy.

ARTICLE X
EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.
2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, the Service Tariff, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.
3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.
4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC

or its successor agency); or (2) as otherwise provided in this Agreement, the Service Tariff, or the Rules.

5. Upon approval of the Governor of the State of New York pursuant to Public Authorities Law § 1009, and upon execution by the Chairman of the Authority, this Agreement shall come into full force and effect, provided however that pending such gubernatorial approval and execution, this Agreement shall take effect upon the expiration of the Preservation Power power sales agreement fully-executed on September 25, 2018 and continue on a month to month basis. If the Governor disapproves this Agreement, service will cease on the last day of the month following the month during which the Governor disapproved this Agreement. If the Governor takes no action within the time frame provided for in Public Authorities Law §1009, service will cease on the last day of the month following the month during which such timeframe expired.

ARTICLE XI

EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:
 - a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;
 - b. pursuant to any other process that the Authority establishes; or
 - c. with the Authority's written consent.
2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of PP at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.
3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII

NOTICES

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: BPAC@nypa.gov
Facsimile: (914) 390-8156
Telephone: (914) 681-6200
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Roth Industries Inc.
268 Bellew Ave South
Watertown , New York, 13601
Email:
Facsimile: _____
Attention: Director, Manufacturing and Operations

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.
3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII

SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.
2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing

requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.

3. The Customer may not sell any portion of the Allocation to any other person, allow any other person to use any portion of the Allocation, or allow any other person to interconnect to the Facility. Any purported sale shall be invalid and any violation of this provision shall constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV

MISCELLANEOUS

1. Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

- a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.
- b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.
- c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

ROTH INDUSTRIES INC.

By: _____

Name: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____

John R. Koelmel, Chairman

Date: _____

SCHEDULE A
PRESERVATION POWER ALLOCATIONS

Customer: Roth Industries Inc.				
Type of Allocation	Allocation Amount (kW)	Facility and Address	Trustee Approval Date	Allocation Expiration Date
Preservation Power	600 kW	268 Bellew Avenue South	7/28/2026	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
SUPPLEMENTAL PRESERVATION POWER COMMITMENTS

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

- a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.
- b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.
- c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s discretion.

2. Capital Investment Commitments

The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in the Service Tariff), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

- a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of

- the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.
- b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term (“NYEM Participation”) in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.
 - c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after of the Effective Date of this Agreement, at its own expense.
 - d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the capital investments provided for in Schedule B.

3. Power Utilization Level

If the average of the Customer's six (6) highest Billing Demands (as such term is described in the Service Tariff) for Preservation Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, the Service Tariff and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

Before implementing any reduction, the Authority will consider the Customer's scheduled or unscheduled maintenance, technological advances, including production improvements, facility upgrade periods, the business cycle, and any other relevant factors offered by the Customer. In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with written notice of the approved reduction following Trustee approval. The Customer will be provided with sixty (60) days to present to the Authority a proposed plan with actionable milestones to cure the compliance deficiency. The Authority will respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. The Authority will have the discretion to determine whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand after the Authority's response to the Customer's proposed plan. The Authority will suspend such reduction and restore Customer's Contract Demand within a reasonable time upon Customer's successful cure of the deficiency.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 22 full-time employees (“Base Employment Level”) at the Customer’s Facility from the commencement of Electric Service. The Base Employment Level shall be maintained thereafter for the term of the Allocation through the Allocation Expiration Date specified in Schedule A in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)

- a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility (“Rolling Average”) shall total not less than \$125,000 (the “Annual Capital Investment Commitment”). For purposes of this provision, “Rolling Average” means the three-year average comprised of (1) the total amount of capital investments (“Annual CI Expenditures”) made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.
- b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.
- c. If the Customer’s Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)

- a. The Customer shall make a minimum capital investment of N/A to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

\$ _____	– Line Item 1
\$ _____	– Line Item 2
\$ _____	– Line Item 3
\$ _____	– Line Item 4
N/A	Total Expansion Project Capital Investment Commitment

- b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than **N/A** (*i.e.*, within three (3) years of the date of the Authority’s award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

The Contract Demand will be scheduled as follows: 185 kW

The Contract Demand will remain at this level until such time as this Schedule C is superseded and any change reflected in such superseded Schedule C can be effectuated under the Authority's standard program procedures.

SCHEDULE D

CLEAN ENERGY STANDARD CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. 20, or in the Rules.

“Alternative Compliance Payment” means a form of payment of money by an LSE that is authorized by the State in law, regulation, or Regulatory Order as a mechanism for an LSE to satisfy an Annual LSE Obligation.

“Annual LSE Obligation” means the annual obligation of an LSE to purchase Credits or undertake other compliance measures that are authorized in law, regulation, or Regulatory Order for a State Energy Standard.

“CES Order” means the Order issued by the Public Service Commission entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing the CES Order or the CES.

“Clean Energy Compliance Measures” is a collective reference to Zero Emission Credit Requirement Compliance Measures, Renewable Energy Standard Compliance Measures, Offshore Wind Energy Standard Compliance Measures, Energy Storage Program Compliance Measures, and any other compliance measures that an LSE is authorized by law, regulation or Regulatory Order to undertake in order to meet an Annual LSE Obligation.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State, as may be amended from time to time.

“Credit” means a certificate or other claim to the environmental attributes associated with energy produced by or from qualifying resources that typically represents proof that one megawatt-hour (1 MWh, or 1000 kilowatt-hours) of qualifying electricity was generated and delivered to the power grid, provided that, in the case of an ISC, the ISC represents one MWh of energy storage capacity that is operational and available on a given day. A Credit includes but is not limited to a ZEC, REC, ISC, and OREC.

“Energy Storage Order” means the Order of the Public Service Commission, entitled “Order Establishing Updated Energy Storage Goal and Deployment Policy,” in Case No. 18-E-0130, and includes all subsequent orders amending, clarifying and/or implementing the Energy Storage Order.

“Energy Storage Program Compliance Measures” means the purchase of ISCs from NYSERDA, the Authority’s procurement of ISCs or energy storage capacity by Self-Supply; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Energy Storage Program.

“Energy Storage Program” means the Energy Storage Program as set forth in the Energy Storage Order.

“Index Storage Credit” or “ISC” refers to a qualifying Index Storage Credit as authorized by the State in law, regulation, or Regulatory Order.

“Load Serving Entity” has the meaning provided in the CES Order and generally refers to a utility or other entity that supplies load (electricity) to a consumer of electricity.

“Clean Energy Standard Charge” means the monthly charge to the Customer established in this Schedule D.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Offshore Wind Energy Credit” or “OREC” refers to a qualifying Offshore Wind Energy Credit as authorized by the State in law, regulation, or Regulatory Order.

“Offshore Wind Energy Standard” means the Offshore Wind Energy Standard adopted by the State as may be amended from time to time.

“Offshore Wind Energy Standard Compliance Measures” means the purchase of ORECs from NYSERDA; the Authority’s procurement of ORECs by Self-Supply; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Offshore Wind Energy Standard.

“Public Service Commission” or “PSC” means the New York State Public Service Commission.

“Regulatory Order” means an order issued by a regulatory agency or authority of the State of New York, and includes orders issued by the PSC. Regulatory Order includes, by way of example only, the CES Order and any other order of the PSC that establishes, supplements, modifies, or clarifies standards, requirements, obligations, or procedures for implementation of the State Energy Plan or a State Energy Standard, including the CES.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as authorized by the State in law, regulation, or Regulatory Order, including but not limited to Tier 1 and Tier 4 of the Clean Energy Standard.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State as may be amended from time to time.

“Renewable Energy Standard Compliance Measures” means the purchase of RECs from NYSERDA; the Authority’s procurement of RECs by Self-Supply; Alternative Compliance Payments to NYSERDA; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Renewable Energy Standard.

“Self-Supplied Credit Charge” means a supplemental per-Credit charge or adder that the Authority adds to the cost of any Credit that it procures by Self-Supply for the purpose of: (1) enabling the Authority to recover administrative costs that it incurs in connection with the Self-Supply of Credits; and (2) managing risk in the cost of Credits over the term of any contract that serves as a source of Credits for Self-Supply, including but not limited to mitigating the extent of fluctuations in the cost of Credits that the Authority procures through Self-Supply.

“Self-Supplied Credit Cost” means the annual average per-Credit cost (including any applicable Self-Supplied Credit Charge) that the Authority establishes pursuant to Section II.3.b of Schedule D for any Credit that it procures by Self-Supply for the purpose of complying with any Annual LSE Obligation applicable to a State Energy Standard.

“Self-Supply” means the Authority’s procurement of Credits from a source other than NYSERDA.

“State” means the State of New York.

“State Energy Plan” or “SEP” means the 2015 New York State Energy Plan as amended from time to time.

“State Energy Standard” refers to any standard or requirement that is adopted by the State in law, regulation, or Regulatory Order for the purpose of implementing State energy and environmental goals or policies, including goals and policies set forth in the State Energy Plan, that applies to the Authority, or with which the Authority determines it will comply in implementing its business and/or power supply programs. For purposes of this Agreement, State Energy Standard includes the Clean Energy Standard, Renewable Energy Standard, Zero Emission Credit Requirement, Offshore Wind Energy Standard, the Energy Storage Program including Energy Storage Program Compliance Measures, and any other standard or requirement adopted by the State in law, regulation, or Regulatory Order, in effect at the time of execution of this Agreement, or that is adopted after the execution of this Agreement and in effect during all or a portion of the term of this Agreement, that applies to the Authority, or with which the Authority determines it will comply in implementing its business and/or power supply programs.

“Total Monthly PP Load” has the meaning provided in Section II.3.c of this Schedule D.

“Total Monthly CE Compliance Costs” has the meaning provided in Section II.3.c of this Schedule D.

“Zero Emission Credit” or “ZEC” refers to a Zero Emission Credit as authorized by the State in law, regulation, or Regulatory Order.

“Zero Emission Credit Requirement Compliance Measures” means the purchase of ZECs from NYSERDA and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Zero Emission Credit Requirement.

“Zero Emission Credit Requirement” means the Zero Emission Credit Requirement adopted by the State as may be amended from time to time.

II. CLEAN ENERGY STANDARD CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of the Service Tariff, or the Rules, the Customer shall be subject to a Clean Energy Standard Charge as provided in this Schedule D. The Clean Energy Standard Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. 10 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Clean Energy Standard Charge.
2. The Clean Energy Standard Charge is part of a compliance program (“Compliance Program”) that the Authority has adopted for the purpose of administering the Preservation Power program in a manner that is consistent with the State Energy Plan, the CES, and other applicable State Energy Standards. Pursuant to the Compliance Program, the Authority will support State Energy Standards, including the preservation of at risk nuclear zero emission attributes, and the development of renewable energy resources and energy storage projects, to serve its Preservation Power program customers, through the implementation of various Clean Energy Compliance Measures that the Authority in its discretion determines are appropriate to enable the Authority to meet Annual LSE Obligations that have been established for each State Energy Standard that applies to the Authority, or with which the Authority determines it will comply in implementing its business and/or power supply programs. The purpose of the Clean Energy Standard Charge is to enable the Authority to recover costs and other charges as described herein that the Authority incurs for implementing Clean Energy Compliance Measures.
3. The Clean Energy Standard Charge will be determined and assessed as follows:
 - a. The Authority will, each calendar year, implement such Clean Energy Compliance Measures as the Authority determines in its discretion to be appropriate to meet the Annual LSE Obligation established for each State Energy Standard with respect to the load that the Authority serves under the PP

program. The specific Clean Energy Compliance Measures that the Authority determines to use, and the amount or extent of each Clean Energy Compliance Measure taken in any calendar year to meet each Annual LSE Obligation shall be within the Authority's sole discretion.

- b. The Authority will, for each calendar year, establish a Self-Supplied Credit Cost for any Credits that it procures through Self-Supply that it will use to meet the applicable Annual LSE Obligation for each State Energy Standard for the calendar year. The Authority may, in its discretion, for any quarter in any calendar year, revise any such Self-Supplied Credit Cost established pursuant to this Section II.3.b for the purpose of addressing unanticipated circumstances that impact or that the Authority reasonably believes could impact the Authority's costs and risk exposure regarding Self-Supply. Any Self-Supplied Credit Cost so revised shall apply prospectively.
 - c. The Authority will, for each month of each calendar year in which it incurs costs for Clean Energy Compliance Measures, calculate the total costs that the Authority has incurred or estimates that it will incur for implementing the Clean Energy Compliance Measures ("Total Monthly CE Compliance Costs") for the purpose of meeting each Annual LSE Obligation for the total PP kilowatt-hour load for such month ("Total Monthly PP Load"). The Authority may calculate Total Monthly CE Compliance Costs on the basis of forecasts of the Total Monthly PP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly PP Load that the Authority served for the month.
 - d. Each month, the Authority will calculate a Clean Energy Standard Charge applicable to the Customer. The Clean Energy Standard Charge will represent the Customer's share of the Total Monthly CE Compliance Costs assigned to the Total Monthly PP Load assessed as the proportion of the Customer's total kilowatt-hour load served by the Authority for such month to the Total Monthly PP Load served by the Authority for such month.
4. The Authority may, in its discretion, include the Clean Energy Standard Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Clean Energy Standard Charge pursuant to another Authority-established procedure. In any case, the bill will indicate the amount of the Clean Energy Standard Charge that is attributable to compliance with each Annual LSE Obligation.
5. The Authority will, at the conclusion of each calendar year in which it assesses a Clean Energy Standard Charge, conduct a reconciliation process based on the actual costs it incurred for Clean Energy Compliance Measures taken (other than Credits procured through Self-Supply), and the actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Clean Energy Standard Charge during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based

on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority's bills for Electric Service under this Agreement or as provided for in any other procedure established by the Authority pursuant to Section II.4 of this Schedule D.

6. Notwithstanding the provisions of Section II.3 of this Schedule D, if Electric Service for the Allocation is commenced after the Authority has implemented Clean Energy Compliance Measures for the year in which such Electric Service for the Customer is commenced, and as a result the Customer's load cannot be accounted for in such Clean Energy Compliance Measures, the Authority may in its discretion implement one or more separate Clean Energy Compliance Measures with respect to the Customer's load for the calendar year in order to meet the Annual LSE Obligation for Customer's load for the year, and bill the Customer for the costs associated with such separate Clean Energy Compliance Measures.
7. Nothing in this Schedule D shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. 20 or the Rules.
8. Inclusion in this Agreement of a non-exhaustive list of examples that fall within the definition of Credits, Clean Energy Compliance Measures, or State Energy Standards shall not be interpreted to exclude such examples from a similar definition in other agreements of the Authority where such examples are not included.

III. ALTERNATIVE CES COMPLIANCE PROGRAM

1. Nothing in this Schedule D shall be construed as preventing the Parties from entering into other written agreements for alternative arrangements to enable the Authority to meet any Annual LSE Obligation with respect to the Customer's allocation, including alternative compliance programs and cost allocation mechanisms, in lieu of the Clean Energy Standard Charge established in this Schedule D.



POWER AUTHORITY OF THE STATE OF NEW YORK
30 SOUTH PEARL STREET
ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power Service to
Preservation Power Customers
(Local Electric Utility Delivery)

Service Tariff No. 20

Table of Contents

Schedule of Rates for Firm Power Service	Leaf No.
I. Applicability	3
II. Abbreviations and Terms.....	3
III. Monthly Rates and Charges.....	5
A. Preservation Power (PP) Base Rates	5
B. PP Rates No Lower than Rural/Domestic Rate	5
C. Monthly Base Rates Exclude Delivery Service Charges	5
D. Minimum Monthly Charge.....	5
E. Estimated Billing	6
F. Adjustments to Charges	7
G. Billing Period	7
H. Billing Demand	7
I. Billing Energy	7
J. Contract Demand	7
IV. General Provisions	8
A. Character of Service	8
B. Availability of Energy	8
C. Delivery	8
D. Adjustment of Rates	8
E. Billing Methodology and Billing	9
F. Payment by Customer to Authority.....	9
1. Demand and Energy Rates, Taxes	9
2. Transmission Charge	10
3. NYISO Transmission and Related Charges.....	10
4. Taxes Defined	10
5. Substitute Energy	10
6. Other Charges	11
7. Payment Information	11
8. Billing Disputes	11
G. Rendition and Payment of Bills.....	12
H. Adjustment of Charges – Distribution Losses.....	13
I. Conflicts.....	13
V. Annual Adjustment Factor	14

Schedule of Rates for Firm Power Service

I. Applicability

To sales of Preservation Power made directly to a qualified business Customer for firm power service that is delivered by the Customer's local electric utility.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

Agreement: An executed written agreement between the Authority and the Customer for the sale of Preservation Power to the Customer.

Annual Adjustment Factor or **AAF**: This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the "New York Power Authority."

Customer: A business entity that (1) has received an Allocation of Preservation Power, (2) purchases such Preservation Power directly from the Authority, and (3) receives delivery of the Preservation Power from a local electric utility.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Firm Power: Hydropower capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Factor Sharing or LFS: A type of billing methodology applicable to a Customer's Allocation which determines how a Customer's total Native System Load is apportioned between the power and energy supplied by the Allocation and the Customer's other source of electricity supply, if any. LFS is used to determine the amount of Firm Energy supplied and billed on the basis of the Customer's actual total Native System Load per the monthly billing cycle as follows:

1. When the Maximum Metered Demand is less than (<) the Contract Demand, then the Customer's entire load will be supplied by Firm Energy.
2. When the Maximum Metered Demand is greater than (>) the Contract Demand, then the Customer's portion of Firm Energy supply will be determined as follows:
 - a. For Hourly Billing: $\sum (\text{Contract Demand} \div \text{Maximum Metered Demand} \times \text{the in-hour demand of Customer's total Native System Load for all hours})$.
 - b. For Monthly Billing: $(\text{Contract Demand} \div \text{Maximum Metered Demand} \times \text{the total consumed energy by the Customer within the bill cycle})$.

Load Serving Entity or LSE: This term shall have the meaning set forth in the Agreement.

Maximum Metered Demand: The highest 15 or 30-minute integrated demand, as determined by the local electric utility, during each Billing Period recorded on the meter that is used by the Customer in accordance with this Service Tariff and the Agreement.

Native System Load: The total consumption of the Customer's electric system, as determined by the Authority's revenue-grade metering equipment, without the offset of Customer's behind the meter generation. It is represented as the sum of all incoming power, plus internal generation behind the system meter, minus power exports to the bulk electric system.

Preservation Power or PP: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13), and that is delivered by the Customer's local electric utility.

Project: The Authority's St. Lawrence-FDR Power Project, FERC Project No. 2000.

Rate Year or RY: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq.*, as they may be amended from time to time.

Service Tariff: This Service Tariff No. 20.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Preservation Power (PP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

Rate Year	Billing Period	Demand (\$/kW)	Energy (\$/MWh)
2018	July 2018 – June 2019	7.90	13.50

B. PP Rates No Lower than Rural/Domestic Rate

At all times the applicable PP base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average \$/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for PP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average \$/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand rate specified in Section III.A and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation, and any other charges provided in this Service Tariff, the Agreement or the Rules.

E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on a load factor sharing billing methodology as follows:

- The estimated demand amount (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand amount (kW) for the Estimated Bill will equal the Customer's takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on a load factor sharing billing methodology as follows:

- The estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy amount (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.

If an alternative billing methodology is applicable to the Customer, the demand charge and energy charge for rendering an Estimated Bill shall be calculated in a manner appropriate to such alternative billing methodology as determined by the Authority.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority's rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's Facility is located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total Native System Load meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total Native System Load meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Preservation Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement.

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.
2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy and responsibility for payment of costs associated therewith, will be governed by the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules or any successor provision addressing adjustments.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing ("LFS") in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer's local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.
2. Billing Energy - The LFS methodology will be applied against the Customer's Native System Load during the Billing Period to determine the amount of Firm Energy (kWh) attributable to the Allocation (Billing Energy) to be billed to the Customer and charged at the applicable PP Rate. All energy quantities will be adjusted for losses.
3. Billing Demand – The LFS methodology will be applied against the Customer's Maximum Metered Load during the Billing Period to determine the amount of Firm Power (kW) attributable to the Allocation (Billing Demand) to be billed to the Customer and charged at the applicable PP Rate. Billing Demand may not exceed the amount of the Contract Demand. All demand quantities will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

- a. The demand rate per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and
- b. The energy rate per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and
- c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Preservation Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, "NYISO Charges") assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

- A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
- B. Marginal losses;
- C. The New York Power Authority Transmission Adjustment Charge ("NTAC");
- D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;
- E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and
- F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Other Charges

The Customer shall pay the Authority for all other charges provided for in the Agreement.

7. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

8. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.
2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.
3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.
4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.
5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.
6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. Adjustment of Charges – Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year ("Index Value for the Measuring Year") will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1"). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of $\pm 5.0\%$ (" $\pm 5\%$ Collar"). Amounts outside the $\pm 5\%$ Collar shall be referred to as the "Excess."

Index 1, "BLS Industrial Power Price" (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

Index 2, "EIA Average Industrial Power Price" (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT ("Selected States") as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration ("EIA"); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

Index 3, "BLS Industrial Commodities Price Less Fuel" (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

- Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.
- Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.
- Step 3: Commencing RY 2014, modifications to the AAF will be subject to $\pm 5\%$ Collar, as described below.
- a) When the AAF falls outside the $\pm 5\%$ Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the $\pm 5\%$ Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the $\pm 5\%$ Collar.

- b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the $\pm 5\%$ Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. The Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.
4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2017 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year (2016)	Measuring Year - 1 (2015)
January	205.3	167.8
February	204.3	167.6
March	204.5	168.2
April	202.4	168.6
May	206.3	171.6
June	220.4	180.1
July	226.2	182.7
August	227.3	179.2
September	228.1	181.8
October	214.9	170.2
November	211.3	168.8
December	211.7	166.6
Average	213.6	223.7
Ratio of MY/MY-1		0.95

- Index 2 – EIA Industrial Rate

<u>State</u>	<u>Revenues</u> ((\$000s))	<u>Sales</u> (MWh)	<u>Avg. Rate</u> (cents/kWh)
<u>Measuring Year (2015)</u>			
CT	444,588	3,432,002	
MA	1,068,927	7,892,165	
ME	290,360	3,208,045	
NH	252,331	1,981,028	
NJ	778,985	7,320,398	
NY	1,140,573	18,079,200	
OH	3,548,736	50,556,675	
PA	3,411,815	47,404,272	
RI	109,866	798,532	
VT	146,022	1,421,601	
TOTAL	11,192,203	142,093,918	7.88

Measuring Year -1 (2014)

CT	453,958	3,514,798	
MA	1,014,262	7,960,941	
ME	300,412	3,357,486	
NH	234,900	1,969,064	
NJ	855,757	7,516,616	
NY	1,184,255	18,002,976	
OH	3,440,919	50,829,251	
PA	3,580,990	48,317,693	
RI	114,111	887,150	
VT	145,111	1,417,994	
TOTAL	11,324,673	143,773,969	7.88

Ratio of MY/MY-1 **1.00**

- Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year <u>(2016)</u>	Measuring Year -1 <u>(2015)</u>
January	191.9	196.0
February	191.8	195.4
March	192.1	195.0
April	192.8	194.8
May	193.4	194.9
June	193.7	195.2
July	193.7	194.9
August	194.0	193.9
September	193.9	193.1
October	194.3	192.9
November	194.9	192.3
December	195.6	191.9
Average	193.5	194.2
Ratio of MY/MY-1		1.00

STEP 2

Determine AAF by Summing the Weighted Indices

<u>Index</u>	<u>Ratio of MY to MY-1</u>	<u>Weight</u>	<u>Weighted Factors</u>
PPI Industrial Power	0.95	0.35	0.334
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.00	0.25	<u>0.249</u>
AAF			0.983

STEP 3

Apply Collar of $\pm 5.0\%$ to Determine the Maximum/Minimum AAF.

$-5.0\% < 1.6\% < 5.0\%$; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	<u>Demand</u> \$/kW-mo.	<u>Energy</u> \$/MWh
Current Rate Year Base Rate	8.03	13.73
New Rate Year Base Rate	7.90	13.50

Date of Issue: January 1, 2020

Date Effective: January 1, 2020

Issued by Keith T. Hayes, Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE OF
PRESERVATION POWER AND ENERGY

SERVICE TARIFF NO. 20

TRPC Potsdam LLC

The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for Sale of Preservation Power and Energy (“Agreement”) with TRPC Potsdam LLC (“Customer”) having offices at 547A Sissonville Road, Potsdam, New York, 13676. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the St. Lawrence-FDR Power Project known as Preservation Power (or “PP”), as further defined in this Agreement, to qualified businesses in New York State in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer applied for an allocation of PP or an extension of an existing PP allocation for use at its facilities defined in this Agreement as the “Facility”;

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and retention of jobs, capital investments, power usage and energy efficiency measures at the Facility, in exchange for an allocation of PP;

WHEREAS, the Authority’s Board of Trustees approved an allocation of PP to the Customer;

WHEREAS, the Authority’s provision of Electric Service under this Agreement is an unbundled service separate from (i) the transmission of the allocation, and (ii) the delivery of the Allocation;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the Allocation for a term as provided in this Agreement;

WHEREAS, electric service hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff as further provided in this Agreement; and

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement.

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I **DEFINITIONS**

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this

Agreement shall have the meanings set forth in such schedules or appendices. All other capitalized terms and abbreviations used in this Agreement but not defined in this Section or other provisions of this Agreement or its schedules or appendices shall have the same meaning as set forth in the Service Tariff.

“Adverse Water Condition” means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

“Agreement” means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

“Allocation” refers to the allocation(s) of PP awarded to the Customer as specified in Schedule A.

“Alternative REC Compliance Program” has the meaning provided in Schedule E.

“Annual Capital Investment Commitment” has the meaning set forth in Schedule B.

“Annual CI Expenditures” has the meaning set forth in Schedule B.

“Base Employment Level” has the meaning set forth in Schedule B.

“Contract Demand” is as defined in applicable Service Tariff.

“Effective Date” means the date that this Agreement is fully executed by the Parties.

“Electric Service” is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, the Service Tariff and the Rules.

“Energy Services” has the meaning set forth in Article V of this Agreement.

“Expansion Project” has the meaning set forth in Section IV.3.a of this Agreement.

“Expansion Project Capital Investment Commitment” has the meaning set forth in Schedule B.

“Facility” means the Customer’s facilities as described in Schedule A to this Agreement.

“Firm Power” is as defined in the Service Tariff.

“Firm Energy” is as defined in the Service Tariff.

“FERC” means the Federal Energy Regulatory Commission (or any successor organization).

“FERC License” means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.

“Hydropower Curtailment” means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an Adverse Water Condition.

“International Joint Commission” or “IJC” refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

“Load Reduction” has the meaning set forth in Section IX.6 of this Agreement.

“Load Serving Entity” (or “LSE”) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

“Metering Arrangement” has the meaning set forth in Section II.8 of this Agreement.

“NYEM” means the New York Energy Manager, an energy management center owned and operated by the Authority.

“NYEM Agreement” means a written agreement between the Authority and the Customer providing for the Facility’s enrollment and Customer’s participation in NYEM.

“NYEM Participation” has the meaning specified in Schedule B of this Agreement.

“NYISO” means the New York Independent System Operator or any successor organization.

“NYISO Charges” has the meaning set forth in Section VII.3 of this Agreement.

“NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

“Physical Energy Audit” or “Audit” means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility’s energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility’s index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost

measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

“Preservation Power” (or “PP”) consists of 490 megawatts (“MW”) of firm hydroelectric power and associated energy produced by the Authority’s St. Lawrence-FDR Power Project.

“Prior Agreement” has the meaning set forth in the recitals to this Agreement.

“Project” means the Authority’s St. Lawrence-FDR Power Project, FERC Project No. 2000.

“Reporting Year” means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

“Rolling Average” has the meaning set forth in Schedule B.

“Rules” are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

“Service Information” has the meaning set forth in Section II.12 of this Agreement.

“Service Tariff” means the Authority’s Service Tariff No. WNY-20, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Schedule A” refers to the Schedule A entitled “Preservation Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Preservation Power Commitments” which is attached to and made part of this Agreement, including any appendices attached thereto.

“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

“Schedule D” refers to the Schedule D entitled “Zero Emission Credit Charge” which is attached to and made part of this Agreement.

“Schedule E” refers to the Schedule E entitled “Monthly Renewable Energy Credit Charge” which is attached to and made part of this Agreement.

“Substitute Energy” means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Hydropower Curtailment.

“Takedown” means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

“Taxes” is as defined in the Service Tariff.

“Unforced Capacity” (or “UCAP”) means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC that is applicable to the delivery of PP.

ARTICLE II

ELECTRIC SERVICE

1. The Authority will make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, the Service Tariff and the Rules. The Customer is not be entitled to receive Electric Service under this Agreement for any PP allocation unless such PP allocation is identified in Schedule A.
2. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.
3. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with the Service Tariff.
4. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and the delivery of the Allocation. The Customer acknowledges and agrees that Customer’s local electric utility, not the Authority, is responsible for the delivery of the Allocation to the Facility in accordance with applicable Utility Tariff(s).
5. The Contract Demand for the Customer’s Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as PP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all PP customers receiving Electric Service under the Service Tariff, as applicable, based on the terms of such ruling, order, or decision.
6. The Contract Demand may not exceed the Allocation.

7. The Customer's Facility must be metered by the Customer's local electric utility in a manner that is satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, the Service Tariff, and the Rules.
8. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer at the Facility, the proper and efficient implementation of the PP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.
9. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.
10. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the PP program, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III
RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, the Service Tariff and the Rules.
2. The Service Tariff and the Rules may be amended from time to time by the Authority and, if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide at least thirty (30) days prior written notice to the Customer of any proposed change in the Service Tariff or the Rules. No amendment to the Service Tariff or the Rules shall affect the determination of rates for PP to the Customer during the term of the Agreement except insofar as otherwise authorized by this Agreement. This provision shall not limit the Authority's discretion to determine rates applicable to allocations of power and energy awarded to the Customer beyond or in addition to the Allocation.
3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.
4. In addition to all other fees, assessments and charges provided for in the Agreement, the Service Tariff and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV
SUPPLEMENTAL COMMITMENTS

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Preservation Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.

2. Special Provisions Relating to a New or Expanded Facility.

a. Proposed New or Expanded Facility; Failure to Complete.

If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, “Expansion Project”), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

b. Proposed New or Expanded Facility; Partial Performance.

If the Expansion Project results in a completed Facility that is only partially operational, or is materially different than the Expansion Project agreed to in Schedule B (as measured by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer’s request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

- (i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer’s local electric utility and NYISO.
- (ii) In the event of an Expansion Project being completed in multiple phases, at the Customer’s request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of the Service Tariff is attached to this Agreement as Exhibit 1 and shall apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of the Service Tariff.
2. In the event of any inconsistencies, conflicts, or differences between the provisions of the Service Tariff and the Rules, the provisions of the Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and the Service Tariff or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:
 - a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;
 - b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and
 - c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.

2. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in the Service Tariff or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

ARTICLE VIII

BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.
2. Except as otherwise provided in this Agreement, all other provisions with respect to billing are set forth in the Service Tariff and the Rules.
3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX

HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. In the event of an Adverse Water Condition, the Authority will have the right in its discretion to implement Hydropower Curtailments. The Authority will implement Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project.
2. In the event of a Hydropower Curtailment, the Authority will provide Substitute Energy to the Customer and the Customer shall pay for such Substitute Energy. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO.
3. For each kilowatt-hour of Substitute Energy provided by the Authority during a Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Hydropower Curtailments shall be governed by the provisions of the Service Tariff relating to the rendition and payment of bills for Electric Service.
4. The Authority shall be under no obligation to deliver, and will not deliver, any such curtailed energy to the Customer in later billing periods.

5. The Authority may require the Customer to enter into a separate agreement relating to the provision and sale of Substitute Energy. The provisions of this Agreement will remain in effect notwithstanding the existence of any such separate agreement.

ARTICLE X

EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.
2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, the Service Tariff, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.
3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.
4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, the Service Tariff, or the Rules.

ARTICLE XI

EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:
 - a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;
 - b. pursuant to any other process that the Authority establishes; or
 - c. with the Authority's written consent.
2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of PP at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified

Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.

3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII

NOTICES

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: ContractDocs@nypa.gov
Facsimile: (914) 390-8156
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

TRPC Potsdam LLC
547A Sissonville Road
Potsdam, New York, 13676
Email:
Facsimile: _____
Attention: President

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.
3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII
SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.
2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.
3. The Customer may not sell any portion of the Allocation to any other person, allow any other person to use any portion of the Allocation, or allow any other person to interconnect to the Facility. Any purported sale shall be invalid and any violation of this provision shall constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV
MISCELLANEOUS

1. Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

- a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and

supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.

- b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.
- c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

TRPC POTSDAM LLC

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: John R. Koelmel, Chairman

Date: _____

SCHEDULE A
PRESERVATION POWER ALLOCATIONS

Customer: TRPC Potsdam LLC				
Type of Allocation	Allocation Amount (kW)	Facility and Address	Trustee Approval Date	Allocation Expiration Date
Preservation Power	2,000 kW	547A Sissonville Road Potsdam, NY 13676	July 28, 2026	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
SUPPLEMENTAL PRESERVATION POWER COMMITMENTS

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

- a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.
- b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.
- c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s discretion.

2. Capital Investment Commitments

The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in the Service Tariff), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

- a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.
- b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term ("NYEM Participation") in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.
- c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after of the Effective Date of this Agreement, at its own expense.
- d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the

Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III

COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

If the average of the Customer's six (6) highest Billing Demands (as such term is described in the Service Tariff) for Preservation Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, the Service Tariff and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction. Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 90 full-time, permanent employees (“Base Employment Level”) at the Customer’s Facility within three (3) years of commencement of Electric Service. The Base Employment Level shall be maintained thereafter for the term of the Allocation through the Allocation Expiration Date specified for PP Allocation 1 in Schedule A in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)
 - a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility (“Rolling Average”) shall total not less than N/A (the “Annual Capital Investment Commitment”). For purposes of this provision, “Rolling Average” means the three-year average comprised of (1) the total amount of capital investments (“Annual CI Expenditures”) made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.
 - b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.
 - c. If the Customer’s Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.
2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)
 - a. The Customer shall make a minimum capital investment of \$10,000,000 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	EXPENDITURE
Purchase of assets from Potsdam Specialty Paper, Inc. and investments in critical spare parts and capital projects	\$ 10,000,000
Total Minimum Expansion Project Capital Investment Commitment:	<u>\$ 10,000,000</u>

- b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than July 28, 2029 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Affected LSEs” has the meaning provided in Section II.2 of this Schedule D.

“CES Order” means the Order issued by the PSC entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“PP Program ZEC Costs” has the meaning provided in Section II.4.b of this Schedule D.

“Government Action” has the meaning provided in Section II.8 of this Schedule D.

“Load Serving Entity” or “LSE” has the meaning provided in the CES Order.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the PP power program as authorized in the Power Authority Act.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“Zero Emission Credit” or “ZEC” has the meaning provided in the CES Order.

“Zero Emission Credit Charge” or “ZEC Charge” means the charge to the Customer established in this Schedule D.

“ZEC Purchase Obligation” has the meaning provided in Section II.2 of this Schedule D.

“ZEC Program Year” has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of the Service Tariff or the Rules, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, the Service Tariff and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.
2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order (“Affected LSEs”) to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE’s proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).
3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the PP power program in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the PP power program.
4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer’s PP load served under this Agreement, will be determined and assessed to the Customer as follows:
 - a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as

provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

- b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the PP load that it serves (the “PP Program ZEC Costs”). Such allocation will be based on the forecasted kilowatt-hours load of the PP program to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the PP power program based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).
 - c. The Authority will allocate a portion of the PP Program ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the PP purchased by the Customer to total kilowatt-hours load served by the Authority under the PP power program (i.e., PP Program level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer’s annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the PP power program by the Authority (PP Program level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority’s inability to collect a ZEC Charge from any other Authority customer.
5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.
6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected PP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.
7. Nothing in this Schedule shall limit or otherwise affect the Authority’s right to charge or collect from the Customer any rate, charge, fee, assessment, or tax

provided for under any other provision of the Agreement, or any provision of the Service Tariff, or the Rules.

8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, “Government Action”), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in the Service Tariff No, or in the Rules.

“Alternative REC Compliance Program” has the meaning provided in Section III.1 of this Schedule E.

“Annual REC Percentage Target” has the meaning provided in Section II.2 of this Schedule E.

“CES Order” means the Order issued by the Public Service Commission entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State in the CES Order.

“Load Serving Entity” has the meaning provided in the CES Order.

“Mandatory Minimum Percentage Proportion” has the meaning provided in the CES Order.

“Monthly Renewable Energy Credit Charge” or “Monthly REC Charge” means the monthly charge to the Customer established in this Schedule E.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as described in the CES Order.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the PP power program as authorized in the Power Authority Act.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“REC Compliance Measures” mean: (1) the Authority’s procurement of RECs from NYSEERDA in accordance with NYSEERDA procedures and/or the CES Order; (2) the Authority’s procurement of RECs from available REC markets; (3) the Authority’s procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

“Total Monthly PP Load” has the meaning provided in Section II.3.b of this Schedule E

“Total Monthly REC Costs” has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of the Service Tariff, or the Rules, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, the Service Tariff and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.
2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the PP power program in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its PP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total PP load that the Authority will serve each calendar year (the “Annual REC Percentage Target”) for the purpose of ultimately meeting the RES.
3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer’s PP load served under this Agreement, will be determined and assessed to the Customer as follows:

- a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total PP load that it will serve during such calendar year.
- b. The Authority will, for each month of each calendar year, calculate the total costs ("Total Monthly REC Costs") that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total PP kilowatt-hour load for the month ("Total Monthly PP Load"). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly PP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly PP Load that the Authority served for the month.
- c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer's share of the Total Monthly REC Costs assessed to the Total Monthly PP Load. The Monthly REC Charge will be assessed as the proportion of the Customer's total kilowatt-hours load served by the Authority for such month to the Total Monthly PP Load served by the Authority for such month, provided, however, that:
 - i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority's inability to collect the Monthly REC Charge from other Authority customers; and
 - ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA's published REC price for the REC Program Year.
4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.
5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer's Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority's bills for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.
7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of the Service Tariff, or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").
2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.



POWER AUTHORITY OF THE STATE OF NEW YORK
30 SOUTH PEARL STREET
ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power Service to
Preservation Power Customers
(Local Electric Utility Delivery)

Service Tariff No. 20

Table of Contents

Schedule of Rates for Firm Power Service	Leaf No.
I. Applicability	3
II. Abbreviations and Terms.....	3
III. Monthly Rates and Charges.....	5
A. Preservation Power (PP) Base Rates	5
B. PP Rates No Lower than Rural/Domestic Rate	5
C. Monthly Base Rates Exclude Delivery Service Charges	5
D. Minimum Monthly Charge.....	5
E. Estimated Billing	6
F. Adjustments to Charges	7
G. Billing Period	7
H. Billing Demand	7
I. Billing Energy	7
J. Contract Demand	7
IV. General Provisions	8
A. Character of Service	8
B. Availability of Energy	8
C. Delivery	8
D. Adjustment of Rates	8
E. Billing Methodology and Billing	9
F. Payment by Customer to Authority.....	9
1. Demand and Energy Rates, Taxes	9
2. Transmission Charge	10
3. NYISO Transmission and Related Charges.....	10
4. Taxes Defined	10
5. Substitute Energy	10
6. Other Charges	11
7. Payment Information	11
8. Billing Disputes	11
G. Rendition and Payment of Bills.....	12
H. Adjustment of Charges – Distribution Losses.....	13
I. Conflicts.....	13
V. Annual Adjustment Factor	14

Schedule of Rates for Firm Power Service

I. Applicability

To sales of Preservation Power made directly to a qualified business Customer for firm power service that is delivered by the Customer's local electric utility.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

Agreement: An executed written agreement between the Authority and the Customer for the sale of Preservation Power to the Customer.

Annual Adjustment Factor or **AAF**: This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the "New York Power Authority."

Customer: A business entity that (1) has received an Allocation of Preservation Power, (2) purchases such Preservation Power directly from the Authority, and (3) receives delivery of the Preservation Power from a local electric utility.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Firm Power: Hydropower capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Factor Sharing or LFS: A type of billing methodology applicable to a Customer's Allocation which determines how a Customer's total Native System Load is apportioned between the power and energy supplied by the Allocation and the Customer's other source of electricity supply, if any. LFS is used to determine the amount of Firm Energy supplied and billed on the basis of the Customer's actual total Native System Load per the monthly billing cycle as follows:

1. When the Maximum Metered Demand is less than (<) the Contract Demand, then the Customer's entire load will be supplied by Firm Energy.
2. When the Maximum Metered Demand is greater than (>) the Contract Demand, then the Customer's portion of Firm Energy supply will be determined as follows:
 - a. For Hourly Billing: $\sum (\text{Contract Demand} \div \text{Maximum Metered Demand} \times \text{the in-hour demand of Customer's total Native System Load for all hours})$.
 - b. For Monthly Billing: $(\text{Contract Demand} \div \text{Maximum Metered Demand} \times \text{the total consumed energy by the Customer within the bill cycle})$.

Load Serving Entity or LSE: This term shall have the meaning set forth in the Agreement.

Maximum Metered Demand: The highest 15 or 30-minute integrated demand, as determined by the local electric utility, during each Billing Period recorded on the meter that is used by the Customer in accordance with this Service Tariff and the Agreement.

Native System Load: The total consumption of the Customer's electric system, as determined by the Authority's revenue-grade metering equipment, without the offset of Customer's behind the meter generation. It is represented as the sum of all incoming power, plus internal generation behind the system meter, minus power exports to the bulk electric system.

Preservation Power or PP: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13), and that is delivered by the Customer's local electric utility.

Project: The Authority's St. Lawrence-FDR Power Project, FERC Project No. 2000.

Rate Year or RY: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq.*, as they may be amended from time to time.

Service Tariff: This Service Tariff No. 20.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Preservation Power (PP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

Rate Year	Billing Period	Demand (\$/kW)	Energy (\$/MWh)
2018	July 2018 – June 2019	7.90	13.50

B. PP Rates No Lower than Rural/Domestic Rate

At all times the applicable PP base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average \$/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for PP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average \$/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand rate specified in Section III.A and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation, and any other charges provided in this Service Tariff, the Agreement or the Rules.

E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on a load factor sharing billing methodology as follows:

- The estimated demand amount (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand amount (kW) for the Estimated Bill will equal the Customer's takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on a load factor sharing billing methodology as follows:

- The estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy amount (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.

If an alternative billing methodology is applicable to the Customer, the demand charge and energy charge for rendering an Estimated Bill shall be calculated in a manner appropriate to such alternative billing methodology as determined by the Authority.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority's rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's Facility is located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total Native System Load meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total Native System Load meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Preservation Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement.

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.
2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy and responsibility for payment of costs associated therewith, will be governed by the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules or any successor provision addressing adjustments.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing ("LFS") in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer's local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.
2. Billing Energy - The LFS methodology will be applied against the Customer's Native System Load during the Billing Period to determine the amount of Firm Energy (kWh) attributable to the Allocation (Billing Energy) to be billed to the Customer and charged at the applicable PP Rate. All energy quantities will be adjusted for losses.
3. Billing Demand – The LFS methodology will be applied against the Customer's Maximum Metered Load during the Billing Period to determine the amount of Firm Power (kW) attributable to the Allocation (Billing Demand) to be billed to the Customer and charged at the applicable PP Rate. Billing Demand may not exceed the amount of the Contract Demand. All demand quantities will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

- a. The demand rate per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and
- b. The energy rate per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and
- c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Preservation Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, "NYISO Charges") assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

- A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
- B. Marginal losses;
- C. The New York Power Authority Transmission Adjustment Charge ("NTAC");
- D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;
- E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and
- F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Other Charges

The Customer shall pay the Authority for all other charges provided for in the Agreement.

7. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

8. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.
2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.
3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.
4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.
5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.
6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. Adjustment of Charges – Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year ("Index Value for the Measuring Year") will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1"). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of $\pm 5.0\%$ (" $\pm 5\%$ Collar"). Amounts outside the $\pm 5\%$ Collar shall be referred to as the "Excess."

Index 1, "BLS Industrial Power Price" (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

Index 2, "EIA Average Industrial Power Price" (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT ("Selected States") as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration ("EIA"); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

Index 3, "BLS Industrial Commodities Price Less Fuel" (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

- Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.
- Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.
- Step 3: Commencing RY 2014, modifications to the AAF will be subject to $\pm 5\%$ Collar, as described below.
- a) When the AAF falls outside the $\pm 5\%$ Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the $\pm 5\%$ Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the $\pm 5\%$ Collar.

- b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the $\pm 5\%$ Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. The Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.
4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2017 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year (2016)	Measuring Year - 1 (2015)
January	205.3	167.8
February	204.3	167.6
March	204.5	168.2
April	202.4	168.6
May	206.3	171.6
June	220.4	180.1
July	226.2	182.7
August	227.3	179.2
September	228.1	181.8
October	214.9	170.2
November	211.3	168.8
December	211.7	166.6
Average	213.6	223.7
Ratio of MY/MY-1		0.95

- Index 2 – EIA Industrial Rate

<u>State</u>	<u>Revenues</u> ((\$000s))	<u>Sales</u> (MWh)	<u>Avg. Rate</u> (cents/kWh)
<u>Measuring Year (2015)</u>			
CT	444,588	3,432,002	
MA	1,068,927	7,892,165	
ME	290,360	3,208,045	
NH	252,331	1,981,028	
NJ	778,985	7,320,398	
NY	1,140,573	18,079,200	
OH	3,548,736	50,556,675	
PA	3,411,815	47,404,272	
RI	109,866	798,532	
VT	146,022	1,421,601	
TOTAL	11,192,203	142,093,918	7.88

Measuring Year -1 (2014)

CT	453,958	3,514,798	
MA	1,014,262	7,960,941	
ME	300,412	3,357,486	
NH	234,900	1,969,064	
NJ	855,757	7,516,616	
NY	1,184,255	18,002,976	
OH	3,440,919	50,829,251	
PA	3,580,990	48,317,693	
RI	114,111	887,150	
VT	145,111	1,417,994	
TOTAL	11,324,673	143,773,969	7.88

Ratio of MY/MY-1 **1.00**

- Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year <u>(2016)</u>	Measuring Year -1 <u>(2015)</u>
January	191.9	196.0
February	191.8	195.4
March	192.1	195.0
April	192.8	194.8
May	193.4	194.9
June	193.7	195.2
July	193.7	194.9
August	194.0	193.9
September	193.9	193.1
October	194.3	192.9
November	194.9	192.3
December	195.6	191.9
Average	193.5	194.2
Ratio of MY/MY-1		1.00

STEP 2

Determine AAF by Summing the Weighted Indices

<u>Index</u>	<u>Ratio of MY to MY-1</u>	<u>Weight</u>	<u>Weighted Factors</u>
PPI Industrial Power	0.95	0.35	0.334
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.00	0.25	<u>0.249</u>
AAF			0.983

STEP 3

Apply Collar of $\pm 5.0\%$ to Determine the Maximum/Minimum AAF.

$-5.0\% < 1.6\% < 5.0\%$; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	<u>Demand</u> \$/kW-mo.	<u>Energy</u> \$/MWh
Current Rate Year Base Rate	8.03	13.73
New Rate Year Base Rate	7.90	13.50

Date of Issue: January 1, 2020

Date Effective: January 1, 2020

Issued by Keith T. Hayes, Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

NEW YORK POWER AUTHORITY

PUBLIC HEARING

PROPOSED CONTRACTS FOR THE SALE OF PRESERVATION POWER

September 23, 2026

2:00 p.m. to 6:00 p.m.

NYPA SPEAKER	PAGE
Felisa Hochheiser	2
Patricia Wilson	4

PUBLIC SPEAKER	PAGE
(None.)	

FELISA HOCHHEISER: Good afternoon. This is a public hearing required by law and authorized by the New York Power Authority's Board of Trustees on a Contract for the Sale of Preservation Power and Contracts for the Sale of Preservation Power Extension Contracts.

My name is Felisa Hochheiser, and I'm the Authority's Vice President and Corporate Secretary.

New York State Public Authorities Law, Section 1009, sets forth procedures for executing certain contracts negotiated by the Authority. First, prior to the hearing, it requires that notice of the hearing be provided. Therefore, a notice was sent to the Governor, the Speaker of the Assembly, the Chair of the Senate Finance Committee, the Chair of the Assembly Ways and Means Committee, the Senate Minority Leader, the Ranking Minority Member of the Assembly Ways and Means, the President Pro Tempore, and the Majority Leader.

In addition, notices appeared once a week for the four weeks leading up to this hearing in the following newspapers: Albany Times Union, The Advance News, Buffalo News, Plattsburgh Press

1 Republican, Syracuse Post Standard, and Watertown
2 Daily Times.

3 The public was also given access to the
4 proposed contracts on the Authority's website
5 during the 30-day period prior to today's hearing.

6 After the hearing, the public will be given
7 access to the hearing transcript, once it is
8 completed, at www.nypa.gov.

9 The next step in the process set forth in
10 Section 1009 will be for the NYPA Trustees to
11 reconsider the proposed contracts in light of
12 public comments.

13 Once the Trustees have completed their
14 final review, the contracts will be forwarded to
15 the Governor for her consideration and approval.

16 If you plan to make an oral statement at
17 this hearing, I ask that you please indicate so on
18 the sign-in sheet. Also, if you have a written
19 statement, you can mail or email the Corporate
20 Secretary at 123 Main Street, 9-B, as in boy,
21 White Plains, New York 10601, or email at
22 secretarys.office@nypa.gov. That's
23 s-e-c-r-e-t-a-r-y-s dot office@nypa.gov.

24 Written statements may be of any length and
25 will appear in the record of the hearing in

1 addition to oral statements. The record of the
2 hearing will remain open for additional comments
3 up to and until close of business, Thursday,
4 September 24th, 2026.

5 At this point, I would like to introduce
6 Patricia Wilson, Senior Program Manager of
7 Economic Development, who will provide additional
8 details on the proposed contracts for the sale of
9 Preservation Power, and contracts for the sale of
10 Preservation Power Extension Contracts. Thank
11 you.

12 Ms. Wilson?

13 PATRICIA WILSON: Thank you,
14 Ms. Hochheiser.

15 Good afternoon. My name is Patricia
16 Wilson, and I am a Senior Program Manager of
17 Economic Development within NYPA's Customer
18 Solutions Department.

19 I'm here today to present a summary of the
20 proposed Preservation Power Extension Contract for
21 Roth Industries, Inc., and the proposed
22 Preservation Power Contract for TRPC Potsdam
23 LLC.

24 Regarding the two proposed contracts, under
25 Public Authorities Law Section 1005(13), the

1 Authority may allocate and sell directly, or by
2 sale-for-resale, 490 megawatts of Preservation
3 Power to businesses located in Jefferson,
4 Franklin, and St. Lawrence Counties.

5 At its July 28th, 2026 meeting, the NYPA
6 Board of Trustees approved a 600-kilowatt
7 extension allocation of Preservation Power for a
8 term of 10 years to Roth Industries, Inc., based
9 on commitments of retaining at least 22 full-time
10 equivalent employees and making a capital
11 investment of \$125,000 annually at its Watertown,
12 New York facility that will use the Preservation
13 Power allocation.

14 The Trustees also provided authorization
15 for a public hearing, in accordance with Public
16 Authorities Law, Section 1009, on a proposed form
17 of contract with Roth that would, along with
18 Authority Service Tariff Number 20, apply to the
19 sale of Preservation Power to Roth.

20 Additionally, the Trustees authorized staff
21 to negotiate the Proposed Contract with Roth for
22 execution on an interim basis, to provide for the
23 uninterrupted sale of firm hydropower each month,
24 subject to final consideration and approval of the
25 final contract by the Governor.

1 Roth, headquartered in Germany with a
2 manufacturing facility in Watertown, specializes
3 in producing home heating oil storage tanks,
4 lubricant storage tanks, radiant floor heating,
5 and plumbing systems, and septic and rainwater
6 collection tanks. The company's operations are
7 important to the economic health of the North
8 Country.

9 At its July 28th, 2026 meeting, the NYPA
10 Board of Trustees awarded a 2,000-kilowatt
11 allocation of Preservation Power for a term of 10
12 years to TRPC Potsdam LLC, based on commitments of
13 retaining at least 70 full-time equivalent
14 employees, and creating at least 20 new full-time
15 jobs, and making a capital investment of \$10
16 million over the 10-year term at its Potsdam, New
17 York facility that will use the Preservation Power
18 allocation.

19 The Trustees also provided authorization
20 for a public hearing, in accordance with Public
21 Authorities Law, Section 1009, on a proposed form
22 of contract with TRPC that would, along with the
23 Authority Service Tariff Number 20, apply to the
24 sale of Preservation Power to TRPC.

25 Created this year for the acquisition of

Potsdam Specialty Paper, Inc.'s assets, TRPC is addressing critical operational challenges and continuing operations at the facility with improved reliability and productivity. The facility develops and manufactures specialty latex, acrylic, and other saturated-base papers. The continued operation of the facility is important to the economic health of the North Country.

The following is a summary of the pertinent provisions in the Proposed Contracts and Authority Service Tariff Number 20:

Base rates for demand and energy, an annual adjustment factor, and a minimum monthly charge that helps the Authority cover fixed costs of serving a customer even when the customer does not utilize the allocation in a billing period.

Direct billing of all production charges, such as demand and energy, as well as all New York Independent System Operator, Inc., charges, taxes, and any other required assessments.

The provision of substitute energy in the event of hydropower curtailments caused by adverse water conditions that impact power project operations.

1 Basic requirements for customer metering.

2 Early outreach to the customer concerning
3 allocation extension initiatives by the Authority.

4 Requirements for energy audits at the
5 facility receiving the allocation. The customer
6 would have the option to satisfy the audit
7 requirement through either a traditional physical
8 audit or a virtual audit using the Authority's New
9 York Energy Manager, which is expected to provide
10 considerable savings for customers who select it.

11 Periodic communications to customers about
12 energy-related projects, programs, and services
13 offered by the Authority.

14 Compliance provisions that allow the
15 Authority to reduce a customer's allocation for a
16 failure to meet supplemental commitments, with an
17 opportunity for the customer to present a proposed
18 plan with actionable milestones to cure
19 deficiencies.

20 The collection of a Clean Energy Standard
21 Charge to allow the Authority to recover costs it
22 incurs relating to Clean Energy Compliance
23 Measures that a Load Serving Entity is authorized
24 by law, regulation, or regulatory order to
25 undertake in order to meet an Annual Load Serving

1 Entity obligation attributable to the customer s
2 load.

3 As Ms. Hochheiser stated earlier, the
4 Authority will accept your comments on the
5 proposed contracts until the close of business on
6 Thursday, September 24th, 2026.

7 I will now turn the hearing back to
8 Ms. Hochheiser.

9 FELISA HOCHHEISER: Thank you, Ms. Wilson.
10 Has anyone signed up to make a statement?

11 PATRICIA WILSON: They have not.

12 FELISA HOCHHEISER: Since no one has signed
13 up to speak at the hearing, we will recess and
14 reconvene as speakers arrive. Thank you.

15 (In recess.)

16 FELISA HOCHHEISER: It is now 6:00 p.m.

17 As I previously stated, the record of the
18 hearing will remain open for additional comments
19 up to and until close of business Thursday,
20 September 24th, 2026.

21 The September 23rd, 2026 public hearing on
22 the Proposed Form of Contracts for the Sale of
23 Preservation Power and Contracts for the Sale of
24 Preservation Power Extension Contracts is now
25 officially closed.

Thank you and good night.

(Meeting adjourned.)

C E R T I F I C A T E

I, Jackie Mentecky, Court Stenographer,
certify that I was authorized to and did stenographically
report the foregoing proceedings and that the transcript
is a true and complete record of my stenographic notes.

Dated this 23rd day of September, 2026.

/s/ Jackie Mentecky

Jackie Mentecky, Court Stenographer

\$10 6:15	after 3:6	audits 8:4
\$125000 5:11	afternoon 2:1 4:15	authorities 2:10 4:25 5:16 6:21 (4)
10year 6:16	albany 2:24	authority 2 2:12 5:1,18 6:23 7:11,15 8:3,8,13,15,21 9:4 (13)
2000kilowatt 6:10	allocate 5:1	authority's 2:3,8 3:4
23rd 9:21 11:9	allocation 5:7,13 6:11,18 7:17 8:3,5,15 (8)	authorization 5:14 6:19
24th 4:4 9:6,20	allow 8:14,21	authorized 2:2 5:20 8:23 11:5 (4)
28th 5:5 6:9	along 5:17 6:22	awarded 6:10
30day 3:5	also 3:3,18 5:14 6:19 (4)	back 9:7
600kilowatt 5:6	am 4:16	base 7:13
9b 3:20	annual 7:13 8:25	based 5:8 6:12
about 8:11	annually 5:11	basic 8:1
accept 9:4	anyone 9:10	basis 5:22
access 3:3,7	appear 3:25	billing 7:17,18
accordance 5:15 6:20	appeared 2:22	board 2:3 5:6 6:10
acquisition 6:25	apply 5:18 6:23	boy 3:20
acrylic 7:6	approval 3:15 5:24	buffalo 2:25
actionable 8:18	approved 5:6	business 4:3 9:5,19
addition 2:22 4:1	are 6:6	businesses 5:3
additional 4:2,7 9:18	arrive 9:14	c 11:1,1
additionally 5:20	ask 3:17	can 3:19
addressing 7:2	assembly 2:16,17,19	capital 5:10 6:15
adjourned 10:2	assessments 7:21	caused 7:23
adjustment 7:14	assets 7:1	certain 2:12
advance 2:25	attributable 9:1	certify 11:5
adverse 7:23	audit 8:6,8,8	

chair 2:16,17 challenges 7:2 charge 7:14 8:21 charges 7:18,20 clean 8:20,22 close 4:3 9:5,19 closed 9:25 collection 6:6 8:20 comments 3:12 4:2 9:4,18 (4) commitments 5:9 6:12 8:16 committee 2:17,18 communications 8:11 company 6:6 complete 11:7 completed 3:8,13 compliance 8:14,22 concerning 8:2 conditions 7:24 considerable 8:10 consideration 3:15 5:24 continued 7:7 continuing 7:3 contract 2:4 4:20,22 5:17,21,25 6:22 (7) contracts 4 2:5,6,12 3:4,11,14 4:8,9,10,24 7:11 9:5,22,23,24 (16)	corporate 2:8 3:19 costs 7:15 8:21 counties 5:4 country 6:8 7:9 court 11:4,14 cover 7:15 created 6:25 creating 6:14 critical 7:2 cure 8:18 curtailments 7:23 customer 4:17 7:16,16 8:1,2,5,15,17 9:1 (9) customers 8:10,11 daily 3:2 dated 11:9 day 11:9 deficiencies 8:19 demand 7:13,19 department 4:18 details 4:8 development 4:7,17 develops 7:5 direct 7:18 directly 5:1 does 7:16	dot 3:23 during 3:5 e 11:1,1 each 5:23 earlier 9:3 early 8:2 economic 4:7,17 6:7 7:8 (4) either 8:7 email 3:19,21 employees 5:10 6:14 energy 7:13,19,22 8:4,9,20,22 (7) energyrelated 8:12 entity 8:23 9:1 equivalent 5:10 6:13 even 7:16 event 7:23 executing 2:11 execution 5:22 expected 8:9 extension 2:6 4:10,20 5:7 8:3 9:24 (6) f 11:1 facility 5:12 6:2,17 7:3,5,7 8:5 (7) factor 7:14 failure 8:16
--	--	---

felisa 10 2:1,7 9:9,12,16 (6) final 3:14 5:24,25 finance 2:16 firm 5:23 first 2:13 fixed 7:15 floor 6:4 following 2:24 7:10 foregoing 11:6 form 5:16 6:21 9:22 forth 2:11 3:9 forwarded 3:14 four 2:23 franklin 5:4 fulltime 5:9 6:13,14 germany 6:1 given 3:3,6 good 2:1 4:15 10:1 governor 2:15 3:15 5:25 has 9:10,12 headquartered 6:1 health 6:7 7:8 hearing 3 2:2,13,14,23 3:5,6,7,17,25 4:2 5:15 6:20 9:7,13,18,21 (17) heating 6:3,4	helps 7:15 her 3:15 here 4:19 hochheiser 10 2:1,7 4:14 9:3,8,9,12,16 (9) home 6:3 hydropower 5:23 7:23 i'm 2:7 4:19 impact 7:24 important 6:7 7:8 improved 7:4 inc 4:21 5:8 7:1,20 (4) incurs 8:22 independent 7:20 indicate 3:17 industries 4:21 5:8 initiatives 8:3 interim 5:22 introduce 4:5 investment 5:11 6:15 is 2:2,7 3:7 4:15 7:1,7,10 8:9,23 9:16,24 11:7 (12) its 5:5,11 6:9,16 (4) jackie 11:4,12,14 jefferson 5:3 jobs 6:15	july 5:5 6:9 latex 7:6 law 2:2,10 4:25 5:16 6:21 8:24 (6) lawrence 5:4 leader 2:18,21 leading 2:23 least 5:9 6:13,14 length 3:24 light 3:11 like 4:5 llc 4:23 6:12 load 8:23,25 9:2 located 5:3 lubricant 6:4 mail 3:19 main 3:20 majority 2:20 make 3:16 9:10 making 5:10 6:15 manager 4:6,16 8:9 manufactures 7:5 manufacturing 6:2 may 3:24 5:1 means 2:18,20 measures 8:23
---	---	--

meet 8:16,25	notes 11:7	over 6:16
meeting 5:5 6:9 10:2	notice 2:14,15	page 9,13
megawatts 5:2	notices 2:22	paper 7:1
member 2:19	now 9:7,16,24	papers 7:6
mentecky 11:4,12,14	number 5:18 6:23 7:12	patricia 11 4:6,13,15 9:11 (5)
metering 8:1	nypa 9 3:10 5:5 6:9 (4)	period 3:5 7:17
milestones 8:18	nypa's 4:17	periodic 8:11
million 6:16	obligation 9:1	pertinent 7:10
minimum 7:14	offered 8:13	physical 8:7
minority 2:18,19	office@nypagov 3:23	plains 3:21
month 5:23	officially 9:25	plan 3:16 8:18
monthly 7:14	oil 6:3	plattsburgh 2:25
ms 4:12,14 9:3,8,9 (5)	once 2:22 3:7,13	please 3:17
my 2:7 4:15 11:7	one 9:12	plumbing 6:5
name 2:7 4:15	open 4:2 9:18	pm 6,6 9:16
negotiate 5:21	operation 7:7	point 4:5
negotiated 2:12	operational 7:2	post 3:1
new 2 2:3,10 3:21 5:12 6:14,16 7:19 8:8 (9)	operations 6:6 7:3,25	potsdam 4:22 6:12,16 7:1 (4)
news 2:25,25	operator 7:20	power 2,4 2:3,5,6 4:9,10,20,22 5:3,7,13,19 6:11,17,24 7:24 9:23,24 (19)
newspapers 2:24	opportunity 8:17	present 4:19 8:17
next 3:9	option 8:6	preservation 4 2:5,6 4:9,10,20,22 5:2,7,12,19 6:11,17,24 9:23,24 (16)
night 10:1	oral 3:16 4:1	president 2:8,20
no 9:12	order 8:24,25	press 2:25
none 14	other 7:6,21	
north 6:7 7:8	outreach 8:2	

previously 9:17	receiving 8:5	satisfy 8:6
prior 2:13 3:5	recess 9:13,15	saturatedbase 7:6
pro 2:20	reconsider 3:11	savings 8:10
procedures 2:11	reconvene 9:14	secretary 2:9 3:20
proceedings 11:6	record 3:25 4:1 9:17 11:7 (4)	secretarys 3:23
process 3:9	recover 8:21	secretarysoffice@nypagov 3:22
producing 6:3	reduce 8:15	section 2:11 3:10 4:25 5:16 6:21 (5)
production 7:18	regarding 4:24	select 8:10
productivity 7:4	regulation 8:24	sell 5:1
program 4:6,16	regulatory 8:24	senate 2:16,18
programs 8:12	relating 8:22	senior 4:6,16
project 7:24	reliability 7:4	sent 2:15
projects 8:12	remain 4:2 9:18	september 5 4:4 9:6,20,21 11:9 (6)
proposed 4 3:4,11 4:8,20,21,24 5:16,21 6:21 7:11 8:17 9:5,22 (14)	report 11:6	septic 6:5
provide 4:7 5:22 8:9	republican 3:1	service 5:18 6:23 7:12
provided 2:14 5:14 6:19	required 2:2 7:21	services 8:12
provision 7:22	requirement 8:7	serving 7:16 8:23,25
provisions 7:11 8:14	requirements 8:1,4	set 3:9
public 3,13 2:2,10 3:3,6,12 4:25 5:15,15 6:20,20 9:21 (13)	requires 2:13	sets 2:11
r 11:1	retaining 5:9 6:13	sheet 3:18
radiant 6:4	review 3:14	signed 9:10,12
rainwater 6:5	roth 4:21 5:8,17,19,21 6:1 (6)	signin 3:18
ranking 2:19	s 6:6 7:1 8:8,15 9:1 11:12 (6)	since 9:12
rates 7:13	sale 4 2:4,5 4:8,9 5:19,23 6:24 9:22,23 (10)	so 3:17
	saleforresale 5:2	

solutions 4:18	system 7:20	uninterrupted 5:23
speak 9:13	systems 6:5	union 2:24
speaker 9,13 2:15	t 11:1,1	until 4:3 9:5,19
speakers 9:14	tanks 6:3,4,6	up 2:23 4:3 9:10,13,19 (5)
specializes 6:2	tariff 5:18 6:23 7:12	use 5:12 6:17
specialty 7:1,5	taxes 7:20	using 8:8
st 5:4	tempore 2:20	utilize 7:17
staff 5:20	term 5:8 6:11,16	vice 2:8
standard 3:1 8:20	thank 4:10,13 9:9,14 10:1 (5)	virtual 8:8
state 2:10	their 3:13	water 7:24
stated 9:3,17	therefore 2:14	watertown 3:1 5:11 6:2
statement 3:16,19 9:10	through 8:7	ways 2:17,19
statements 3:24 4:1	thursday 4:3 9:6,19	website 3:4
stenographer 11:4,14	times 2:24 3:2	week 2:22
stenographic 11:7	today 4:19	weeks 2:23
stenographically 11:5	today's 3:5	well 7:19
step 3:9	traditional 8:7	when 7:16
storage 6:3,4	transcript 3:7 11:6	which 8:9
street 3:20	trpc 4:22 6:12,22,24 7:1 (5)	white 3:21
subject 5:24	true 11:7	who 4:7 8:10
substitute 7:22	trustees 2:4 3:10,13 5:6,14,20 6:10,19 (8)	will 3:6,10,14,25 4:2,7 5:12 6:17 9:4,7,13,18 (12)
such 7:19	turn 9:7	wilson 11 4:6,12,13,16 9:9,11 (7)
summary 4:19 7:10	two 4:24	within 4:17
supplemental 8:16	under 4:24	would 4:5 5:17 6:22 8:6 (4)
syracuse 3:1	undertake 8:25	

written 3:18,24 wwwnypagov 3:8 year 6:25 years 5:8 6:12 york 2 2:3,10 3:21 5:12 6:17 7:19 8:9 (8) your 9:4 490 5:2 600 6 9:16 1009 2:11 3:10 5:16 6:21 (4) 2026 5 4:4 5:5 6:9 9:6,20,21 11:9 (8) 10601 3:21 100513 4:25		
---	--	--



Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES AND NEW YORK STATE
CANAL CORPORATION BOARD OF DIRECTORS

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Procurement (Services) and Other Contracts – Business Units and Facilities –
Awards, Extensions and/or Additional Funding

SUMMARY

The New York Power Authority Board of Trustees ("Trustees") and New York State Canal Corporation Board of Directors ("Board of Directors") are requested to approve, as applicable, the award and funding of the multiyear procurement (services) contracts in support of projects and programs for the Authority's and Canal Corporation's Business Units/Departments and Facilities. Detailed explanations of the recommended awards and extensions, including the nature of such services, the basis for the new awards if other than to the lowest-priced, lowest total cost of ownership or "best valued" bidders and the intended duration of such contracts, or the reasons for the extension and the projected expiration dates, are set forth in the discussion below.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority's and Canal Corporation's Guidelines for Procurement Contracts require Authority Trustee and Canal Board approval for procurement contracts involving services to be rendered for a period more than one year.

The Authority's and Canal Corporation's Expenditure Authorization Procedures ("EAPs") require Trustee and Board approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts more than \$10 million, as well as personal services contracts more than \$10 million if low bidder or best value, or \$1 million if sole-source, single-source, or other non-competitive awards.

The Authority's and Canal Corporation's EAPs also require Trustee and Board approval when the cumulative change order value of a personal services contract exceeds \$500,000, or when the cumulative change order value of a non-personal services, construction, equipment purchase, or non-procurement contract exceeds the greater of \$6 million or 25% of the originally approved contract amount.

DISCUSSION

Awards

The Trustees and Board are requested to approve the award and funding of the multiyear procurement (services) contracts, as applicable, where the EAPs require approval based upon contract value or the terms of the contracts will be more than one year. Except as noted, these contracts contain provisions allowing the Authority and Canal Corporation to terminate the services for the Authority's and Canal Corporation's convenience, without liability other than paying for acceptable services rendered to the effective date of termination. Approval is also requested to fund all contracts. Except as noted, these contract awards do not obligate the Authority and Canal Corporation to a specific level of personnel resources or expenditure.

The issuance of multiyear contracts is recommended from both cost and efficiency standpoints. In many cases, reduced prices are negotiated for these long-term contracts. Since these services are typically required on a continuous basis, it is more efficient to award long-term contracts than to rebid these services annually.

Extensions

Although the firms identified have provided effective services, the issues or projects requiring these services have not been resolved or completed and the need exists for continuing these contracts. Trustee and Board approval is required, as applicable, because the terms of these contracts will exceed one year including the extension, the term of extension of these contracts will exceed one year and/or because the cumulative change-order limits will exceed the levels authorized by the EAPs in forthcoming change orders. The subject contracts contain provisions allowing the Authority and Canal Corporation to terminate the services at the Authority's and Canal Corporation convenience, without liability other than paying for acceptable services rendered to the effective date of termination. These contract extensions do not obligate the Authority and Canal Corporation to a specific level of personnel resources or expenditures.

Extension of the contracts identified is requested for one or more of the following reasons: (1) additional time is required to complete the current contractual work scope or additional services related to the original work scope; (2) to accommodate an Authority and Canal Corporation or external regulatory agency schedule change that has delayed, reprioritized or otherwise suspended required services; (3) the original consultant is uniquely qualified to perform services and/or continue its presence and rebidding would not be practical or (4) the contractor provides proprietary technology or specialized equipment, at reasonable negotiated rates, that the Authority and Canal Corporation needs to continue until a permanent system is put in place.

The following is a detailed summary of each recommended contract award and extension.

Authority Contract Awards in Support of Business Units/Departments and Facilities:

Business Services - Power Generation & Waterways

The proposed non-personal services contracts with the below vendors would provide On and Offsite Machining Services. This award is a five-year term for an aggregate amount of \$2,500,000. The Authority has a need for qualified vendors to perform on and offsite machining services at the Niagara Power Project. In-place and small component machining services are essential to support reliable and timely generator unit repairs with the hydro turbine units. Outage windows are increasingly tightly scheduled, and machining needs exceed our current in-house capabilities or available labor. Machining needs evolve rapidly based on disassembly findings and real-time conditions. These contracts will ensure immediate access to vetted machining partners who understand our equipment, procedures, and quality expectations. This continuity enables faster mobilization, reduced downtime, and more efficient execution of critical outage work, ultimately protecting schedule, cost, and unit reliability. The Request for Proposals N26-20228192TSK was advertised in the New York State procurement newsletter and on the Authority's website. One hundred twenty-seven entities were invited to, or expressed interest in, the Ariba event. Three proposals were received via Ariba and were evaluated. Staff recommends the award of two contracts to the below vendors which are technically and commercially qualified.

Vendor Name	Status
Acme Industrial Inc.	
Hydro Tech USA Inc.	

Communications and External Affairs - Environmental Justice

The proposed personal services contracts with the below vendors would provide the delivery of the Environmental Justice EnergizeU Adult Program. This award is a three-year term for an aggregate amount of \$2,099,783. Through this program, the Authority will provide educational training on energy efficiency, clean energy, and eMobility to adults in historically disadvantaged communities with a connection to the Authority's operations and New York State. The Request for Proposals Q26-7764ALB was advertised in the New York State procurement newsletter and on the Authority's website. Sixteen entities were invited to, or expressed interest in, the Ariba event. Ten proposals were received via Ariba and were evaluated. Staff recommends the award of eight contracts to the below vendors which are technically and commercially qualified.

Vendor Name	Status
Adirondack North Country Association Inc.	
Cornell Cooperative Extension Dutchess County	

Cornell Cooperative Extension of Niagara County	
Institute for Workforce Advancement	
Kinetic Communities Consulting Corporation	MWBE
Renewable Energy Long Island, Inc.	
Sustainable Westchester Inc.	
West Harlem Environmental Action	

Enterprise Risk & Resilience - Enterprise Risk & Resilience

The proposed non-personal services contracts with the below vendors would provide Forest Management services. This award is a five-year term for an aggregate amount of \$750,000. The Authority and NYS CC manage over 100,000 acres of land and water statewide, including more than 25,000 acres of forest, the condition of which is largely unknown. The Authority has a need for qualified vendors to develop forest management plans, conduct field surveys, assess forest conditions, identify invasive species, provide management recommendations, implement or oversee forest health prescriptions, and administer timber sales. These services will be performed across the Authority and New York State Canal Corporation lands statewide. This initiative supports strategic commitments to environmental stewardship and ecosystem health. The Request for Proposals Q26-7740LG was advertised in the New York State procurement newsletter and on the Authority's website. Twenty entities were invited to, or expressed interest in, the Ariba event. Eight proposals were received via Ariba and were evaluated. Staff recommends the award of three contracts to the below vendors which are technically and commercially qualified.

Vendor Name	Status
AMRO United Corporation dba AMRO Forestry	
F&W Forestry Services, Inc.	
VHB Engineering, Surveying, Landscape Architecture, and Geology, P.C. dba VHB	

Operations - Central Support Services

The proposed sole-source non-personal services contract with the below vendor would provide WPO Emergency Generator Maintenance Services. This award is a two-year term for an amount of \$50,000. The Authority owns and operates the Clarence D. Rappelyea Building located at 123 Main Street, White Plains, New York 10601. The building is a seventeen-story, 420,000 square feet, Class A structure and the Authority manages all operations in the building through the Facility Management Department. On site contracted engineers and electricians maintain day-to-day operation of the building and the operations that fall outside of their scope in size or services are contracted to suppliers specializing in particular trades. Due to the building's 500 kW H.O. Penn Detroit Diesel Life/Safety generators age, there is a need to

continue scheduled preventative maintenance and ensure on-call response for emergency repairs to maintain the system's ability to provide service. OEM parts for this unit are difficult to obtain from vendors within the White Plains area and outside of the H.O. Penn network as a whole. Therefore, it is recommended that the vendor listed below be awarded a contract as they have consistent access to OEM parts and their technicians are H.O. Penn trained and certified, ensuring the proper and timely servicing of this life / safety equipment. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified.

Vendor Name	Status
H.O. Penn Machinery Company, Inc.	

Operations - Customer Project Delivery

The proposed non-personal services contracts with the below vendors would provide Trade On-Call Services. This award is a seven-year term for an aggregate amount of \$7,500,000. The Authority has a need for qualified vendors to perform Trade On- Call Services in a range of trade disciplines that require rapid turnaround time throughout all regions of New York State. These services include, but are not limited to, installations, replacements, repairs, performance testing, field verifications and walkthroughs, tuning and adjustments, troubleshooting or other general facilities related services under the trade disciplines of Mechanical, Electrical, Plumbing, Fire Protection, Instrumentation & Controls, Security and Communications, Civil/ Structural, Site Utilities and Architecture. The Request for Proposals Q26-7745DKT was advertised in the New York State procurement newsletter and on the Authority's website. Fifty entities were invited to, or expressed interest in, the Ariba event. Twelve proposals were received via Ariba and were evaluated. Staff recommends the award of twelve contracts to the below vendors which are technically and commercially qualified.

Vendor Name	Status
4Holders LLC dba 4Holders Construction	MBE
Ashnu International Inc.	MBE
Candela Systems Corporation	MBE
Dynamic US Inc.	
Elemental Commercial Services LLC	MBE
King Jade Garden Inc.	MWBE
Mac Fhionnghaile & Sons Electrical Contracting Inc.	WBE
Ohm's Electrical Corp.	WBE
Pinto Construction Services, Inc.	
RDS Industries Inc.	MBE
Sierra Contractors Corp	MBE
Threetech Electric, Inc.	

Operations - Project Delivery

The proposed personal services contracts with the below vendors would provide Arc Flash Analyses. This award is a five-year term for an aggregate amount of \$2,000,000. The Authority has a need for on-call engineering services associated with arc flash analyses for Authority operating facilities. Arc flash analyses are an important pillar of the Authority's electrical safety program and must be kept up to date as new facilities are added, and existing facilities are upgraded and modified. Engineering support is required to augment internal resources for creating, maintaining, and periodically evaluating the Authority's comprehensive digital power system models of its facilities, which are used to perform these critical safety analyses. Awarded vendors will furnish all supervision, labor, materials, and equipment to provide engineering services as subject-matter experts on an on-call basis in support of the Authority's operating and support facilities. This scope aligns with the Authority's commitment to health and safety, as well as the Vision 2030 Renewed Strategic Priorities of driving clean energy transformation, and being the leading transmission developer, owner, and operator for New York State. The Request for Proposals Q26-7748CC was advertised in the New York State procurement newsletter and on the Authority's website. Fifty-five entities were invited to, or expressed interest in, the Ariba event. Twenty-two proposals were received via Ariba and were evaluated. Staff recommends the award of six contracts to the below vendors which are technically and commercially qualified.

Vendor Name	Status
Arup US, Inc.	
E-Hazard Management LLC dba e-Hazard	
Helios Electric, LLC dba Helios Electric Engineering Services, LLC	MBE
Mott MacDonald NY, Inc.	
WSP USA Inc.	
Wunderlich-Malec Engineering. Inc.	

Operations - Power Generation & Waterways

The proposed non-personal services contract with the below vendor would provide Head Gate Hoist Refurbishment. This award is a five-year term for an amount of \$4,525,000. These services will be performed at Niagara Power Project's Robert Moses and Lewiston Pumping and Generating Plants. The Niagara Power Project relies on head gate hoist systems that are more than 50 years old, including 26 hoists at Robert Moses Niagara and 14 hoists at the Lewiston Pump Generating Plant. These hoists support gates weighing between 60 and 78 tons, and their wire ropes have experienced significant age-related deterioration such as bending, crushing, and kinking. Recent inspections confirmed that rope replacement is necessary and also identified additional refurbishment needs, including paint renewal, bearing replacement, tackle bushing replacement, motor rewinding, motor brake refurbishment, and gear box inspections. Because the head gates are essential for isolating unit penstocks during

maintenance or an emergency shutdown, the reliability of these hoists directly affects power generation continuity and equipment health. Rope failures observed in other regions further reinforce the urgency of addressing these conditions proactively. This contract encompasses all required refurbishment work to restore safe and dependable operation. All activities will adhere to applicable standards, including ASME B30.2, ISO 4309-2010, and OSHA 29 CFR 1903.1 and 1910.179. The Request for Proposals N26-20231721TSK was advertised in the New York State procurement newsletter and on the Authority's website. Twenty-seven entities were invited to, or expressed interest in, the Ariba event. Three proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified.

Vendor Name	Status
REEL COH Inc.	

Operations - Power Generation & Waterways

The proposed non-personal services contract with the below vendor would provide Elevator and Escalator Maintenance for the 25 lifts currently in service at the Niagara Power Project. This award is a five-year term for an amount of \$1,500,000. These services are required to support the safe, reliable, and continuous operation of equipment utilized by Authority personnel and the public. The vendor will be responsible for routine preventative maintenance, inspections, troubleshooting, and repairs to minimize equipment downtime and maintain the lifts in safe and proper operating condition. The Request for Proposals N26-20237282LI-O was issued in Ariba to six OGS contract holders. One proposal was received and was evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified.

Vendor Name	Status
D.C.B. Elevator Co., Inc.	WBE

Operations - Power Generation & Waterways

Due to the need to meet and maintain the Authority's project schedule, the proposed non-personal services contract with the below vendor for PD Flux End Data Rotor Analysis became effective on August 26, 2026, with an interim award of \$60,000. This interim award is subject to Trustee ratification, which is hereby requested. This award is a five-year term for an amount of \$300,000. The Authority has a need for a qualified vendor to perform data rotor analysis for the GE 220600KVA hydrogen cooled generators (model number 7FH2-GTG) located at SENY's 500MW plant. Data will be collected on site, and the analysis will include partial discharge, rotor flux, and end turn data collection. The supplier will also provide a final report containing the analysis and recommendation for each unit. The Request for Proposals A26-20229083JS was advertised in the New York State procurement newsletter and on the Authority's website. Nine entities were invited to, or expressed interest in, the Ariba event. One

proposal was received via Ariba and was evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified.

Vendor Name	Status
Iris Power LP	

Authority and Canal Contract Awards in Support of Business Units/Departments and Facilities:

Business Services - Strategic Supply Management

The proposed personal services contracts with the below vendors would provide NYPA-Canals Supplier Diversity Expo and Event Management Services. This award is a five-year term for an aggregate amount of \$1,000,000. The Authority has a need for event management services in support of the NYPA-Canals Supplier Diversity Expo and other related events organized across the Authority and Canals. The scope includes program development and event marketing, event management, programmatic details, attendee registration and check-in, project plans and reports, and post-event management. The contemplated services are intended to support the Authority and Canals in maximizing value to interested parties, including but not limited to suppliers, especially those that are identified as NYS MWBEs, SDVOBs, and Small Businesses. The Request for Proposals Q25-7709RF was advertised in the New York State procurement newsletter and on the Authority's website. Thirty-five entities were invited to, or expressed interest in, the Ariba event. Twelve proposals were received via Ariba and were evaluated. Staff recommends the award of four contracts to the below vendors which are technically and commercially qualified.

Vendor Name	Status
Arch Street Communications, Inc.	WBE
Factory 360 Inc.	MBE
Immersive Strategies	MBE
WL Concepts & Production, Inc.	SDVOB

Information Technology & Cyber Security - Information Technology & Cyber Security

The proposed personal services contract with the below vendor would provide IT Operations Monitoring Services. This award is a three-year term for an amount of \$1,740,000. The Authority has a need to enhance the efficiency of its IT Operations Center and infrastructure in terms of availability and performance. The selected firm will provide Subject Matter Experts (SMEs) with prioritized expertise in Splunk ITSI, Splunk Enterprise, and ManageEngine OpManager/Application Performance Manager (APM). These SMEs will serve as consultants to support day-to-day administration, strengthen program management, and optimize existing monitoring and observability tools. In addition, the vendor will deliver Statement of Work (SOW) based technology services to support initiatives within the Authority's

Digital Resilience Operation Center, led by the IT organization. The Request for Proposals Q25-7731CL was advertised in the New York State procurement newsletter and on the Authority's website. Fifty-one entities were invited to, or expressed interest in, the Ariba event. Fifteen proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified.

Vendor Name	Status
CGI Technologies and Solutions Inc.	

Canal Contract Awards in Support of Business Units/Departments and Facilities:

Operations - Power Generation & Waterways

The proposed non-personal services contracts with the below vendors would provide Waste and Recycling Pickup Services. This award is a five-year term for an aggregate amount of \$700,000. This solicitation sought qualified vendors to provide required pickup services for trash, recycling, and construction materials. These services are required at Section offices and many Locks across the Canal system. Prior solicitations have been in accordance with OGS contracts. The most recent OGS contract for these services expired in February 2026, and OGS has directed agency/authority users to utilize the open market or other procurement alternatives to procure these services. The Request for Proposals K26-10385646CS was advertised in the New York State procurement newsletter and on the Authority's website. Eight entities were invited to, or expressed interest in, the Ariba event. Two proposals were received via Ariba and were evaluated. Staff recommends the award of two contracts to the below vendors which are technically and commercially qualified.

Vendor Name	Status
County Waste and Recycling Service, Inc.	
Waste Management of New Jersey, Inc. dba Waste Management of New York, L.L.C.	

Authority Extensions and/or Additional Funding Requests:

Communications and External Affairs - Community & Government Relations

In September 2025, the Authority issued a single-source non-personal services contract with the vendor listed below in the amount of \$109,614 for Lansing Manor Collection Moving and Storage. Lansing Manor is a historic home museum on the National Register of Historic Places and is part of the BG Visitors Center, a FERC license requirement. The collection, transportation and storage of the Lansing Manor Home contents required expedited relocation due to structural building failures, resulting in potential safety hazards and required restorations. The vendor specializes in fine art and climate-controlled storage, making them uniquely qualified to provide these services in the remote location near the BG area. The original one-year term of this contract needs to be extended due to on-going restorations at the Lansing

Manor Historic Home. It is in the best interest of the Authority to extend this contract and allow for the continuation of services currently underway to ensure proper storage and return transportation of all contents upon completion of restorations. Staff requests Trustee Approval for the extension of the contract below for two-years through September 29, 2028, and additional funding in the amount of \$72,000.

Vendor Name	PO/VC	Status
Arnoff Moving & Storage, Inc.	4500379719	

Operations - Central Support Services

In October 2025, the Authority issued a non-personal services contract with the vendor listed below in the amount of \$138,078 for Low Orbit Satellite Phone Replacement. The low orbit satellite phones began failing with no ability for repair and as a result had to be replaced. As such, the contract with the vendor was awarded. Currently, the vendor has completed the installation of the SAT Phones at Massena Substation, Adirondack Substation, and Albany Office. There are two more locations awaiting installation services – Syracuse and Buffalo. The Syracuse and Buffalo locations are currently on hold because the landlord has requested a structural analysis be completed due to the increased load on the roof. This change is the result of replacing the existing mast with a new model that raises the rooftop weight from approximately 178 lbs. to 379 lbs. Work will resume once the structural assessment is completed and approvals are received. As a result, the vendor's scope of work will not be completed by their current contraction expiration date and additional time is needed to complete the project. Staff requests Trustee approval for the extension of the contract below for one-year. No additional funding is being requested at this time.

Vendor Name	PO/VC	Status
JPJ Electronic Communications Inc.	4500380849	

Operations - Project & Construction Management

In November 2025, the Authority issued a personal services contract with the vendor listed below in the amount of \$158,000 for CEC Facility Assessment. The Authority's energy sector responsibilities continue to expand due to technological advancements, regulatory changes, and the Authority's growing transmission portfolio. To support this evolution and ensure ongoing compliance with industry standards, the Authority has established the Transmission 2035 Program, which requires significant updates and expansions to its control center and control room capabilities. These initiatives will require the Authority to assume full operational and maintenance responsibility for new 345 kV circuits and substations, effectively extending the 345 kV backbone into Long Island. As part of these expanded responsibilities, the Authority must construct a dedicated SENY control room to provide real-time HMI interface with EMS and SCADA at Marcy ECC and/or EECC, coordinated outage management, and safe switching and personnel protection. Meeting the commissioning deadline for the SENY control

room requires the Authority to begin the additional design work immediately. The existing vendor has already completed the assessment and preliminary design efforts for both the ECC and EECC. Their continued engagement is essential not only for maintaining project schedule but also for ensuring consistency across the Authority's entire transmission system. Leveraging the same vendor will preserve alignment in design standards, control room layout, operator workflows, and interface integration across all Transmission 2035 facilities. Given the vendor's proven qualifications, established knowledge base, and direct involvement in the initial phases of ECC/EECC modernization, continuing with this vendor is the most effective and efficient path to meeting program requirements, ensuring system-wide consistency, and achieving the deadline for commissioning the SENY control room. Staff requests Trustee Approval for the extension of the contract below for two-years and additional funding in the amount of \$448,000.

Vendor Name	PO/VC	Status
Robert E. Lamb, Inc.	4500382089	

Operations - Project & Construction Management

In September 2025, the Authority issued a construction contract with the vendor listed below in the amount of \$3,342,855 for STL Admin Building Upgrades. Additional pre-construction engineering efforts have extended the project schedule and necessitate an extension of up to twelve additional months. The added effort stems from extended HVAC and asbestos investigations and revisions necessary to bring drawing set into conformance with Authority drafting standards. Staff requests Trustee approval for the extension of the contract below for twelve months. No additional funding is being requested at this time.

Vendor Name	PO/VC	Status
Con Tech Building Systems, Inc.	4500380004	

Authority and Canals Extensions and/or Additional Funding Requests:

Business Services - Business Services

In September 2025, the Authority issued a personal services contract with the vendor listed below in the amount of \$120,000 for IT Infrastructure Cabling, Integrated Security and Audiovisual Technology Consulting Services. These various IT/AV/Security services include peer review, alternative services for equipment package specifications, construction administration and bidding support for the new office building that is currently being built at 220 Hamilton Avenue in White Plains, NY. Over the past year, the vendor has helped the Authority run bids for the security services and equipment needed for the new parking garage, and the AV needs of the new tower building. The Authority would like to continue to utilize the vendor's expertise to help translate business requirements into scopes of work for upcoming bids,

including content management software, and meeting management services, as well as assist with review of the Bill of Materials (BOM) for future Request for Proposals, implementation support and systems architecture review and design recommendations. Staff requests Trustee Approval for the extension of the contract below for one-year through September 2027, and additional funding in the amount of \$120,000.

Vendor Name	PO/VC	Status
MGE Unified Technologies Corp.	4500380101	

Operations - Strategic Operations

In May 2024, the Authority issued personal services contracts with the vendors listed below in the aggregate amount of \$1,750,000 for Naval Architect & Engineering Services. Both the Authority and the Canal Corporation have relied extensively on these contracts to support routine operational needs as well as urgent vessel repairs which were required to maintain critical infrastructure, preserve waterway operability, and mitigate operational risks. Several Authority and Canal Corporation vessels are subject to U.S. Coast Guard Subchapter M regulations, which mandate annual inspections and require that any necessary repairs be formally communicated to the Coast Guard. The contract has also supported key fleet enhancement efforts, including the development of updated vessel designs that improve productivity, operational efficiency, and long-term reliability, advancing the Canal Corporation's long-term vessel modernization program. No extension of time is requested. Staff requests additional funds in the aggregate amount of \$3,000,000 to ensure continued, effective support for both organizations throughout the contract term ending in 2029.

Vendor Name	PO/VC	Status
AENY Engineering, P.C.	4700000127	
Bristol Harbor Group, Inc.	4700000129	
C.R. Cushing & Co., Inc.	4700000128	

Canals Extensions and/or Additional Funding Requests:

None

FISCAL INFORMATION

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2026 Approved Operating or Capital Budget. Funds for subsequent years, where applicable, will be included in the budget submittals for those years. Payment will be made from the Operating or Capital Fund, as applicable.

Funds required to support contract services for capital projects have been included as part of the approved capital expenditures for those projects and will be disbursed from the Capital Fund in accordance with the project's Capital Expenditure Authorization Request, as applicable.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer; The Senior Vice President – Central Support Services; the Senior Vice President – Chief Risk & Resiliency Officer; the Senior Vice President – Project Delivery; the Senior Vice President – Strategic Supply Management; the Vice President – Community & Government Relations; the Vice President – Environmental Justice; the Vice President – Strategic Operations; the Vice President – Project & Construction Management; the Vice President – Supplier Relationship Management; the Regional Manager and Senior Vice President for Canals; the Regional Manager and Senior Vice President for Niagara; the Regional Manager and Senior Vice President for Poletti; the Assistant General Counsel – Contracts, Licensing & Environmental; requests that the Trustees and Board of Directors approve the award of multiyear procurement (services) and other contracts to the companies and the extension and/or funding of the procurement (services) contracts for the purposes and in the amounts discussed within the item and/or listed in the respective exhibits.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

RESOLUTION

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts referenced hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the contracts referenced hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, that the New York Power Authority Board of Trustees and New York State Canal Corporation Board of Directors recommends that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.



Date: September 29, 2026

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES AND NEW YORK STATE
CANAL CORPORATION BOARD OF DIRECTORS

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Canal Corporation Syracuse Office: Lease Expansion & Extension

SUMMARY

The New York Power Authority Board of Trustees ("Board of Trustees") and New York State Canal Corporation Board of Directors ("Board of Directors") are requested to authorize entry into an amendment of its current lease with One Northern Concourse, LLC ("Landlord") to add approximately 2,990 square feet of office space located at 149 Northern Concourse, Syracuse, NY ("149 Northern Concourse") and to extend the lease from its current termination date of March 31, 2028, to March 31, 2033.

BACKGROUND

The Authority's and Canal Corporation's ("Canals") Expenditure Authorization Procedures governing real estate require the Board of Trustees' and Board of Directors' approval for the acquisition of lease interests, including any extensions, where the additional rent exceeds \$100,000.00.

Canals has leased office space at 149 Northern Concourse since December 21, 2017. The office is used for Canal Western Region Operations, Engineering, Design and Asset Management Staff. The current lease consists of 7,890 square feet and is set to expire on March 31, 2028.

DISCUSSION

The Canals office at 149 Northern Concourse has reached full capacity and requires expansion to meet current and future staffing requirements. All offices, cubicles, and hoteling stations are occupied, and in-office reporting has further strained workstation availability. Added space is required for staff performing confidential work and thus cannot share offices, and several key Canals leaders still lack dedicated workspace. The adjacent 2,990 square feet of office space requires minimal preparation for occupancy and is the last available suite in the business park, making timely expansion critical.

While the final terms of the lease amendment are subject to negotiation, it is expected the current rental rate of \$15.50 per square foot will remain unchanged for the duration of the current lease term, increasing the annual rent from \$122,295 to \$168,640. The rental rate for the additional five-year term will increase to \$18.50 per square foot, totaling \$201,280 annually. The lease amendment also includes an option for one additional five-year term at a rental rate of \$20.35 per square foot. In addition, Landlord will install required infrastructure for electric vehicle charging stations exclusively for Canals, and Canals will reimburse Landlord for the cost of this work, which is estimated at \$100,000. Furnishings, standard pro-rata tax reimbursements and operation and maintenance costs will be the responsibility of Canals. Canals will not incur any brokerage fees in this transaction. The rental rates and other charges outlined above are competitive with similar space in the Syracuse market.

FISCAL INFORMATION

Funds required for the lease amendment will come from the Canal Corporation's Capital Fund.

RECOMMENDATION

The Canal Corporation's Regional Manager and Senior Vice President and the Assistant General Counsel – Real Estate request that the Board of Trustees and Board of Directors approve the execution of a lease amendment with One Northern Concourse, LLC to lease 10,880 square feet of office space at 149 Northern Concourse, Syracuse, New York.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the President and Chief Executive Office and the Assistant General Counsel – Real Estate be, and hereby are, authorized to modify its lease with One Northern Concourse, LLC to extend the term and add approximately 2,990 square feet of space located at 149 Northern Concourse, Syracuse, New York on substantially the terms set forth herein, subject to approval of lease documents by the Executive Vice President and General Counsel or her designee; and be it further

RESOLVED, That the Assistant General Counsel – Real Estate, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

**MINUTES OF THE
JOINT POWER AUTHORITY OF THE STATE OF NEW YORK AND NEW YORK STATE CANAL
CORPORATION BOARD of DIRECTORS MEETING**

July 28, 2026

Table of Contents

<u>Subject</u>	<u>Page No.</u>
Introduction.....	3
1. Adoption of the July 28, 2026 Proposed Meeting Agenda.....	3
2. Motion to Conduct an Executive Session	3
3. Motion to Resume Meeting in Open Session	3
4. DISCUSSION AGENDA:	3
a. Strategic Initiatives	3
i. President and Chief Executive Officer's Report	3
b. Utility Operations.....	7
i. Chief Operating Officer's Report.....	7
ii. New York State Canal Corporation Update	14
1.Canals Resources and Programs	14
2.Educational Partnerships and Infrastructure	16
c. Financial Operations	18
i. Chief Financial Officer's Report	18
d. Risk and Resiliency	22
i. Chief Risk and Resiliency Officer's Report.....	22
1.Overview of 2025 Integrated Report and Updated Sustainability Plan.....	22
e. Finance Committee Report.....	25
f. Audit Committee Report.....	28
5. CONSENT AGENDA	29
a. Customer Solutions	29
i. Extension of Hydropower Contracts with Upstate Investor-Owned Utilities for the Benefit of Rural and Domestic Consumers - Notice of Public Hearing.....	29
ii. Extension of the Industrial Incentive Award to Pratt Paper (NY), Inc. and Economic Development Plan	30
iii.Transfer of ReCharge New York & Replacement Power Allocations.....	30
iv. Recharge New York Power – New, Extended and Modified Allocations	31
v. Expansion Power Allocation.....	32
vi. Preservation Power Allocation, Extension and Notice of Public Hearing	33
vii.Recommendation for the Award of Fund Benefits from the Western New York Economic Development Fund by the Western New York Power Proceeds Allocation Board.....	33
b. Procurement (Services) Contracts	34



**NY Power
Authority**

**Canal
Corporation**

i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding	34
c. Real Estate	35
i. Acquisition of Real Property: Transmission Maintenance Facility, Town of Walworth, County of Wayne	35
ii. Agreement for Access to and Use of Sound Cable for Fiber Optic Strands	35
iii. Propel NY Energy Project: Acquisition of Permanent & Temporary Easement Rights, City of New Rochelle, County of Westchester	36
iv. Office Lease Extension: Massena, St. Lawrence County	36
v. Warehouse Lease Extension: Bay Shore, Suffolk County	37
d. Governance Matters	37
i. Approval of the Minutes of the Joint Meeting of the New York Power Authority's Board of Trustees and Canal Corporation's Board of Directors held on May 19, 2026	37
ii. Approval of the Minutes of the Joint Special Meeting of the New York Power Authority's Board of Trustees and Canal Corporation's Board of Directors held on June 23, 2026	37
6. Board Resolutions	37
a. Joseph Gryzlo	37
b. Karen Delince	37
7. Next Meeting	40
Adjournment	40

Minutes of the Joint Meeting of The Power Authority of the State of New York and New York State Canal Corporation held at NYPA's administrative office building, White Plains, New York on Tuesday, July 28, 2026, at approximately 9:35 a.m.

Members of the Board present were:

John Koelmel - Chair
Michael Cusick
Cecily Morris
Lewis M. Warren Jr.
Laurie Wheelock
Bethaida González

Member excused were:

Dennis Trainor

Also, in attendance were:

Justin E. Driscoll	President and Chief Executive Officer
Adam Barsky	Executive Vice President and Chief Financial Officer
Daniella Piper	Executive Vice President and Chief Innovation Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Lori Alesio	Executive Vice President and General Counsel - Legal Affairs
Alexis Harley	Senior Vice President and Chief Risk and Resiliency Officer
Karina Saslow	Senior Vice President - Human Resources
Robert Piascik	Senior Vice President and Chief Information and Technology Officer
Charles Imohiosen	Senior Vice President, Communications and External Affairs
Salman Ali	Senior Vice President - Internal Audit
Paul DeMichele	Chief of Staff
Chad Gholizadeh	Deputy General Counsel
Maribel Cruz Brown	Senior Vice President, Customer Solutions
Christopher Vitale	Director - Projects
Patricia Lombardi	Senior Vice President Project Delivery
Bejamin Walsh	Director, Canal Corporation
Rebecca Hughes	Deputy Executive Director, Canals
John Canale	Senior Vice President, Strategic Supply Management
Nicholas Gonzalez	Vice President, Project Finance
Dolly Jinvit	Senior Director, Internal Business Controls
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Kenneth Lerman	Director, Internal Audit - Technology
Ignacio Bullrich	Director, Internal Audit
John Laadt	Director - Projects
Andrew Negro	Director, Corporate Insurance
Paul Farnan	Vice President, Sustainability
Felisa Hochheiser	Vice President and Corporate Secretary
Sheila Quatrocci	Manager, Corporate Secretary

Minutes of the Joint New York Power Authority Board of Trustees and
New York State Canal Corporation Board of Directors Meeting
July 28, 2026
In Person - WPO

Michele Stockwell Associate, Corporate Secretary
Fiona Khan Senior Assistant Corporate Secretary

Chair Koelmel presided over the meeting. Vice President and Corporate Secretary Hochheiser kept the Minutes.

Introduction

Chair Koelmel welcomed the Trustees/Directors and NYPA and Canal staff members who were present at the meeting. He said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority's Bylaws, Article III, Section 3.

1. Adoption of the July 28, 2026 Proposed Meeting Agenda

On motion made by member Morris and seconded by member Wheelock, the agenda for the meeting was adopted. (6-0)

Conflicts of Interest

Chair Koelmel and members Morris, Wheelock, Gonzalez, Warren, Jr., and Cusick declared no conflicts of interest based on the list of entities previously provided for their review.

2. Motion to Conduct an Executive Session

On motion by member Cusick and seconded by member Warren, Jr., the members held an executive session to discuss the financial and credit history of a particular corporation, pursuant to §105(f) of the Public Officers Law. (6-0)

3. Motion to Resume Meeting in Open Session

On motion by member Wheelock and seconded by member Warren, Jr., the meeting resumed in Open Session. No votes were taken during Executive Session. (6-0)

4. DISCUSSION AGENDA:

a. Strategic Initiatives

i. President and Chief Executive Officer's Report

Justin E. Driscoll, President and Chief Executive Officer, presented the report and introduced July's Board meeting theme, infrastructure, along with discussion items that include:

- NYPA's focus on leadership in advancing major infrastructure and transmission projects
- Highlighting recent advanced, ongoing, and work in progress projects
- The impact of transmission on the system and delivering clean energy statewide
- The commitment to upgrade the transmission system
- Providing an update on NYPA's renewables initiatives and progress
- Advanced nuclear efforts
- Update on the integrated report and sustainability plan

• Infrastructure Leadership

- Transmission serves as the backbone of New York State.
- NYPA's work on transmissions enables the delivery of clean generation across the state and power to be afforded by the organization's economic development customers, which is critical to:

- The work NYPA does
- The Impact of transmission on generation
- NYPA's customers
- Attracting new business
- Retaining businesses
- **Smart Path Connect**
 - The first piece of this transmission project, which was upgraded, increased transmission from 230 kilovolts (kV) to 345 kV.
 - The increased kV completed the missing link to Marcy, New York.
 - Simultaneously significant, wind development in the North Country had risen, and NYPA had more power interconnections with Canada.
 - Some of the wind power in that location was being bottled up and not delivered across New York State.
 - Given the investments in renewable energy, NYPA's did not want to develop projects and then not be able to have electrons move out of the North Country.
 - NYPA submitted its transmission project application to the Public Service Commission that was granted in partnership with National Grid.
 - The map represents:
 - National Grid owning the bottom portion (in orange)
 - NYPA construction of the northern piece
 - This collaboration enables connectivity and power flows across this region.
 - The slide indicates:
 - Almost one gigawatt of generation was unlocked over the 200-mile corridor with the original Smart Path and now Smart Path Connect.
 - Significant annual congestion savings of \$438 million for ratepayers due to the relief the organization provided that would have otherwise appeared on their bills.
 - The project was energized and placed in service a couple weeks ago and it is already playing a critical role in grid reliability and moving clean energy across New York State.
 - This is attributed to strong partnerships with:
 - National Grid
 - Organized labor
 - Local communities
 - Local communities were recognized for their support of the project despite significant construction related disruptions.

(A brief video was played highlighting the Smart Path Connect project).

- **Champlain Hudson Power Express (CHPE)**

- Recently energized with NYPA playing a role in connecting the final piece of the line from the converter station at the organization's Astoria facility into Consolidated Edison's grid system.
- The line will have a significant impact on New York City in the future.

- **Propel NY Energy**

- The organization was selected and awarded through the New York Independent System Operator (NYISO) to advance this project in partnership with New York Transco.
- Propel is in its final stages of the regulatory process.
- The project will play an important part in providing power moving between:
 - Long Island
 - Westchester
 - The Bronx
- This will include undergrounding of high voltage transmission in Long Island, providing a resilient benefit to Long Island residents.
- NYPA's transmission expertise is statewide and further enhances the grid and reliability of the system.

➤ **Renewables Pipeline and Conferral Process**

- The organization is focused on its renewables authority received in 2023, with over six gigawatts across 42 projects in the system in various stages of development including:
 - Individual projects
 - Portfolios
- These projects are the result of developers either looking to partner with NYPA, or projects the organization has independently identified.
- NYPA has been working diligently over the last six months to safe harbor as many projects as possible due to the upcoming expiration of certain tax credits to ensure they continue to advance.
- The Authority received state funding to help with renewable work:
 - \$100 million in most recent legislative session
 - \$200 million received in 2025
- The funding will contribute to the advancement of as many renewable projects as possible with co-development opportunities or with greenfield projects that NYPA will independently develop,
- NYPA recently received the building permit for the five-megawatt Hannacroix Solar Reach project that will provide benefits to disadvantaged community residents.
- The organization is launching its next conferral process under the statue, which helps:

- NYPA receive input from stakeholders across New York State,
- Inform the development of 2027 strategic plan,
- Anyone interested in participating in 2026's conferral process can learn more by visiting:
www.nypa.gov/conferral-process.

➤ **Advance Nuclear**

• **A Year of Significant Progress**

- NYPA has been hard at work over the last year since Governor Kathy Hochul's nuclear advancement announcement.
- The process began with Requests for Information (RFI) for both community and developer interest.
- This resulted in the release of a Request for Qualifications (RFQ) for developer interest and feedback came from many in this line of business.
- The \$40 million workforce initiative that was approved by the Board for nuclear workforce development efforts with a template to launch including:
 - Building out the team that is comprised of:
 - Todd Josifovski, Senior Vice President - Nuclear Power Development
 - Christopher Hanson, formerly of the Nuclear Regulatory Commission (NRC)
 - Diane Cameron, formerly with the Nuclear Energy Agency (NEA), who recently joined NYPA
 - Working with New York State Energy Research and Development Authority (NYSERDA) and Department of Public Services (DPS) on the master planning process
- The planning effort will examine the infrastructure across the state including:
 - Workforce
 - Supply chain
 - Long term goal of four additional gigawatts of nuclear in New York to serve as the backbone of baseload generation

➤ **Continued Focus on Transparency**

• **2025 Integrated Report and Sustainability Plan 2026-2030**

- NYPA was one of the first utilities to launch an integrated report that included:
 - Sustainability components
 - Financial performance
- The organization has been diligently working on the 2026-2030 Sustainability Plan.
- The Integrated Report offers:
 - A holistic view of NYPA's performance
 - Delivered value in year 2025

- Financial results
- Operational achievements
- Strategic progress across the organization including:
 - Modernizing the grid
 - Advancing clean energy projects
 - Supporting customers and communities
 - Remaining aligned with VISION2030 Renewed
- Sustainability reflects the same principles while capturing how it has become the way NYPA does business, through:
 - Ingenuity
 - Stewardship
 - Strong commitment to the people of New York
- Generating power over 100,000 acres of land that is controlled by the organization including:
 - Waterways
 - Modernized infrastructure that keeps the state moving
- The Plan builds the foundation and lays out the plan for a clear and ambitious path for the future ensuring that NYPA continues to lead as a trusted institution dedicated to:
 - Reliability
 - Public service
 - Sustainability

President Driscoll concluded that Smart Path Connect, Propel NY, renewables, nuclear, and other initiatives are modernizing the grid, enabling the integration of clean energy resources and preparing for technologies that support reliability. These efforts are led by a long-term perspective, consistent with NYPA's approach to planning and investment.

b. Utility Operations

i. Chief Operating Officer's Report

Joseph F. Kessler, Executive Vice President and Chief Operating Officer, presented the report.

➤ Operations Highlights

• Operational Readiness

- **Heatwaves**
 - Two significant heat waves have already occurred in 2026:
 1. July 1st to July 5th
 2. July 13th to July 16th
 - Financial outcomes are unavailable since the heat waves just happened.

- Overall, NYPA staff was prepared and the equipment performed well with only a few issues in the southeast region.
- Downstate congestion presented challenges, but the organization was well positioned to respond.
- **Belheim-Gilboa Power Project** – Performed particularly well due to its ability to respond quickly to ebbs and flows effectively.
- Wildfire smoke was an issue back in 2023; as a result, the organization put policies and procedures into place including:
 - Notifying employees to stand down with work
 - Wearing certain Personnel Protective Equipment (PPE)
- This also constrained some of the solar generation in New York State since it obscured the view from solar panels.
- This fortified the significant need to have a diverse supply chain of energy due to this low production throughout the state.
- The organization continuously:
 - Reports conditions to staff
 - Utilizes the policy which refers to the Environmental Protection Agency's (EPA) map that identifies thresholds
 - Issues guidance to its employees

Kessler highlighted NYPA's staff and those across the organization successfully provided tremendous flexibility with New York State Independent Systems Operator (NYISO) throughout the process.

- **Asset Management**

- **Asset Management Summit**

- The Authority will be conducting an Asset Management Summit for those either certified or recertified to the highest standard of ISO55001 including:
 - - Financial
 - Risk and Resiliency
 - Physical management practices as a utility
 - Another summit will be held uniting everyone while aligning with VISION2030 to:
 - Remind customers that the organization is present for them.
 - Bring awareness that these assets are available.
 - Understand these assets provide the most value for them.
 - NYPA is tasked with being responsible stewards of these assets and using the processes.

- **Fly Day**

- The organization's third annual Fly Day is currently taking place July 28th and July 29th in Niagara Power Vista.
- A number of other utilities are being brought in to share ideas and roundtables.
- The event provides hands-on technology opportunities for employees to learn how robotics can keep them safe and productive instead of endangering humans.

- **Health and Safety**

- Strong performance within the organization continues with a lot of new initiatives under the leadership of Steve Rutledge, Vice President – Environmental, Health and Safety (EHS), including:
 - Revitalizing the NYPA-Canals barbecue to talk about safety.
 - Encouraging employees to stand down.
 - Encouraging employees to speak up especially the newer staff.
 - Spotlighting a guest speaker to talk about:
 - Trauma experienced on the job site
 - Lessons learned as a result
 - The importance of individual responsibility
- The organization remains focused on its Campaign for Zero, which targets zero workplace incidents.

Patricia Lombardi, Senior Vice President – Project Delivery, continued the report, noting because of the significant volume of infrastructure work underway across the NYPA-Canals, and throughout New York State, the presentation highlights selected projects from our various portfolios and our customers.

➤ **Transmission infrastructure – Celebrate Success and Look Ahead**

- **Smart Path Connect**

- Despite challenges, the project is currently in full service.
- This is a great accomplishment for NYPA and National Grid.
- Project close-out activities and restoration of land are ongoing.

- **Propel NY Energy**

- NYPA and New York Transco (Transco) are working to advance Propel NY.
- Permitting continues with Article VII approval targeted for fall 2026.
- Extensive stakeholder outreach continues.
- Engaging the community remains a key component to keep the project on track.
- Most of the major contracts are in place, this includes:

- Long lead equipment including transformers, shunt reactors, phase angle regulators and cable
- Engineer-procure-construct contract for substations
- The final major contracts to cover the terrestrial work are currently under negotiation.
- Permit approvals will enable marine horizontal directional drilling required to start cable installation, which is scheduled to commence later this year.
- A rendering of the substation was displayed, and the design is still underway
- Substation construction is expected to begin spring 2027, following permit approvals.
- **Uniondale Hub Substation**
 - One of the designated public policy projects that was identified when Propel NY was awarded.
 - NYPA, as the existing incumbent transmission owner of the Uniondale Hub substation, exercised its right of first refusal, and confirmed with the New York Independent System Operator (NYISO) that we would move forward with making these upgrades.
 - Major equipment orders were placed in 2024, for phase angle regulators and shunt reactors with SMIT and Hitachi.
 - **Current Status**
 - Design is complete and fabrication will start soon.
 - The rest of the project is being delivered through an Engineer Procure Construct (EPC) model, with Elecnor Hawkeye, serving as the prime contractor.
 - Designs are nearly 90% complete.
 - Article VII is nearing finalization
 - Environmental monitoring and construction plans have been submitted to Department of Public Service (DPS) and are pending final approval. If approval is received from the Public Service Commission, construction will commence in August 2026.

➤ **Generation Infrastructure – Massena Canal Dam/Joint Works Project**

- **Current Status**
 - This critical project will reduce infrastructure risk by improving the condition of the water impounding structure that sits at the intersection of the Massena Power Canal and the Grasse River.
 - The project supports NYPA's longstanding relationship with Ontario Power Generation.
 - Project construction began in spring 2025:

- **Phase 1**

- Demolition and asbestos abatement is complete.
- Preparation for installing precast concrete bulkheads on the Power Canal intake structure is underway, including:
 - Removing debris from the 1958 partial demolition
 - Sediment dredging
 - Core drilling for dowels and other work

- **Work to Be Performed in Future Years**

- Additional work is scheduled for the next few years with substantial completion targeted for 2029:
 - Asbestos abatement
 - Filling in voids
 - Stabilizing the remaining structure
 - Final capping
 - Regrading and vegetation

➤ **Canals Infrastructure – Madison Reservoir Dam Rehabilitation**

- In January 2026, the Board approved a major construction contract to rehabilitate the almost 200-year-old Madison Reservoir Dam.
- Although the dam no longer serves the canal, the reservoir provides significant recreational opportunity and community benefits and now requires significant rehabilitation due to its age and condition.

➤ **Canals Infrastructure – Madison Reservoir Dam Rehabilitation**

- In January 2026, the Board approved a major construction contract to rehabilitate the almost 200-year-old Madison Reservoir Dam.
- Although the dam no longer serves the canal, the reservoir provides significant recreational opportunity and community benefits, which requires significant rehabilitation due to its age and condition.
- Construction started in April 2026, and work is well underway.
- A sheet pile cut off wall has been installed to abandon the existing auxiliary spillway.
- NYPA has decommissioned the existing low-level outlet works
- The 1870s historic valve house is being carefully dismantled, relocated and reconstructed to serve as a seepage monitoring structure.
- Work is also underway on the new low-level outlet system, which includes:

- New valve houses
- Inlet and outlet structures
- New pipelines
- Once this work is completed in 2026, the focus will shift in 2027 to demolishing the existing primary spillway and constructing a new larger labyrinth spillway.
- A significant amount of work will be done on the right embankment to be buttressed and regraded in 2027.
- Substantial completion of the project is targeted for mid-2028.

➤ **Customer Project Delivery – Heating Electrification and Domestic Hot Water Systems**

- NYPA collaborated with one of its key customers, New York City Housing Authority (NYCHA), to replace the systems that their buildings rely on, including:
 - Aging boilers
 - Window air conditioning units
- NYCHA partnered with NYPA at two of its housing facilities to replace these systems that are often inefficient and well past their useful life, with modern heat pump technology for both heating and cooling.

1. 830 Amsterdam Project

- New York City's first public multifamily electrification retrofit
- NYPA installed centralized variable refrigerant low heat pumps

2. Woodside Houses Project

- NYPA deployed the first installation of its new window heat pumps, providing both heating and cooling,
- Part of NYCHA's Clean Heat for All pilot, making it one of the first large scale deployments of its kind.
- This project site is also a pilot for low impact, full electrification of domestic hot water and heating systems for select NYCHA developments.
- Uses high efficiency heat pump domestic hot water technology.
- NYPA designed a containerized hot water pod manufactured in Western New York, to simplify installation and reduce costs, improving reliability and reducing steam dependence.

- **Benefits**

- Both sites now use high efficiency heat-pump domestic hot water technology, improving reliability and reducing steam dependence.

- Reduce operating costs for NYCHA
- Improve resident comfort by giving tenants the ability to control their unit's temperature
- Modernizes building structure
- Replaces end-of-life equipment
- Eliminates on-site fossil fuel combustion at these facilities

➤ **Customer Solutions – Economic Development - Kenan Center**

• **Current Status**

- \$1.6 million from Western New York Power Proceeds award will go to support the construction of this \$17 million project.
- The project will create a modern, accessible energy efficient arena on the Kenan Center's 25-acre historic site in Lockport, New York.
- Since the 1960s, the project has expanded from a community center to one of Buffalo Niagara's premier facilities for:
 - Arts
 - Recreation
 - Education
- The rendering displays a new area that will replace the outdated structure, providing more flexible indoor space for:
 - Concerts
 - Conventions
 - Community events
- Key upgrades include:
 - New utility systems
 - Energy efficient Heating Ventilation and Air Conditioning (HVAC) systems
 - Improved stormwater management
 - Enhanced parking
 - Enhanced accessibility
 - Additional green space
- The facility is expected to:
 - Operate over 340 days per year.
 - Attract over 200,000 visitors.
 - Generate \$6 to \$8 million in direct spending.
 - Directly support downtown Lockport's long term economic vitality.

ii. New York State Canal Corporation Update

1. Canals Resources and Programs

Rebecca Hughes, Deputy Director – NYS Canal Corporation, presented the update.

➤ **VISION2030 Renewed: Revitalize the Canal - Secure Resources and Funding for Canals**

- **Third Century of Canals Operations**

- The organization has secured \$50 million in Governor Kathy Hochul's New York State budget for the third year in a row.
- Funding supports the critical water impounding infrastructure and is significant in order to get the canal into a good state of repair starting with projects that are key priorities, e.g., Madison Dam.
- NYPA has also secured \$500,000 from a highly competitive grant program issued by the Susquehanna River Basin Commission.
- This grant award will also go towards the \$46 million Madison Dam project.
- The Andrew W. Mellon Foundation has issued a grant of \$195,000 to the organization to:
 - - Construct an orchard on canal land that will contribute to placemaking.
 - Support NYPA's broader vision to assist Medina to turn back to its waterfront.
 - Encourage Medina's economic development through arts and culture.

➤ **Fleet Modernization Program - Canals Employee Tug Naming Initiative**

- The christening ceremony for tugboat Rome will be held on Friday, July 31, 2026, and joined by Trustee Bethaida Gonzalez.
- The organization's fourth and final tugboat is under construction.
- This event is an opportunity to engage Canal staff to be a part of making history.
- The vessels remain in service for a minimum of 50 years and some, e.g., tug Syracuse, for 100 years.
- **Submission Must Fit One of These Themes**
 - Employees were invited to participate in proposing names that align with NYPA's tug naming policy including:
 - **Place:** Place-based names
 - **Tribute:** Names reflecting qualities, competencies, or attitudes associated with Canal Corporation and its employees
 - **Person:** Names honoring a historic figure who contributed to the Canal Corporation or communities along the canal
 - Deadline to submit ended July 24th and Canals received over 50 submissions that are being reviewed by the Naming Committee.

- A formal proposal will be presented to the Board for consideration at the September Board Meeting.
- **VISION2030 Renewed: Revitalize the Canal – Enhance User Experience and Foster Connection, Enjoyment and Respect for Our Resources**
 - **Arts and Culture**
 - **Artists-in-Residence**
 - On the public facing side of the Canal Corporation’s work, the organization remains aligned with its mission to promote activities that are:
 - Inclusive
 - Accessible
 - Welcoming to anyone who wants to be a part of New York State’s history
 - Interested in visiting the Corporation, whether residents or tourists
 - **Medina Triennial**
 - Opened on June 6, 2026, and on track to achieve the organization’s visitorship goal of an estimated 40,000 to the Village of Medina.
 - These visitors get to experience art across 10 locations throughout the village, all walkable.
 - Over 35 artists have contributed from:
 - National area
 - Regional area
 - The theme for the Triennial is “*All that Sustains Us*”.
 - The organization has partnered with the Albany Symphony Orchestra for the third and final year, with three concerts in total for summer 2026:
 - Waterford has already taken place.
 - Rome has already taken place.
 - Tonawanda is set to take place on August 15th and is the final concert.
 - Each concert includes a composer-in-residence who spends time in the community and creates a new composition piece inspired by the local area.
 - The Rome performance featured an operatic tribute to Chicken Riggies.
 - **Seneca Chief Back to Buffalo Tour**
 - The tour took place throughout the month of June.
 - It departed from Waterford on June 6th and returned to Buffalo, including 16 stops that focused heavily on engaging school children.
 - A significant opportunity to have school groups:
 - Tour the vessels

- Ask questions
- Become stewards of the canal for the future

2. Educational Partnerships and Infrastructure

Benjamin Walsh, Executive Director – New York State Canal Corporation, continued the update.

➤ Canal Corporation Higher Education Partnership

- Youth engagement is an initiative that Canals has been focused on through collaboration with multiple colleges and universities in both post-secondary and secondary levels.
- **Post-secondary Level**
 - **Clarkson University** – Supports numeric modeling at Fisher's Ferry to improve the organization's understanding of hydraulics and system performance.
 - **Cornell University** – Developing aquatic invasive species, known as Environmental DNA (eDNA), which are multiplex panels that help early detection of aquatic invasive species (AIS).
 - **Skidmore College** – Mapping social and cultural resources, a significant part of the canal system.
 - **State University of New York (SUNY) Cobleskill** – The use of dogs to detect AIS throughout the canal system, which will enhance field-monitoring capabilities.
 - **University of Buffalo** – Advancing autonomous inspection tools, *e.g.*, robotic dog culvert surveys, slope mowing concepts, and others.
 - **Rensselaer Polytechnical Institute** – Workforce development through workshops and an expanding internship program.
 - **State University of New York (SUNY) Environmental Science and Forestry** – Collaborating with the Student Advisory Council in order to assist with curriculum development.
 - **Rochester Institute of Technology** – Assisting with Occupational Safety and Health Administration (OSHA) certified Environmental Health and Safety (EHS) training aligned with the organization's operational needs.
- These partnerships enable access to emerging research and talent by supporting modernization and long-term workforce readiness.

➤ K-12 Programming and Partnerships

- **Secondary Level**
 - Majority of these engagements were partnerships between the Corporation and Erie Canalway National Heritage Corridor, which administers two specific programs:

1. 2026 Ticket to Ride Program

- Supports field trips
- 147 field trips in 2025
- 36% increase from the prior year
- More than 5,300 students participated
- Students came from 79 schools across 31 districts
- 85% from economically disadvantaged schools, a 10% increase year over year
- Over 70,000 student engagement since the program started in 2012

2. Junior Ranger Program

- Launched in May 2025, in partnership with Erie Canalway National Heritage Corridor and National Parks Service.
- Currently spans over 14 partner sites.
- Distributed more than 10,000 education booklets from June to October.
- First Junior Ranger Day will take place on August 1st, focusing on exploration and guided learning.

➤ VISION2030 Renewed Revitalize the Canal - Operate, Maintain and Improve Canal Infrastructure

• Third Century of Canals Operation

- Canal operations performs year-round winter work, e.g., dam evaluations, while remaining focused on safety.
- Constant maintenance ensures the reliability of the system that is vital for recreation and specialized commercial shipping.
- Recreational activity makes up a vast majority of the system, e.g., boating or trail usage.
- The Corporation aims to invest in its infrastructure in order to support both uses and continued opportunities for commercial shipping.
- Earthen embankments represent approximately 12% of the canal system and are central to public safety with inspection methods including:
 - Infrared surveys
 - Robotic technologies
 - Trained detection animals
 - Traditional bank assessment through the Bank Walker Program
- **Vegetation Management** – A vital component of embankment maintenance that the Corporation continues to innovate and experiment with.

- **The Grazing Program** – An environmentally sustainable Canals pilot program that has proven highly effective with the use of goats, e.g., 16 goats cleared nearly two areas in Greece over the course of two weeks in 2026. The Corporation will continue to expand this program and engage the community.
- **Freight Capability**
 - An example of the canal system's capability was when Huber-Burke Construction encountered a challenge while performing construction on the Canandaigua County Aquarium at Safety Center Harbor.
 - An over 60,000-pound piece of acrylic making its way across the Atlantic Ocean into Newark, New Jersey got trapped and the company reached out to Walsh.
 - Canals teams were gathered, and within a week brought the acrylic piece up the Hudson River, through the canal and into the harbor.

(A brief video of the shipment was played).

c. Financial Operations

i. Chief Financial Officer's Report

Adam Barsky, Executive Vice President and Chief Financial Officer, presented the report.

➤ Year-to-Date through June 30th

- **Performance** – Overall, NYPA is ahead of plan despite significant volatility and vulnerability factors including:
 - Weather
 - Energy prices
 - Interest rates
 - Water flow

➤ Year-to-Date Actuals by Business Line through June 30th

- **Niagara Power Plant** – Underperformed significantly because of ice conditions during January into February.
- **St. Lawrence FDR Power Project** – Outperformed expectations offsetting Niagara. This was driven by the organization's new contract with Alcoa Corporation highlighting:
 - The removal of the prior cap tied to London Metal Exchange (LME) prices and the Midwest premium at an estimated 3,400 per metric ton.
 - The new contract went into place in April 2026, right when the organization began seeing the effects of the conflicts in Iran which caused metal and other pricing to significantly increase.
 - No cap resulted in a \$11 million benefit to the organization under the new contract.

- **Alcoa Corporation** – Saved \$73 million over purchasing power in the market, continuing support of jobs and operations at the facility.
- **Fossil Fuel and Blenheim-Gilboa Plants** – Performed better than expected due to winter weather and higher energy prices.

➤ **Transmission Revenue-Budget vs Actual**

- The biggest driver of transmissions are true ups with the new transmission year starting in July 2026.
- Significant factors within the true ups were with some timing differences that included:
 - Work performed in Q3 2025, showed as an expense in 2025, the ability to recover in 2026, and an increase in revenue requirement.
 - Changes in how the Federal Energy Regulatory Commission (FERC) treats certain NYPA Information Technology (IT) spending and where it gets capitalized under Government Accounting Standards Board (GASB) but expensed under FERC in order to flow back into the revenue requirement sooner, providing a benefit to the organization.
- Allocation of overhead costs is based on performance according to the areas three factors:
 1. Revenues
 2. Plant and service
 3. Labor
- These are compared to different areas within NYPA and receive a percentage allocation based on an estimate.
- After year 25, a look back is performed, concluded and then true up the number, which could be higher or lower.
- In this case, NYPA budgeted or forecasted it to be an estimated 43% of the indirect allocations and it ended up being nearly 46%.
- This difference drove a change in total to an estimated \$31 million greater than originally forecasted for year-end 2026.

➤ **2026 Year-End Projection**

- NYPA is forecasted to come in over an estimated \$35 million from target, and the organization is in good shape.
- This is based on information available today, although conditions could change for the remainder of the year.

➤ **Crude Oil Price Trend**

- The Iran conflict was a significant driver of volatility and caused substantial changes in oil prices.

- NYPA's budget was based on where the oil prices were when the conflicts started, after the Memorandum of agreement (MOU) and its volatility.
- NYPA must be cognizant of high volatility and its effect not only on energy prices but how it drives economic forecasts around such factors as inflation.
- Not only oil prices but also supply chain disruptions through the Strait of Hormuz impacted goods, e.g., fertilizer and other materials.

➤ **Inflation Trend**

- NYPA relied on the Conference Board, a third-party independent entity that the organization uses for its economic forecasting.
- They showed inflation coming back down to the 2% level the Federal Reserve targeted in order to be able to keep cutting interest rates.
- Instead, inflation expectations increased, creating uncertainty around the Federal Reserve interest rates, impacting the market and affecting the organization.
- NYPA will continue to monitor and remain aware of these factors.

➤ **2026 Merchant Gross Margin Trend**

- There was high volatility with NYPA's modeling around the expectations of the merchant portfolio, especially water flow and how much is needed to generate.
- Based on ice conditions and other factors that the organization collaborates with the Army Corps of Engineers in its modeling, there was an expectation of less water than planned:
 - Started out with \$355 million target
 - Reduced to as low as \$298 million
- Factors included:
 1. 2026 spring's ice melt that contributed to water conditions
 2. 34% increase in spring precipitation than in normal years
- These two factors led to NYPA's modeling to increase the water flow to where it started.

➤ **2026 Hydro-Generation Forecast Trend**

- The Authority began with 21 terawatt hours of water flow, declining to 19.8, and then rising back up to 20.9 terawatts.
- Changes in water flow can have a material financial impact. The presented fluctuations resulted in an approximately \$60 to \$70 million drop from where they started.

➤ **Infrastructure**

- **Energy Efficiency Portfolio**

- The Customer Solutions team is ahead of schedule, forecasting to the end of 2026, and is significantly above expectations by approximately \$130 million on project expenditures.
- Resulting in increased revenue for the organization.
- More projects are being completed faster and in greater volume than anticipated.

- **Program Growth for Energy Services**

- In 2020, the organization was generating approximately \$200 million per year.
- This number has doubled to over \$460 million per year with 2026 projection at \$460 million per year.
- The Board recently authorized contracts for another 10 years totaling approximately \$3 billion.
- After assessing the possibility of utilizing all of these authorizations, it was determined that additional ones may be needed as NYPA continues to take on more projects each year.

- **Capital Investment Breakdown**

- By the end of 2026, NYPA will achieve its capital spending schedule, which is done on an accrual basis based on present completion of projects, not only cash out the door.

- **Year-End Outlook**

- All projects are tracking at or ahead of schedule.

- **NYPA Transmission Growth – New Asset Base**

- Transmission has been a significant area of investment.
- NYPA's net asset base in 2020 was slightly below \$1 billion.
- Currently, it is moving up to \$3 billion, almost tripling the organization's transmission net asset base, a significant additional investment
- Not much is projected to happen in the next few years in terms of service.
- Much of it will remain as a work-in-progress for the next several years and not enter into service immediately but if all remains on track:
 - Uniondale Hub is expected to go into service around 2029
 - Propel NY is expected to go into service around 2030

- **NYPA Netbook Value of Assets**

- NYPA's overall asset base includes:

- Canals
- Production
- Transmission
- This is taking into account the gross plant less depreciation, which runs approximately \$450 million per year.
- Canals has also increased its asset base as a result of ongoing infrastructure investments, while most other areas remained relatively stable.
- Transmission is the main driver and the bulk of the organization's growth.

d. Risk and Resiliency

i. Chief Risk and Resiliency Officer's Report

Alexis Harley, Chief Risk and Resiliency Officer, introduced the presentation, which focuses on the following:

- How NYPA has been operating and delivering sustainably
- Observed through two lenses:
 1. Looking back on the organization's 2025 performance through the Integrated Report
 2. Looking forward with an explanation of the Authority's Sustainability Plan

1. Overview of 2025 Integrated Report and Updated Sustainability Plan

Paul Farnan, Vice President – Sustainability, presented the report.

➤ Purpose of Integrated Reporting

- The report was recently completed and highlights NYPA's 2025:
 - Achievements
 - Value creation
 - Financial performance published in March 2026
 - Broader narrative of the organization and its impact
- In an effort to maintain transparency the publication includes:
 - Greenhouse gas inventory
 - Positive results
 - Impacts of operations
- Aligns with international standards and allows year-over-year consistency for comparison and evaluations across the industry.

➤ Highlights of Our 2025 Integrated Report (IR)

- Spotlights the accomplishments of the Authority through the lens of VISION2030.

- VISION2030's four strategic priorities are used to group the individual accomplishments:

1. Drive the Clean Energy Transformation

- New York Renewable Energy Development Holdings Corporation's (NYRED) updated strategic renewables plan was approved by the Board at the end of 2025
- Consists of 200 generation storage projects totaling over five gigawatts

2. Lead Transmission Expansion Priority

- The largest modernization and expansion effort in decades

3. NYPA's Partnership with Customers

- 18 megawatts of solar power developed at customer sites
- Completion of 81 customer efficiency projects
- More than 40,000 megawatt hours (MWh) in customer energy savings

4. Revitalize the Canal System

- The World Canal Conference hosted by the organization in September 2025.
- Participants included over 500 experts and enthusiasts from 10 countries and 22 states.

• New Report Features

- **People Spotlight** - Showcases the Authority employees and their accomplishments. Nine employees were nominated, with each selected by individual business units.
- **Operating Landscape** – Provides context for the readers to help people understand NYPA's operating environment that includes:
 - Supply and demand dynamics
 - Regulatory
 - Economics
 - Legal framework
- **Value Creation Model** – A staple feature of the report since the start that demonstrates how NYPA's operations convert the diverse capitals into outputs and outcomes by simplifying a once single complex chart into two charts that offer a better understanding.

➤ Our Greenhouse Gas Inventory

- NYPA's emissions reduced in 2025
- The reduction was mainly due to circumstances and not specific actions taken by the organization.
- **Scope 1 - Direct**
 - Direct emissions from natural gas plants and operating vehicles

- Emissions declined primarily because New York Independent System Operator (NYISO) called on the plants to run less frequently in 2025.
- **Scope 2 – Energy Indirect**
 - Emissions reduced and returned to normal.
 - In 2024, NYPA experienced significant smoke from wildfires and, as a result, decreased the efficiency of NYPA's transmission lines resulting in greater electricity losses and contributed to higher emissions.
- **Scope 3 – Other Indirect**
 - Indirect emissions created from associated purchased goods and services including:
 - Natural gas bought for NYPA gas plants
 - Methane released from drilling processing
 - Reduced runtime of the natural gas plants resulted in decreased Scope 3 emissions.

➤ **Looking Forward**

- **Future of the Integrated Report**
 - NYPA will continue to streamline the process and find ways to improve efficiency and reduce the resources needed to create the plan.
 - The incorporation of a new software technology that improved the writing and editing efficiency process in 2026.
 - NYPA anticipates using this software in 2027, for data collection, ideally eliminating excess Excel spreadsheets currently used.
 - The use of Artificial Intelligence (AI), though limited for reports but possibly helpful to identify accomplishments and stories across the organization for inclusion in the report's highlight section.
- **Next Five-Year Sustainability Plan**
 - The plan continues the leadership vision of embedding sustainability into NYPA thinking and culture.
 - This is a roadmap towards making sustainability the way the organization does business.
 - NYPA and Canals collaborated by involving people from all parts of the organization utilizing their inputs to assess what can be done and how to achieve it.
 - Alexandra Leader, Program Manager – Sustainability, based out of NYPA's Buffalo office led the effort to create the sustainability plan by:
 - Gathering individuals from all across the organization
 - Sifting through the information received regarding different:

- Opinions
- Thoughts
- Objectives

- As a result, creating a high quality and forward-looking sustainability plan.

Farnan emphasized that the plan is ambitious and far-reaching, but also achievable and realistic. It establishes goals to broaden sustainability by incorporating input from all areas of the organization. This collaborative approach resulted in a practical plan that will continue to advance sustainability throughout NYPA and Canals while supporting the Authority's mission.

e. Finance Committee Report

The Finance Committee met on June 23, 2026, and adopted the resolutions set forth below. The Board of Trustees were requested to acknowledge receipt and consideration of the materials submitted to the Finance Committee and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee:

i. Enterprise Management Consulting Services - Contract Award – Resolution

RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a 5-year contract to Accenture LLP, Arch Street Communications, Inc., Baker Tilly Advisory Group Parent, LP DBA Baker Tilly Advisory Group, LP, Baringa Partners LP, Burns & McDonnell Engineering Company, Inc., CGI Technologies and Solutions Inc., Customer Care Network, Inc., David Groarke DBA Indigo Advisory Group LLC, Deloitte Consulting LLP, Energy and Environmental Economics, Inc., Gartner, Inc., Guidehouse Inc., ICF Consulting Group, Inc. DBA ICF Resources, LLC, KPMG LLP, McKinsey & Company Inc. Washington D.C., Motive Power, Inc., ScottMadden, Inc., The Boston Consulting Group, Inc., West Monroe Holdings, LLC DBA West Monroe Partners, LLC in the amount of \$45.0 million; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further

ii. SENY General Maintenance and Repair Services – Contract Award – Resolution

RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a 5-year contract to Fresh Meadow Power LLC in the amount of \$25 million; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees authorize the Authority to use its Capital or Operating Fund, as appropriate, which may include proceeds of debt issuances or other approved funding sources, to finance expenditures under these contracts; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further

iii. Service Providers for the New York Power Authority's Energy Services Program
- Contract Award – Resolution

RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of twenty-six (26) ten-year contracts to Arcadis Of New York, Inc.; Barile Gallagher Associates Consulting Engineers, P.C; Bette & Cring, LLC; Brightcore Energy LLC; CDM Constructors Inc.; CSA Group NY Architects and Engineers, P.C; Dynamic US Inc.; EMCOR Services New York/New Jersey Inc.; EnTech Engineering, P.C; EXP Services P.C; Fulcrum Facilities Services LLC; Grant & Vine Consulting Engineers; LaBella Associates, D.P.C; Liro Engineers, Inc.; Macan Deve Engineers, DPC; NORESKO LLC; OPTERRA Energy Services, LLC; Pearl Street Systems and Engineering, LLC; PowerSecure, Inc.; R.F. Wilkins Consultants, Inc.; Ramboll Americas Integrated Solutions, Inc.; Tri-State Light & Energy, Inc.; Veolia Sustainable Buildings USA East, Inc.; Veregy East, LLC; Wendel Energy Services, LLC; and Willdan Energy Solutions, in an aggregate amount of up to \$3.3 billion; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees authorize the Authority to use its Operating Fund, and other authorized funding sources as applicable, to finance purchase order releases issued under these value contracts, with all payment obligations expressly contingent upon the availability of properly authorized funds at the time of each release and with expenditures generally expected to be reimbursed by customers pursuant to the Authority's Master Cost Recovery Agreement, except where grants, incentives, or other approved funding sources apply; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further

iv. Workforce Development Funding – Request for Awards – Resolution

RESOLVED, that the Finance Committee recommends that the Authority's Board of Trustees approve funding of Workforce Development initiatives for an aggregate total of \$13 million for the Workforce Development initiative;

Training Provider:	Funding Allocation:
Energy Infrastructure Partners	\$520,000
LiUNA Local 17- Hudson Valley	\$500,000
LiUNA Local 210-Buffalo	\$540,000
Northland Workforce Training Center	\$500,000
Renaissance Technical Institute	\$500,000
SUNY Canton	\$440,000
NYS Department of Labor	\$10,000,000

and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that amounts currently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's General Resolution Authorizing Revenue Obligations, dated February 24, 1998, as amended and supplemented (the "General Bond Resolution"), that the aggregate amount of \$13 million in funding as described in the foregoing report is not needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution and that the release of such amount is feasible and advisable; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that as a condition to making the payments specified in the foregoing Memorandum, on the day of such payments, either the Executive Vice President & Chief Financial Officer or the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution; and be it further

v. Enterprise Office Furniture, Fixtures, and Equipment – Contract Award – Resolution

RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a 5-year contract to Waldner's Business Environments, Inc. in the amount of up to \$19.0 million; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further

vi. Release of Funds in Support of the Agricultural Consumer Electricity Discount Program – Resolution

RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees authorize the release of up to \$5 million from the Operating Fund during 2026 to support monthly payments for the Agricultural Consumer Electricity Discount Program as

authorized by Chapter 60 of the Laws of 2011 (as amended by Part QQ of Chapter 56 of the Laws of 2023) and as discussed in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that an amount up to \$5 million to support the Agricultural Consumer Electricity Discount Program described herein is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that as a condition to making the payments specified in the foregoing resolutions, on the day of such payment the Executive Vice President and Chief Financial Officer or the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

vii. SENY Uniformed Security Guards - Contract Award – Resolution

RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a 5-year contract to Aron Security dba Arrow Security in the amount of \$14.3 million; and be it further

RESOLVED, that the Finance Committee hereby recommends that the Trustees approve a maximum commitment amount of \$17 million, inclusive of the \$14.3 million contract award and a contract contingency to address identified project risks; and be it further

➤ **Board Acceptance of Finance Committee Recommendations**

On motion made by member Wheelock and seconded by member Gonzalez, the Board unanimously adopted the following resolution. (Member Warren, Jr., departed the meeting at 11:08 a.m.) (5-0)

RESOLUTION

RESOLVED, that the Trustees acknowledge receipt and consideration of the materials submitted to the Finance Committee on June 23, 2026, and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee as set forth in the foregoing report of the President and Chief Executive Officer.

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

f. Audit Committee Report

Acting Chair Koelmel presented the report, and stated that the Audit Committee met on Tuesday, July 28, 2026.

- The minutes from the March 31, 2026 Audit Committee meeting were adopted.

- The Committee received reports from the Internal Audit team:
 - 2026 Internal Audit Update
 - Chief Audit Executive (CAE) Required Communication to the Audit Committee
 - Internal Audit Strategy Update

There were no items that required a vote; therefore, no motions were necessary.

5. CONSENT AGENDA

On motion made by member Morris and seconded by member Cusick, the following resolutions were unanimously adopted. (5-0)

a. Customer Solutions

i. Extension of Hydropower Contracts with Upstate Investor-Owned Utilities for the Benefit of Rural and Domestic Consumers - Notice of Public Hearing

RESOLUTION

RESOLVED, That an extension of allocations of firm peaking power (175 megawatts (“MW”) for Niagara Mohawk Power Corporation d/b/a National Grid, 150 MW for New York State Electric and Gas Corporation, and 35 MW for Rochester Gas and Electric Corporation) through December 31, 2027, is hereby approved; and be it further

RESOLVED, That each proposed “2026 Amendment to 1990 Service Agreement” attached to the foregoing Memorandum (collectively, the “2026 Amendments”), is hereby approved; and be it further

RESOLVED, That the Corporate Secretary be, and hereby is, authorized to transmit copies of the proposed 2026 Amendments to the Governor, the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee pursuant to Public Authorities Law (“PAL”) § 1009; and be it further

RESOLVED, That the Corporate Secretary be and hereby is authorized to convene a public hearing on the proposed 2026 Amendments in accordance with the procedures set forth in PAL § 1009; and be it further

RESOLVED, That the Senior Vice President – Customer Solutions or her designee be, and hereby is, authorized, subject to approval of the form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the final 2026 Amendments on a month-to-month basis, if necessary, pending gubernatorial approval of the 2026 Amendments as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

ii. Extension of the Industrial Incentive Award to Pratt Paper (NY), Inc. and Economic Development Plan

RESOLUTION

RESOLVED, That the President and Chief Executive Officer and the Assistant General Counsel – Real Estate be, and hereby are, authorized to amend its lease with Bancker Construction Corp. to extend the term and add approximately 4,250 square feet of warehouse space located at 1600 Harrison Avenue, Bay Shore, New York on substantially the terms set forth herein, subject to approval of lease documents by the Executive Vice President and General Counsel or her designee; and be it further

RESOLVED, That the Assistant General Counsel – Real Estate, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

iii. Transfer of ReCharge New York & Replacement Power Allocations

RESOLUTION

RESOLVED, that the transfer of a 3,500 kilowatts (“kW”) Recharge New York (“RNY”) Power allocation awarded to Metal Container Corporation, for use at its facility located at 130 Breunig Road, New Windsor, New York 12553, to Metal Container (MCC) L.P., as described in the foregoing memorandum of the President and Chief Executive Officer (“Memorandum”), be, and hereby is, approved, subject to (1) the terms and conditions set forth in the foregoing Memorandum; and (2) such additional terms and conditions as may be required by the New York Power Authority (“Authority”) in contract documents prepared by the Authority to effectuate the transfer; and be it further

RESOLVED, that the transfer of a 300 kW Replacement Power (“RP”) allocation awarded to Honeywell International, Inc., for use at its facility located at 20 Peabody Street, Buffalo, New York 14210, to Solstice Advanced Materials US, Inc., as described in the foregoing Memorandum be, and hereby is, approved subject to (1) the terms and conditions set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, that the transfer of a 1,526 kW RNY Power allocation awarded to The Gunlocke Company L.L.C., for use at its facility located at One Gunlocke Drive, Wayland, New York 14572, to HNI Workplace Furnishings LLC, as described in the foregoing Memorandum be, and hereby is, approved subject to (1) the terms and conditions set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, that the transfer of 100 and 200 kW RP allocations awarded to Niagara Coatings Services, Inc., for use at its facilities located at 8045, 8025, and 8300 Quarry Road, Niagara Falls, NY 14304, to

Niagara Coatings Services, LLC, as described in the foregoing Memorandum be, and hereby is, approved subject to (1) the terms and conditions set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, that the transfer of a 276 kW RNY Power allocation awarded to Ginsberg's Institutional Foods, Inc., for use at its facility located at 29 Ginsbergs Road, Hudson, NY 12534, to Ginsberg's Institutional Foods LLC, as described in the foregoing Memorandum be, and hereby is, approved subject to (1) the terms and conditions set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, that the transfer of an 820 kW RNY Power allocation awarded to Pfaudler, Inc., for use at its facility located at 1000 West Avenue, Rochester, NY 14692, to GMM Pfaudler US Inc., as described in the foregoing Memorandum be, and hereby is, approved subject to (1) the terms and conditions set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, that the New York Power Authority Board of Trustees recommends that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

iv. Recharge New York Power – New, Extended and Modified Allocations

RESOLUTION

RESOLVED, That the Trustees hereby accept the recommendations of the Economic Development Power Allocation Board ("EDPAB") and approve the extension of each of the existing 65 Recharge New York ("RNY") Power allocations previously awarded, in the manner described in the accompanying memorandum of the President and Chief Executive Officer ("Memorandum"), for a term of seven years, to commence upon either (1) the expiration of the term of the existing allocation, or (2) at the Authority's discretion, on a date to be agreed upon by the Authority and the customer (collectively, the "Extended Term"), subject to the following conditions:

(a) the sale of the allocations as extended herein shall be made pursuant to the contract form approved by the Board of Trustees on March 26, 2019, and in accordance with Authority Service Tariff RNY-1; and

(b) in order to receive an extension of its allocation, the customer shall agree, for the Extended Term, to provide supplemental commitments related to jobs, capital investment and power utilization that are the same as, or substantially similar to, the recommendations (subject to adjustments described above) as determined by the Authority. Such supplemental commitments shall be incorporated into the final contract executed by the parties. RNY Power customers who do not have an ongoing project or expansion-related capital investment commitment shall be required to meet a minimum capital investment commitment, which may be satisfied through capital expenditures made over a five-year period; and be it further

RESOLVED, That the Trustees hereby accept the recommendations of the EDPAB and approve the two legal name modifications and/or adjustments to the RNY Power allocations, extensions, and/or

related supplemental commitments described in the Memorandum, for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendations of the EDPAB and approve the 11 new RNY Power allocations for retention purposes, for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendations of the EDPAB and approve the eight new RNY Power allocations for expansion purposes, for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendations of the EDPAB and approve the 18 RNY Power allocations for retention and/or expansion purposes to the small businesses and/or not-for-profit applicants, for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Senior Vice President, Customer Solutions, or such official's designee, is hereby authorized, on behalf of the Authority, to provide the final terms and conditions that will be applicable to the foregoing allocations and/or projects, including, without limitation, progress milestones and provisions for the expiration of any allocation in the event that such milestones are not met; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized, on behalf of the Authority and Canal Corporation, to do any and all things, take any and all actions, and to execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

v. Expansion Power Allocation

RESOLUTION

RESOLVED, That an allocation of 420 kilowatts ("kW") of Expansion Power ("EP") to Habasit America, Inc. ("Habasit") for a term of ten years, to support the company's proposed expansion at 1400 Clinton Street, Buffalo, New York, as detailed in the foregoing memorandum of the President and Chief Executive Officer ("Memorandum"), be and hereby is approved, subject to rates previously approved by the Board of Trustees; and be it further;

RESOLVED, that the New York Power Authority Board of Trustees recommends that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

vi. Preservation Power Allocation, Extension and Notice of Public Hearing

RESOLUTION

RESOLVED, That a new 2,000 kilowatt ("kW") allocation of Preservation Power ("PP") to TRPC Potsdam LLC ("TRPC") for a term of ten years, for use at the company's facility located at 547A Sissonville Road, Potsdam, New York, as detailed in the foregoing memorandum of the President and Chief Executive Officer ("Memorandum"), be, and hereby is, approved, subject to rates previously approved by the Board of Trustees; and be it further

RESOLVED, That an extension of the current 600 kilowatt ("kW") allocation of PP to Roth Industries Inc. ("Roth") for a term of ten years, for use at the company's facility located at 268 Bellew Avenue South, Watertown, New York as detailed in the foregoing memorandum of the President and Chief Executive Officer ("Memorandum"), be, and hereby is, approved, subject to rates previously approved by the Board of Trustees; and be it further

RESOLVED, That the Board of Trustees hereby authorize a public hearing pursuant to Public Authorities Law ("PAL") §1009 on the terms of the proposed form of the direct sale contracts with TRPC and Roth for the sale of the PP allocations (the "Contracts") for their respective terms; and be it further

RESOLVED, That the Corporate Secretary be, and hereby is, authorized to transmit a copy of the proposed Contracts to the Governor, the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee pursuant to PAL §1009; and be it further

RESOLVED, That the Senior Vice President, Customer Solutions or her designee be, and hereby is, authorized, subject to approval of the form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to maintain uninterrupted electric service and to implement the Contract with Roth on an interim month-to-month basis, if necessary, pending gubernatorial approval of the final Contract with Roth, as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

vii. Recommendation for the Award of Fund Benefits from the Western New York Economic Development Fund by the Western New York Power Proceeds Allocation Board

RESOLUTION

WHEREAS, The Western New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make awards of Fund Benefits from the Western New York Economic Development Fund to Riviera Theatre & Organ Preservation Society, Inc., BreadHive Worker Cooperative, the Buffalo and Erie County Botanical Gardens Society, Inc., and the Kenan Center, Inc., for the reasons set forth in the accompanying Memorandum of the President and Chief Executive Officer ("Memorandum") and the other information referred to therein;

NOW THEREFORE BE IT RESOLVED, that the Authority hereby accepts the recommendation of the Allocation Board and awards Fund Benefits to Riviera Theatre & Organ Preservation Society, Inc., BreadHive Worker Cooperative, Buffalo and Erie County Botanical Gardens Society, Inc., and the Kenan Center, Inc., in the amounts recommended in the attached Memorandum, for the reasons set forth in the attached Memorandum and other information referred to therein, provided, however, that (i) if an application proposes a project that must receive approvals and/or comply with other legal requirements, such as the State Environmental Quality Review Act, before it may proceed, such award shall not be made until Staff, on behalf of the Board of Trustees, receives appropriate notification that such legal approvals and/or requirements that are necessary for the project(s) to proceed have been satisfied, and (ii) such award shall be subject to further review by the Board of Trustees in the event that such approvals and/or legal requirements are not satisfied; and provided further that the awards are conditioned upon agreements between the Authority and the Riviera Theatre & Organ Preservation Society, Inc., BreadHive Worker Cooperative, the Buffalo and Erie County Botanical Gardens Society, Inc., and the Kenan Center, Inc., on the final terms and conditions that would be applicable to the awards, as set forth in a written award contract ("Award Contract") between the Authority and the applicants, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or such official's designee, as to form; and be it further

RESOLVED, That the Executive Vice President and Chief Operating Officer, or such official's designee, is authorized to negotiate with the applicants concerning such final terms and conditions applicable to the awards; and be it further

RESOLVED, That the Senior Vice President for Customer Solutions, or such official's designee, is authorized to execute, on behalf of the Authority, an Award Contract for these awards, subject to the foregoing conditions; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Senior Vice President for Customer Solutions, and any other officer of the Authority, are each hereby authorized to take any and all actions, and to execute and deliver any and all agreements, certificates and other documents, on behalf of the Authority, as may be necessary or appropriate to effectuate the foregoing resolutions.

b. Procurement (Services) Contracts

i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding

RESOLUTION

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts referenced hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the contracts referenced hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, that the New York Power Authority Board of Trustees and New York State Canal Corporation Board of Directors recommends that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the

Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

c. Real Estate

i. Acquisition of Real Property: Transmission Maintenance Facility, Town of Walworth, County of Wayne

RESOLUTION

RESOLVED, That the President and Chief Executive Officer and the Assistant General Counsel – Real Estate be, and hereby are, authorized to acquire, by purchase, a fee interest in a 122,916 square foot industrial building situated on approximately 23.4 acres of real property presently owned by OBI2, LLC, located in the Town of Walworth, County of Wayne, on substantially the terms set forth herein, subject to approval of documents by the Executive Vice President and General Counsel or her designee; and be it further

RESOLVED, That the Assistant General Counsel – Real Estate, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

ii. Agreement for Access to and Use of Sound Cable for Fiber Optic Strands

RESOLUTION

RESOLVED, That the President and Chief Executive Officer and the Assistant General Counsel – Real Estate be, and hereby are, authorized to enter into an agreement for access and use of two Sound Cable Project fiber optic strands to the New York State Office of Information Technology Services on substantially the terms set forth herein, subject to approval of agreement documents by the Executive Vice President and General Counsel or her designee; and be it further

RESOLVED, That the Assistant General Counsel – Real Estate, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

iii. Propel NY Energy Project: Acquisition of Permanent & Temporary Easement Rights, City of New Rochelle, County of Westchester

RESOLUTION

RESOLVED, That pursuant to the provisions of Article 5, Title 1 of the Public Authorities Law, the Authority hereby finds it necessary to acquire by license, permit, purchase, parkland alienation or eminent domain permanent and temporary easement rights over and across real property presently owned by the City of New Rochelle, County of Westchester, and hereby finds and determines that such real property is required for a public use and hereby determines that such real property is reasonably necessary for the pending Propel NY Energy Project; and be it further

RESOLVED, that the President and Chief Executive Officer and the Assistant General Counsel – Real Estate be, and hereby are, authorized to adopt the Authority's determination and findings stating that the exercise of its power of eminent domain to acquire the easement interests is required for a public use, and that acquisition of the easement interests is reasonably necessary to facilitate that public use; and be it further

RESOLVED, That the Assistant General Counsel – Real Estate, or designee, is hereby authorized to execute any and all other agreements, papers, or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

iv. Office Lease Extension: Massena, St. Lawrence County

RESOLUTION

RESOLVED, That the President and Chief Executive Officer and the Assistant General Counsel – Real Estate be, and hereby are, authorized to enter into a lease extension for Authority's use of office space on substantially the terms set forth herein, subject to approval of lease documents by the Executive Vice President and General Counsel or her designee; and be it further

RESOLVED, That the Assistant General Counsel – Real Estate, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

v. Warehouse Lease Extension: Bay Shore, Suffolk County

RESOLUTION

RESOLVED, That the President and Chief Executive Officer and the Assistant General Counsel – Real Estate be, and hereby are, authorized to amend its lease with Bancker Construction Corp. to extend the term and add approximately 4,250 square feet of warehouse space located at 1600 Harrison Avenue, Bay Shore, New York on substantially the terms set forth herein, subject to approval of lease documents by the Executive Vice President and General Counsel or her designee; and be it further

RESOLVED, That the Assistant General Counsel – Real Estate, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

d. Governance Matters

- i. Approval of the Minutes of the Joint Meeting of the New York Power Authority's Board of Trustees and Canal Corporation's Board of Directors held on May 19, 2026**
- ii. Approval of the Minutes of the Joint Special Meeting of the New York Power Authority's Board of Trustees and Canal Corporation's Board of Directors held on June 23, 2026**

On motion made and seconded, the Minutes of the Joint Meetings held on May 19, 2026, and June 23, 2026, were unanimously adopted.

6. Board Resolutions

- a. Joseph Gryzlo**
- b. Karen Delince**

Justin E. Driscoll, President and Chief Executive Officer, presented the resolution.

President Driscoll thanked Joseph Gryzlo, Vice President and Chief Ethics and Compliance Officer, for his dedicated service, upon his departure into retirement, highlighting Gryzlo's 35 years of distinguished service with the New York Power Authority. During his time Gryzlo played many roles including working at Indian Point. His guidance, advice and steadfastness have been relied on by all across the Authority.

President Driscoll and the entire organization extend their gratitude and best wishes as Gryzlo enters retirement.

Lori Alesio, Executive Vice President and General Counsel, presented the resolution.

- Alesio thanked Karen Delince, Vice President and Corporate Secretary, for her dedicated service upon her departure into retirement, highlighting Delince's many years of distinguished service with the New York Power Authority.
 - Alesio stated that Delince has demonstrated excellent qualities from her helpful nature, knowledge and professionalism to the pride she took in her role and the confidence she had in her team.
- Alesio and the entire organization extend their gratitude and best wishes as Delince enters retirement.

Gryzlo and Delince were presented with framed resolutions as a token of appreciation from the organization

On motion made by member Cusick and seconded by member Wheelock, the following resolutions were unanimously adopted. (5-0)

RESOLUTION

Whereas, Karen Delince built a foundational legal career centered on justice, equality and public service,
having earned her Juris Doctor from St. John's University School of Law; and

Whereas, prior to joining the New York Power Authority, she brought her sharp legal acumen and dedication to human rights to her impactful work at the American Civil Liberties Union; and

Whereas, Karen dedicated 17 years of exemplary service to the Power Authority, serving with distinction and integrity, and providing visionary leadership; and

Whereas, Karen served under more than two Chairpersons, three Vice Chairpersons, three Presidents and Chief Executive Officers, and four Executive General Counsels; and

Whereas, during her tenure, Karen oversaw and coordinated the governance of the Power Authority during a period of extraordinary growth as it added the New York Canal Corporation, formed two subsidiaries, managed three advisory boards and expanded the remit of the Office of the Corporate Secretary to seven boards and seven committees; and

Whereas, throughout these changes and expansions, Karen demonstrated exceptional dedication, professionalism, institutional knowledge and commitment to the mission and success of the Power Authority;

Whereas, Karen has been a vital mentor, championing the professional growth of her team, inspiring confidence and leading by brilliant example; and

Whereas, Karen's warmth, wisdom and unwavering support have made her an executive leader and a deeply respected and wonderful supervisor who will be profoundly missed; and

Whereas, after a lifetime of managing corporate timelines, board agendas, and organizational benchmarks, Karen established July 28, 2026, as her personal, absolute and non-negotiable deadline date for retirement;

Now, Therefore Be It Resolved, that we, the members of the New York Power Authority Board of Trustees, formally express our deepest gratitude for her transformative leadership and lasting contributions to the organization and the State of New York;

Be It Further Resolved, that we congratulate Karen on her well-deserved retirement and extend our warmest wishes for abundant health, happiness and fulfillment in her next chapter.

RESOLUTION

Whereas, Joseph Gryzlo, has served as the Chief Ethics and Compliance Officer for the New York Power Authority and Canal Corporation, with distinction, integrity and an unwavering dedication to the highest standards of ethical conduct and corporate responsibility; and

Whereas, while Joseph has served in various roles over his more than 30-year career at the Power Authority, his most distinguished role is that of Chief Ethics and Compliance Officer. Joseph assumed that role in 2011, and served as a trusted advisor, principled leader and steadfast guardian of the Power Authority and Canal Corporation's values and the guiding principles, and played a significant role in fostering a culture of integrity, accountability, transparency and respect; and

Whereas, Joseph consistently demonstrated professionalism and judgment in guiding the Power Authority and Canal Corporation through complex regulatory, compliance and ethical investigations, while earning the respect and confidence of his colleagues, executive leadership, members of the Board of Trustees/Directors, as well as external parties, including the Office of the Inspector General and the Commission on Ethics and Lobbying in Government; and

Whereas, through his leadership, the Power Authority and Canal Corporation's Ethics and Compliance programs have been strengthened and enhanced, ensuring that ethical decision making remains a cornerstone of our mission and operations; and

Whereas, Joseph built a well-deserved reputation for fairness, objectivity and open-mindedness, and while by his nature, he is aptly described as serious in demeanor, it is clear that he had a genuine affinity for the principles underlying government ethics and compliance, and for that reason he has always enjoyed providing ethics training to Power Authority and Canal Corporation employees, and was uniquely able to make it informative, entertaining, interactive and most importantly, impactful; and

Whereas, Joseph, keenly aware of the importance of transparency and ethics in government, was responsible for raising awareness on an enterprise-wide scale by creating an Ethics and Compliance page on the Power Authority's intranet, implementing a hotline for employees or members of the public to report fraud, waste and abuse, and developing user friendly Frequently Asked Questions to make ethics accessible to employees and encourage them to become more informed; and

Whereas, Joseph also fulfilled the role of mentor, teacher and role model, inspiring others through his fairness and philosophy to do what is right; and

Whereas, Joseph's contributions left a lasting and positive impact on the New York Power Authority and Canal Corporation, and its employees; and

Whereas, after a distinguished career marked by exemplary service and significant achievement, Joseph has announced his intent to retire;

Now, Therefore Be It Resolved, that the Board of Trustees of the New York Power Authority and the Board of Directors of the Canal Corporation hereby express deep gratitude and appreciation for Joseph's more than 30 years of service and outstanding leadership as the Chief Ethics and Compliance Officer;

Be It Further Resolved, that the Board of Trustees and the Board of Directors extend warmest congratulations and best wishes to Joseph for a healthy, fulfilling and rewarding retirement.

7. Next Meeting

The next meeting of the Joint Meeting of the New York Power Authority Board of Trustees and New York State Canal Corporation Board of Directors will be held on Tuesday, September 29, 2026.

Adjournment

The meeting was adjourned by member Wheelock and seconded by member Cusick at approximately 12:08 p.m. (5-0)

Felisa Hochheiser

Felisa Hochheiser
Vice President and Corporate Secretary



September 29, 2026

Next Meeting

The next meeting of the New York Power Authority's Trustees and the Canal Corporation's Board of Directors will be held on Tuesday, December 8, 2026, unless otherwise designated by the Chairman with the concurrence of the members.