

POWER AUTHORITY OF THE
STATE OF NEW YORK

AMENDED AND RESTATED RESOLUTION
AUTHORIZING COMMERCIAL PAPER NOTES

Adopted November 25, 1997

AMENDING AND RESTATING A RESOLUTION OF THE
THE AUTHORITY AUTHORIZING COMMERCIAL
PAPER NOTES ADOPTED JUNE 28, 1994

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AMENDED AND RESTATED RESOLUTION AUTHORIZING
COMMERCIAL PAPER NOTES

WHEREAS, on June 28, 1994 the Authority adopted a Resolution Authorizing Commercial Paper Notes (the "Initial Resolution") pursuant to the terms of which the Authority authorized the issuance of Commercial Paper Notes the principal amount of which outstanding at any time shall not exceed \$300,000,000, approximately \$188,000,000 principal amount of which are currently outstanding;

WHEREAS, pursuant to Section 602 of the Initial Resolution the Authority may modify or amend the Initial Resolution at any time without notice to or the consent of any Holder in order (i) to increase the aggregate principal amount of Commercial Paper Notes that may be outstanding or (ii) to make such provisions as shall not materially and adversely affect the interests of the holders of outstanding Commercial Paper Notes; and

WHEREAS, the Authority has determined to increase the maximum principal amount of Commercial Paper Notes that may be outstanding at any time and to expand the purposes for which Commercial Paper Notes may be issued as herein provided; and

WHEREAS, in order to accomplish the foregoing the Authority has determined to modify and amend the Initial Resolution in the manner herein provided and hereby determines that such modifications and amendments will not materially and adversely affect the interests of holders of outstanding Commercial Paper Notes; and

BE IT RESOLVED by the Power Authority of the State of New York, that, subject to the provisions of Section 607 hereof, the Initial Resolution is hereby amended and restated to read in its entirety as follows:

ARTICLE I

DEFINITIONS

SECTION 101. Definitions. (A) Except as provided in paragraph (B) of this Section 101, all terms which are defined in Section 101 of the General Purpose Bond Resolution adopted by the Authority on November 26, 1974, as heretofore and hereafter amended and supplemented in accordance with the terms thereof (the "General Purpose Bond Resolution"), shall have the same meanings, respectively, in this Resolution as such terms are given in said Section 101 of the General Purpose Bond Resolution.

(B) In this Amended and Restated Resolution (hereinafter referred to as the "Resolution"), unless a different meaning clearly appears from the context:

(1) The terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof”, “hereinafter”, and any similar terms, refer to this Resolution, and the term “hereafter” means after the date of adoption of this Resolution;

(2) Words importing the singular number include the plural number and vice versa and words importing persons include firms, associations and corporations. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders;

(3) Any headings preceding the texts of the several Articles and Sections of this Resolution, and any table of contents shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect;

(4) “Authorized Officer” means the Chairman, Vice Chairman, President and Chief Operating Officer, Executive Vice President and Chief Financial Officer, Treasurer, or Deputy Treasurer of the Authority, or such other officer of the Authority as may be designated by the Authority;

(5) “Business Day” means a day other than a Saturday, Sunday or banking holiday in the State of New York;

(6) “Commercial Paper Notes” means the notes issued from time to time under the Initial Resolution and this Resolution;

(7) “Credit Agreements” means (i) the 1994 Revolving Credit Agreement authorized hereunder among the Authority, Citibank, N.A., the other banks named therein, and Citibank, N.A., as Agent, the 1997 Revolving Credit Agreement authorized hereunder among the Authority, Morgan Guaranty Trust Company of New York and the other banks named therein, and Morgan Guaranty Trust Company of New York, as Agent, or any comparable agreement or agreements with any other bank or banks, as the same may be amended or supplemented from time to time or (ii) any additional revolving credit agreement between the Authority and the bank or banks named therein authorized by an Authorized Officer as the same may be amended or supplemented from time to time;

(8) “Dealer” means any of the dealers appointed pursuant to the Section 310 hereof or any additional dealer or any successor entity or entities thereto which may be appointed as a Dealer hereunder by the Authority (all such dealers collectively, the “Dealers”);

(9) “Dealer Agreements” means the dealer agreements authorized hereunder or any comparable agreement or agreements with any other Dealer or Dealers authorized

by an Authorized Officer (collectively, the "Dealer Agreements"), as the same may be amended or supplemented from time to time;

(10) "General Purpose Bonds" means any of the General Purpose Bonds of the Authority issued under the General Purpose Bond Resolution;

(11) "Holder" or any similar term, when used with reference to a Commercial Paper Note, means the party or person who shall be the bearer or registered owner, as appropriate, of the Commercial Paper Note provided, however, that "Holder" when used with reference to Commercial Paper Notes issued through a Securities Depository and evidenced by a Master Note, shall mean the registered owner of such Master Note as shown on the books of the Issuing and Paying Agent;

(12) "Initial Resolution" means the Resolution Authorizing Commercial Paper Notes in an amount not to exceed \$300,000,000 adopted on June 28, 1994 by the Authority;

(13) "Issuing and Paying Agency Agreement" means the Issuing and Paying Agency Agreement authorized hereunder between the Authority and the Issuing and Paying Agent, as the same may be amended and supplemented from time to time, or any comparable agreement or agreements with any other Issuing and Paying Agent, as the same may be amended or supplemented from time to time;

(14) "Issuing and Paying Agent" means an agent appointed by the Authority pursuant to Section 307 hereof, or any successor entity which may be appointed by an Authorized Officer as an Issuing and Paying Agent hereunder;

(15) "Master Note" means any Commercial Paper Master Note Depository Trust Company Form, or comparable form, by and between the Authority and the Issuing and Paying Agent evidencing the issuance of Commercial Paper Notes by the Authority from time to time;

(16) "Offering Memorandum" or "Offering Memoranda" means the offering memorandum or offering memoranda prepared in connection with the issuance of any Commercial Paper Notes by the Authority and any supplements or additions to such documents or documents as may be necessary from time to time in connection with the issuance and sale of Commercial Paper Notes;

(17) "Resolution" means this Amended and Restated Resolution Authorizing Commercial Paper Notes of the Authority adopted November 25, 1997;

(18) "Securities Depository" means The Depository Trust Company, or any other Holder of a Commercial Paper Note acting as a central securities depository for the Commercial Paper Notes or a portion of the Commercial Paper Notes, as authorized

pursuant to Section 311 of this Resolution, and its successors and assigns, or if any Securities Depository resigns from its function as depository of the Commercial Paper Notes, any other securities depository which agrees to follow the procedures required to be followed by the Securities Depository in connection with such Commercial Paper Notes or such portion of the Commercial Paper Notes, and which is selected by the Authority;

(19) "Series V Bonds" means the General Purpose Bonds designated "Series V"; and

(20) "State" means the State of New York.

ARTICLE II

OBLIGATION OF RESOLUTION AND COMMERCIAL PAPER NOTES

SECTION 201. Authority for the Resolution. This Resolution is adopted in accordance with and pursuant to the Act.

SECTION 202. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Commercial Paper Notes authorized to be issued hereunder by those who shall be a Holder of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Authority and each of the Holders from time to time of the Commercial Paper Notes, and such provisions are covenants and agreements with such Holders which the Authority hereby determines to be necessary and desirable for the security and payment thereof. The covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Commercial Paper Notes, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Commercial Paper Notes over any other except as expressly provided in or permitted by this Resolution.

SECTION 203. Obligation of Commercial Paper Notes. The Commercial Paper Notes shall be direct and general obligations of the Authority payable from any moneys of the Authority available therefor and not otherwise pledged, including the proceeds of any obligations of the Authority issued for the repayment of the Commercial Paper Notes. Nothing herein or in the Commercial Paper Notes shall be construed to create a charge or lien or right prior or equal to the charge or lien created by the General Purpose Bond Resolution or prior or equal to the rights of holders of obligations issued or to be issued thereunder. The Authority reserves the right to issue additional obligations (i) under the General Purpose Bond Resolution, or (ii) for the purpose of refunding obligations issued under the General Purpose Bond Resolution, under separate bond resolutions or note resolutions, whether heretofore or hereafter adopted by the Authority. Nothing herein or in the Commercial Paper Notes shall be construed to create a charge or lien prior or equal to the charge or lien created by any resolution adopted for the purpose of refunding General Purpose Bonds or prior or equal to the rights of holders of obligations which may be issued thereunder for the purpose of refunding General Purpose Bonds or for any other purpose. The Authority has outstanding and also reserves the right without limitation to issue additional direct and general obligations payable from any moneys of the Authority available therefor and not otherwise pledged, and to establish separate funds and accounts to secure the payment of such obligations. The right to payment of the holders of any such obligations issued by the Authority may not, except as to any separate fund or account established from the proceeds of any such obligations to secure the payment thereof, be prior to the rights of the holders of the Commercial Paper Notes to be issued under this Resolution.

ARTICLE III

AUTHORIZATION, TERMS AND ISSUANCE OF COMMERCIAL PAPER NOTES

SECTION 301. Authorization of Issue of Commercial Paper Notes. Commercial Paper Notes in the principal amount set forth below are hereby authorized to be issued for the purposes set forth in Section 401 hereof. In order to distinguish between Commercial Paper Notes the proceeds of which will be used for various purposes authorized herein, the Commercial Paper Notes are hereby authorized to be issued in separate series and to bear separate distinguishing designations. Pursuant to the Initial Resolution the Authority has heretofore authorized the issuance of Commercial Paper Notes (hereinafter referred to as the "Series 1 Notes") in a principal amount not to exceed \$300,000,000 outstanding at any time. Such authorization is hereby ratified and confirmed. In order to distinguish the Series 1 Notes from other Commercial Paper Notes hereafter issued, all Series 1 Notes hereafter issued shall bear the designation "Commercial Paper Notes, Series 1." The Authority hereby authorizes the issuance of two additional series of Commercial Paper Notes which respectively shall bear the designations "Commercial Paper Notes, Series 2" (such series being hereinafter referred to as the "Series 2 Notes") and "Commercial Paper Notes, Series 3" (such series being hereinafter referred to as the "Series 3 Notes"). Subject to Section 602, the principal amount of all Series 1 Notes outstanding at any time shall not exceed \$300,000,000, the principal amount of all Series 2 Notes outstanding at any time shall not exceed \$300,000,000 and the principal amount of all Series 3 Notes outstanding at any time shall not exceed \$350,000,000. For purposes of the foregoing sentence, no Commercial Paper Note shall be deemed to be outstanding on its date of maturity to the extent that one or more Commercial Paper Notes, the proceeds of which are to be used to pay such Commercial Paper Note, have been sold on such day. In addition, no Commercial Paper Note shall be deemed outstanding hereunder if, on the final maturity date of such Commercial Paper Note sufficient funds for the payment of such Commercial Paper Note are held by the Issuing and Paying Agent for the Holders of such Commercial Paper Note. The Commercial Paper Notes shall otherwise be subject to the terms, conditions and limitations provided or referred to herein, in the Issuing and Paying Agency Agreement and in the Act. The Authority may create additional series or subseries or designate and redesignate the Commercial Paper Notes in such a manner as may be determined by an Authorized Officer.

SECTION 302. General Terms of the Commercial Paper Notes. The Commercial Paper Notes of each Series herein authorized shall be issued in the denomination of \$100,000 or any integral multiple thereof as determined by an Authorized Officer, shall be dated the date of their delivery from time to time hereunder and shall be numbered consecutively from 1 upwards in order of their issuance, prefixed by the applicable designation to identify the appropriate series (i.e., CP1-1, CP2-1 or CP3-1) and may bear such other or alternative identification as an Authorized Officer may deem appropriate. The Commercial Paper Notes may be issued in bearer or registered form. The Commercial Paper Notes issued in registered form may be issued through the book-entry system of a Securities Depository upon the

determination of an Authorized Officer. The Commercial Paper Notes shall mature on such dates as shall be determined by an Authorized Officer; provided that the term of any Commercial Paper Note (1) shall not exceed 270 days from the date of its issue, and (2) shall not extend beyond a date which is two business days prior to the termination date of the Credit Agreement relating to such Commercial Paper Notes in effect at the time that such Commercial Paper Note is issued. The Commercial Paper Notes shall be payable at the office of the Issuing and Paying Agent in New York, New York, in any coin or currency of the United States of America which shall then be legal tender for the payment of public and private debts. The Commercial Paper Notes shall not be subject to redemption prior to maturity.

The Series 1 Notes and the Series 2 Notes shall be issued bearing interest at a rate per annum determined by an Authorized Officer in accordance with Section 306. The Series 3 Notes shall be issued on a discount basis or on an interest-bearing basis, as directed by an Authorized Officer. In no event shall the interest rate borne by any Commercial Paper Note (or the effective interest rate in the case of discounted Commercial Paper Notes) exceed twelve percent (12%) per annum unless such higher rate is approved by the Chairman and Chief Executive Officer, Vice Chairman, President and Chief Operating Officer or Executive Vice President and Chief Financial Officer of the Authority upon recommendation of the appropriate Dealer, after certification by such Dealer that a substantial likelihood exists that such Commercial Paper Note could not be marketed at the maximum rate in light of then-existing market conditions, provided, however, that any Commercial Paper Note bearing such higher rate shall not have a maturity date which extends more than 30 days beyond the issue date.

SECTION 303. Form of Commercial Paper Notes. Each series of Commercial Paper Notes shall be evidenced by a separate Master Note entered into between the Authority and the Issuing and Paying Agent. The Master Notes evidencing the issuance of each series of Commercial Paper Notes by the Authority shall be in substantially the form attached hereto as **Exhibit A**. Commercial Paper Notes issued directly by the Authority shall be in substantially the form attached hereto as **Exhibit B**.

SECTION 304. No Recourse on Commercial Paper Notes. No recourse shall be had for the payment of the Commercial Paper Notes or for any claim based thereon or on this Resolution against any Trustee, officer or employee of the Authority or any person executing the Commercial Paper Notes and neither the Trustees of the Authority nor any other person executing the Commercial Paper Notes shall be subject to any personal liability or accountability by reason of the issuance thereof. The Commercial Paper Notes are not and shall not be in any way a debt or liability of the State, and the State shall not be liable on the Commercial Paper Notes, and the Commercial Paper Notes are not and shall not be payable out of any funds other than those of the Authority.

SECTION 305. Execution and Validation of Commercial Paper Notes. The Chairman and Chief Executive Officer, the Vice Chairman, the President and Chief Operating Officer, or the Executive Vice President and Chief Financial Officer of the Authority are, and

each hereby is, authorized and directed to execute by his or her manual or facsimile signature the Commercial Paper Notes in the name of the Authority and the corporate seal (or a facsimile thereof) shall be affixed, imprinted, engraved or otherwise reproduced thereon, if necessary. In case any such Authorized Officer who shall have signed the Master Note issued through a Securities Depository or any Commercial Paper Notes not issued through a Securities Depository, shall cease to be such Authorized Officer before the Master Note shall have been executed by the Issuing and Paying Agent or the Commercial Paper Notes shall have been authenticated by the Issuing and Paying Agent, the Commercial Paper Notes may nevertheless be issued as though the person who signed such notes had not ceased to be such Authorized Officer.

In the event the Commercial Paper Notes are issued through a Securities Depository, the Issuing and Paying Agent is hereby authorized (1) to execute by manual signature the Master Note and deliver the same to a Securities Depository upon the order of an Authorized Officer and (2) to proceed with the issuance of additional obligations under the Master Note in such amounts, at such times and pursuant to such terms as the Treasurer of the Authority, Deputy Treasurer of the Authority or any other Authorized Officer shall specify in accordance with the terms of the Issuing and Paying Agency Agreement and applicable Dealer Agreement. Such directions may be given orally in accordance with the terms of the Issuing and Paying Agency Agreement (unless advice shall be given by electronic data processing (“EDP”) message or telecopy, in which event such EDP message or telecopy shall be considered written instructions).

In the event the Commercial Paper Notes are not issued through a Securities Depository, the Issuing and Paying Agent is hereby authorized to authenticate by manual or facsimile signature the Commercial Paper Notes and deliver the same to the purchasers upon the order of an Authorized Officer, in such amounts, at such times, and in either bearer or registered form, in each case as the Issuing and Paying Agent shall be directed by the Treasurer of the Authority, Deputy Treasurer of the Authority or any other Authorized Officer in accordance with the terms of the Issuing and Paying Agency Agreement and the applicable Dealer Agreement. Such directions may be given orally in accordance with the terms of the Issuing and Paying Agency Agreement (unless advice shall be given by EDP message or telecopy, in which event such EDP message or telecopy shall be considered written instructions).

SECTION 306. Issue and Sale of Commercial Paper Notes. Commercial Paper Notes may be sold and issued under the terms of this Resolution whenever the Treasurer of the Authority, Deputy Treasurer of the Authority or any other Authorized Officer shall prescribe the terms of such Commercial Paper Notes (including the principal amount of such Commercial Paper Notes, the interest rate (if applicable) pertaining to such Commercial Paper Notes, the dates of such Commercial Paper Notes and the maturity dates thereof) and the issuance thereof by the Issuing and Paying Agent, all pursuant to Section 302 hereof and the Issuing and Paying Agency Agreement. Such directions (the “Issuance Request”) prescribing the terms of the Commercial Paper Notes may be given orally in accordance with the terms of the Issuing and Paying Agency Agreement (unless advice shall be given by EDP message or telecopy, in which

event such EDP message or teletype shall be considered written instructions). The Commercial Paper Notes shall be sold at such purchase price as shall be determined by an Authorized Officer.

SECTION 307. Appointment of Issuing and Paying Agent. The Chase Manhattan Bank ("Chase") is hereby appointed as an Issuing and Paying Agent, and any Authorized Officer is hereby authorized to enter into an Issuing and Paying Agency Agreement with Chase or with any other Issuing and Paying Agent appointed upon the direction of an Authorized Officer. The Issuing and Paying Agency Agreement is in substantially the form submitted at this meeting, with such changes, insertions and omissions as may be approved by such Authorized Officer, including, but not limited to, changes as may be required in connection with the establishment of a book-entry-only registration system in accordance with Section 311 hereof, the execution of the Issuing and Paying Agency Agreement to be conclusive evidence of such approval.

SECTION 308. Transfer of Commercial Paper Notes.

(1) Bearer Notes. In the case of bearer Commercial Paper Notes, the Authority and the Issuing and Paying Agent may treat the Holder of any Commercial Paper Note as the absolute owner of such Commercial Paper Note for the purpose of receiving payment thereof and for all other purposes, and neither the Authority nor the Issuing and Paying Agent shall be affected by any notice or knowledge to the contrary.

(2) Registered Notes. (a) In the case of registered Commercial Paper Notes, each Commercial Paper Note shall be transferable only upon the books of the Issuing and Paying Agent, which shall be kept for that purpose at the office of the Issuing and Payment Agent designated in the Issuing and Paying Agency Agreement, by the registered owner thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Issuing and Payment Agent duly executed by the registered owner or his or her duly authorized attorney. Upon the transfer of any such Commercial Paper Note, the Issuing and Paying Agent shall issue in the name of the transferee a new Commercial Paper Note of the same aggregate principal amount and maturity as the surrendered Commercial Paper Note.

(b) The Authority and the Issuing and Paying Agent may deem and treat the person in whose name any Commercial Paper Note shall be registered upon the books of the Issuing and Paying Agent as the absolute owner of such Commercial Paper Note, whether such Commercial Paper Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Commercial Paper Note and for all other purposes, and all such payments so made to any such registered owner or upon his or her order shall be valid and effectual to satisfy and discharge the liability upon such Commercial Paper Note to the extent of the sum or sums so paid, and neither the Authority nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

(3) Master Note. (a) The ownership and transfer of any Master Note shall be registered on books of the Issuing and Paying Agent, which shall be kept for that purpose at the office of the Issuing and Paying Agent. Any Master Note shall be transferable by the registered owner thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Issuing and Paying Agent duly executed by the registered owner or his or her duly authorized attorney. Upon the registration of transfer of a Master Note, the Issuing and Paying Agent shall issue in the name of the transferee a new Master Note, evidencing the Authority's obligations with respect to the same book-entry Commercial Paper Notes as the instrument surrendered.

(b) The Securities Depository and/or its nominee shall be deemed to be and be treated by the Authority and the Issuing and Paying Agent as the sole and exclusive Holder of each Master Note and of all book-entry Commercial Paper Notes evidenced thereby, and the beneficial owners of book-entry Commercial Paper Notes shall not be deemed to be or treated as the Holders thereof, for the purposes of payment of the principal of or interest on such book-entry Commercial Paper Notes, payments under such Master Note, giving any notice permitted or required to be given to Holders under this Resolution, registering the transfer of such Master Note, obtaining any consent or other action to be taken by Holders, and for any and all other purposes whatsoever, and neither the Authority nor the Issuing and Paying Agent shall be affected by any notice to the contrary. The Issuing and Paying Agent shall pay all principal of and interest on book-entry Commercial Paper Notes only to or upon the order of the Securities Depository and/or its nominee, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal of and interest on such book-entry Commercial Paper Notes to the extent of the sum or sums so paid.

SECTION 309. Authorization of Sale and Distribution of Offering Memorandum. The Commercial Paper Notes shall be sold to the purchasers thereof in accordance with the terms and conditions of this Resolution, the Issuing and Paying Agency Agreement and the applicable Dealer Agreement, and the Issuing and Paying Agent is hereby directed and authorized to deliver the Commercial Paper Notes to a Securities Depository or the purchasers thereof upon the direction of an Authorized Officer, in accordance with the terms of this Resolution, the applicable Dealer Agreement and the Issuing and Paying Agency Agreement. Any Authorized Officer is hereby authorized to issue an Offering Memorandum or other offering statement, in conjunction with any Dealer, containing such information concerning the Commercial Paper Notes or any series thereof, the Authority and its financial condition and such other information as such Authorized Officer shall approve and to revise and update the same. The Authority hereby approves the use of any such Offering Memorandum in connection with the sale of the Commercial Paper Notes. The Authority hereby approves the use of the Offering Memorandum in the form presented at this meeting, with such changes, insertions, deletions, amendments, and supplements as such Authorized Officer shall approve.

SECTION 310. Appointment of Dealers; Authorization of Credit Agreements and Dealer Agreements. The appointment of Artemis Capital Group, Inc and Lehman Brothers

Inc. as Dealers for the Series 1 Notes is hereby ratified and confirmed. PaineWebber Incorporated and Smith Barney Inc. are hereby appointed as Dealers for the Series 2 Notes. J.P. Morgan Securities, Inc. and Goldman, Sachs & Co. are hereby appointed as Dealers for the Series 3 Notes. The execution and delivery of the Credit Agreement(s) and the Dealer Agreement(s), in the forms submitted at this meeting, are hereby authorized. Any Authorized Officer is hereby authorized to execute and deliver one or more Credit Agreements and one or more Dealer Agreements with such changes, insertions and omissions as may be approved by such Authorized Officer, the execution of such Credit Agreements and the Dealer Agreements to be conclusive evidence of such approval.

SECTION 311. Book-Entry-Only System of Commercial Paper Note Registration.

(1) Notwithstanding any other provision of this Resolution, the Authority may employ a book-entry-only system of note registration with respect to all or any of the registered Commercial Paper Notes, all as more fully set forth in subsections 2 and 3 of this Section. Any provisions of the Resolution inconsistent with book-entry-only Commercial Paper Notes shall not be applicable to such book-entry-only Commercial Paper Notes.

(2) Except as an Authorized Officer may specify by delivery of a certificate, a book-entry-only system of Commercial Paper Note registration shall be employed by the Authority. Depository Trust Company shall act as the initial Securities Depository for the Commercial Paper Notes. Each Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority a Master Note, letter of representation or other agreements, documents or instruments in connection with the implementation or operation of such a book-entry-only system and (ii) may prescribe changes to the form of Commercial Paper Note required by **Exhibit B** to the extent necessary or convenient to make such Commercial Paper Note or Notes eligible for deposit under such a book-entry-only system. The provisions of any letter of representation or other agreement with a Securities Depository shall be deemed to be incorporated in this Resolution and, in accordance with subsection 1 of this Section 311, any provision of this Resolution inconsistent with such letter or agreement shall be deemed amended with respect to Commercial Paper Notes thereafter issued in book-entry-only form.

(3) With respect to all book-entry Commercial Paper Notes, neither the Authority nor the Issuing and Paying Agent shall have any responsibility or obligation to any Securities Depository participant or indirect participant, or any nominee of any thereof, any person claiming a beneficial ownership interest in book-entry Commercial Paper Notes under or through the Securities Depository or any Securities Depository participant or indirect participant, or any other person which is not shown on the books of the Issuing and Paying Agent as being the Holder of a Master Note, with respect to: (1) sending transaction statements; (2) maintaining, supervising or reviewing, or the

accuracy of, any records maintained by the Securities Depository or any Securities Depository participant or other nominees of such beneficial owners; (3) payment or the timeliness of payment by the Securities Depository to any Securities Depository participant, or by any Securities Depository participant or other nominees of beneficial owners to any beneficial owners, of any amount in respect of the principal of or interest on book-entry Commercial Paper Notes; (4) delivery or timely delivery by the Securities Depository to any Securities Depository participant, or by any Securities Depository participant or other nominees of beneficial owners to any beneficial owners, of any notice which is permitted or required to be given to Holders under this Resolution; or (5) any action taken by the Securities Depository or its nominee as Holder of book-entry Commercial Paper Notes.

The Authority and the Issuing and Paying Agent may treat as, and deem the nominee or Securities Depository to be, the absolute owner of each Commercial Paper Note issued as a book-entry-only Commercial Paper Note for the purpose of payment of the principal of and interest on such Commercial Paper Note, for other matters with respect to such Commercial Paper Note, for the purpose of registering transfers with respect to such Commercial Paper Note, and for all other purposes whatsoever.

(4) The Securities Depository may determine not to continue to act as securities depository for the Commercial Paper Notes, and the Authority may determine to discontinue the book-entry-only issuance of the Commercial Paper Notes through the Securities Depository and in such case shall deliver a certificate to the Issuing and Paying Agent and the affected Dealer to that effect. In either case, if the Authority determines to replace the Securities Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of one or more new, separate, fully registered Master Notes, registered in the name of such successor or substitute qualified securities depository or its nominee, or make such other arrangements acceptable to the Authority, the Issuing and Paying Agent and the replacement Securities Depository as are not inconsistent with the terms of this Resolution. If the Authority fails to identify another securities depository to replace the Securities Depository, the Authority may amend this Resolution pursuant to Section 602 and shall deliver to the Issuing and Paying Agent for safekeeping, completion, authentication and delivery in accordance with the provisions of this Resolution, as so amended, and of the Issuing and Paying Agency Agreement, Commercial Paper Notes executed on behalf of the Authority, with the date of issuance, principal amount, maturity date, owner and rate of interest left blank. Each such Commercial Paper Note instrument shall be held in safekeeping by the Issuing and Paying Agent until authenticated and issued in accordance with the provisions of this Resolution and of the Issuing and Paying Agency Agreement.

SECTION 312. Commercial Paper Notes Mutilated, Lost, Destroyed or Stolen.
If any Commercial Paper Note shall become mutilated, the Authority, at the expense of the Holder of said Commercial Paper Note, shall execute and deliver a new Commercial Paper Note

of like tenor, series and number in exchange and substitution for the Commercial Paper Note so mutilated, but only upon surrender to the Authority of the Commercial Paper Note so mutilated. If any Commercial Paper Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft shall be submitted to the Authority and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the owner, shall execute and the Issuing and Paying Agent shall countersign and deliver a new Commercial Paper Note of like tenor, series and number in lieu of and in substitution for the Commercial Paper Note so lost, destroyed or stolen. Neither the Authority nor the Issuing and Paying Agent shall be required to treat both the original Commercial Paper Note and any duplicate Commercial Paper Note as being outstanding for the purpose of determining the amount of Commercial Paper Notes which may be issued hereunder, but both the original and the duplicate Commercial Paper Note shall be treated as one and the same.

ARTICLE IV

APPLICATION OF COMMERCIAL PAPER NOTE PROCEEDS

SECTION 401. Application of Proceeds.

The Commercial Paper Notes are being issued, and the proceeds of sale of each series of Commercial Paper Notes shall be applied as follows:

Series 1 Notes (a) to pay any costs in connection with the Authority's current and future energy services programs, including its energy services program for its public customers in southeastern New York, its program to utilize energy efficiency opportunities in new construction and major renovation projects for its public customers in southeastern New York, its programs for the implementation of energy conservation measures in State-owned facilities, county and municipal facilities, and public school districts and community colleges in the State, including the repayment of any obligations issued for such purposes, (b) to pay the principal of and interest on any notes issued by the Authority pursuant to a resolution of the Authority adopted on February 25, 1986, authorizing an agreement between the Authority and Morgan Guaranty Trust Company of New York and the issuance of notes thereunder in an aggregate amount not to exceed \$150,000,000 outstanding at any time, and any subsequent resolution of the Authority providing for renewal of loan arrangements authorized by the foregoing, (c) to refund any Series 1 Notes, (d) for payment of any Series 1 Notes at their maturity, (e) to repay any amounts outstanding on the related Credit Agreement, (f) to pay costs incurred in connection with the issuance of the Notes, or (g) for any other purposes subsequently approved by the Authority's Trustees.

Series 2 Notes (a) to refund a portion of the Authority's outstanding Series V Bonds of the Authority, (b) to refund any Series 2 Notes, (c) to pay any Series 2 Notes at their maturity, (d) to repay any amounts outstanding on the related Credit Agreement, or (e) for any other purposes subsequently approved by the Authority's Trustees.

Series 3 Notes (a) to refund a portion of the Authority's outstanding General Purpose Bonds, (b) to refund any Series 3 Notes, (c) to pay any Series 3 Notes at their maturity, (d) to repay any amounts outstanding on the related Credit Agreement, (e) to pay costs incurred in connection with the issuance of the Notes, or (f) for any other purposes subsequently approved by the Authority's Trustees.

SECTION 402. Application of Note Proceeds; Note Proceeds Accounts. The Issuing and Paying Agent under this Resolution is hereby directed to establish an account of the Authority to be designated the "Series _ Note Proceeds Account" relating to each series of Commercial Paper Notes authorized and issued by the Authority. The proceeds of the sale of each series of Commercial Paper Notes shall be deposited in the Note Proceeds Account relating to such series. At the direction of an Authorized Officer, moneys in the Series 1 Note Proceeds

Account, (1) other than the proceeds of the Series 1 Notes issued to refund Series 1 Notes, to pay other Series 1 Notes at their maturity, or to pay costs incurred in connection with the issuance of Commercial Paper Notes, shall be transferred to the Energy Conservation Construction and Effectuation Fund or such other Authority fund or account deemed appropriate by the Authority, (2) shall be transferred to the Issuing and Paying Agent for the purpose of refunding Series 1 Notes or paying principal of and interest on Series 1 Notes at maturity, (3) shall be applied to repay any amounts outstanding under the related Credit Agreement, or (4) shall be applied to pay costs incurred in connection with the issuance of Commercial Paper Notes. At the direction of an Authorized Officer, moneys in the Series 2 Note Proceeds Account, (1) other than the proceeds of the Series 2 Notes issued to refund Series 2 Notes or to pay other Series 2 Notes at their maturity, shall be transferred to an Escrow Fund to be established by the Authority for the purpose of refunding certain outstanding obligations of the Authority, (2) shall be transferred to the Issuing and Paying Agent for the purpose of refunding Series 2 Notes or paying principal of and interest on Series 2 Notes at maturity, or (3) shall be applied to repay any amounts outstanding under the related Credit Agreement. At the direction of an Authorized Officer, moneys in the Series 3 Note Proceeds Account, (1) other than the proceeds of the Series 3 Notes issued to refund Series 3 Notes, to pay other Series 3 Notes at their maturity, or to pay costs incurred in connection with the issuance of Commercial Paper Notes, shall be transferred to an Escrow Fund to be established by the Authority for the purpose of refunding certain outstanding obligations of the Authority, (2) shall be transferred to the Issuing and Paying Agent for the purpose of paying principal of and interest on Series 3 Notes at maturity, (3) shall be applied to repay any amounts outstanding under the related Credit Agreement, or (4) shall be applied to pay costs incurred in connection with the issuance of Commercial Paper Notes. Monies in such Note Proceeds Accounts may also be used for any other purposes subsequently authorized by the Authority's Trustees. The Issuing and Paying Agent is hereby authorized to create such funds, accounts and sub-accounts in accordance with this Resolution as necessary for the administration of the Authority's commercial paper program.

SECTION 403. Non-Presented Commercial Paper Notes. Any monies held by the Issuing and Paying Agent for the Holders of matured Commercial Paper Notes which shall remain unclaimed by such Holders after the date on which such Commercial Paper Notes shall have matured, shall be paid to the Authority upon the request of the Authority to the Issuing and Paying Agent, in accordance with the Issuing and Paying Agency Agreement. Upon such payment to the Authority, the Authority shall hold such monies in trust for the Holders of such matured Commercial Paper Notes, and such Holders shall look only to the Authority for the payment of such Commercial Paper Notes, provided that such monies may be transferred to a bank or trust company for the purpose and with the effect provided for in Section 601 hereof and may be applied in accordance with applicable provisions of law.

ARTICLE V

COVENANTS

SECTION 501. Covenants. The Authority hereby particularly covenants and agrees with the Holders of the Commercial Paper Notes, and makes provisions which shall be a part of the contract with such Holders, to the effect and with the purpose as follows:

(A) The Authority shall duly and punctually pay or cause to be paid the principal of and interest on Commercial Paper Notes, at the date and place and in the manner mentioned in the Commercial Paper Notes, according to the true intent and meaning thereof.

(B) Upon each date of issuance of the Commercial Paper Notes, all conditions, acts and things required by the Constitution or statutes of the State or this Resolution to exist, to have happened and to have been performed precedent to or in the issuance of such Commercial Paper Notes shall exist, have happened and have been performed and such Commercial Paper Notes, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by said Constitution or statutes.

(C) The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of this Resolution in accordance with the terms of such provisions.

(D) The Authority shall at all times comply with the terms of, and maintain in full force and effect, any Credit Agreement and shall maintain aggregate unutilized borrowing authority under all such Credit Agreements in an amount at least equal to the principal amount of Commercial Paper Notes outstanding hereunder. Unutilized borrowing authority shall mean borrowing authority which has not been drawn upon or otherwise set aside or committed to be available for other purposes. For so long as the 1997 Revolving Credit Agreement authorized hereunder shall be in effect, the Authority shall borrow funds thereunder to the extent Note proceeds or Authority moneys are not available to pay Series 2 Notes or Series 3 Notes as they mature, rather than borrowing amounts under the 1994 Revolving Credit Agreement for such purpose.

(E) The Authority shall at all times do and perform all acts and things permitted by law and necessary in order to assure that interest paid by the Authority on the Series 1 Notes and the Series 2 Notes shall, for the purpose of Federal income tax, be exempt from all income taxation under any valid provision

of law. The Authority shall not take or omit to take any action which would cause interest on any Series 1 Note or Series 2 Note to be included in the gross income of any Holder of such Commercial Paper Note for Federal income tax purposes by reason of subsection (b) of section 103 of the Internal Revenue Code of 1986 as in effect on the date of issuance of such Commercial Paper Note.

(F) The Authority shall not enter into a substitute Credit Agreement with a bank or consent to an assignment to a bank under any Credit Agreement or under a substitute Credit Agreement, unless the senior securities of such bank, or securities secured by such bank's letters of credit, are assigned at least an "A" or comparable rating by a nationally recognized rating service which is then rating the Commercial Paper Notes. For so long as the 1997 Revolving Credit Agreement authorized hereunder shall be in effect, the Authority shall not consent to an assignment to a bank under such Credit Agreement, unless the senior securities of such bank, or securities secured by such bank's letters of credit, are assigned at least an "AA" or comparable rating by a nationally recognized rating service which is then rating the Commercial Paper Notes.

(G) The Authority shall give prior written notice to each rating agency then rating the Commercial Paper Notes of any (i) substitute Credit Facility or any consent to any assignment by a bank under any Credit Agreement, (ii) any amendments to this Resolution, any Credit Agreement or the Issuing and Paying Agency Agreement, or (iii) any defeasance of the Commercial Paper Notes. Any such notice shall be accompanied by a request for a confirmation of the rating then in effect.

ARTICLE VI

MISCELLANEOUS

SECTION 601. Defeasance. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Commercial Paper Notes, all amounts due on the Commercial Paper Notes at the times and in the manner stipulated herein, then the pledge created under this Resolution and all covenants, agreements and other obligations of the Authority hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, and thereupon all of the moneys and securities of the Authority then subject to such pledge shall be forever free and clear of such pledge and the Commercial Paper Notes shall no longer be deemed to be outstanding hereunder. If (i) moneys or (ii) direct obligations of the United States of America, the principal of and interest on which if paid, when due, will provide moneys sufficient to pay any Commercial Paper Note or Notes, when due, shall have been set aside and shall be held by a bank or trust company in the State of New York having a capital and surplus of not less than \$25,000,000, in a separate account irrevocably in trust for and assigned to the Holder or Holders thereof (through deposit by the Authority of funds or obligations for such payment or otherwise), such Commercial Paper Note or Notes shall be deemed to have been paid within the meaning and with the effect expressed in this paragraph. Moneys so set aside and held may be invested in direct obligations of the United States of America, provided, however, that said obligations shall mature not later than the maturity date of the Commercial Paper Note or Notes to be paid therefrom and shall be scheduled to pay the principal of or interest on such obligations at such times and in such amounts as shall permit the payment of such Commercial Paper Note or Notes when due. All earnings from the investment of such moneys other than such amounts as are required to pay such Commercial Paper Note or Notes shall be paid over to the Authority, as received by such bank or trust company, free and clear of any trust, lien or pledge.

SECTION 602. Supplemental Resolutions. The Authority may modify or amend this Resolution at any time by a supplemental resolution, without notice to or the consent of any Holder, (i) to increase the aggregate principal amount of Commercial Paper Notes that may be outstanding hereunder at any time or (ii) to make such provisions as shall not materially and adversely affect the interests of the Holders of the Commercial Paper Notes then outstanding. The determination of the Authority as to whether any modification or amendment materially and adversely affects the interests of the Holders shall be binding and conclusive on the Holders.

SECTION 603. Agreement of the State. Pursuant to Section 1011 of the Act, the Authority, as agent for the State, does hereby pledge to and agree with the Holders of the Commercial Paper Notes that the State will not limit or alter the rights vested in the Authority by the Act until the Commercial Paper Notes, together with the interest thereon, have been fully met and discharged or adequate provision shall have been made by law for the protection of the Holders of the Commercial Paper Notes.

SECTION 604. Authorized Officer. The Authorized Officers, the Secretary, the Deputy Secretary, and any Assistant Secretary of the Authority are each hereby authorized to deliver and execute in the name and on behalf of the Authority any certificate, opinion, record, approval, agreement, amendment to an agreement, or other document required by or authorized pursuant to this Resolution or which they may deem necessary or advisable in order to consummate the issuance, sale or delivery of the Commercial Paper Notes and otherwise to effectuate the purposes of this Resolution.

SECTION 605. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions or portions thereof contained herein shall be held by a court of competent jurisdiction contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Commercial Paper Notes issued hereunder.

SECTION 606. Payment and Performance on Business Days. Whenever under the terms of this Resolution or the Commercial Paper Notes, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Commercial Paper Notes shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Commercial Paper Notes, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the originally scheduled date of performance or payment, and, with respect to any payment, without additional interest accruing after the originally scheduled date of payment.

SECTION 607. Effective Date. Except as provided in the next sentence, this Resolution shall be in full force and effect immediately upon its adoption. All Series 1 Notes outstanding as of the date of adoption of this Resolution shall continue to be subject to the provisions of Section 601 of the Initial Resolution rather than Section 601 of this Resolution.

EXHIBIT A
FORM OF DTC MASTER NOTE

[LEFT BLANK, MUNICIPAL COMMERCIAL PAPER - TECP MASTER NOTE]

[The following provisions shall be deemed
to be incorporated in the Master Note]

This Note is a direct and general obligation of the Authority and is one of a duly authorized issue of commercial paper notes of the Authority, issued under and pursuant to the Power Authority Act, Title 1 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended ("Act"), and under and pursuant to a resolution of the Authority, adopted on November 25, 1997 entitled "Amended and Restated Resolution Authorizing Commercial Paper Notes" ("Resolution") and is entitled to the benefits and subject to the terms and conditions of the Resolution. A copy of the Resolution is on file at the office of the Authority located at 1633 Broadway, New York, New York 10019. The principal amount of Series [insert 1, 2 or 3] Notes issued under the Resolution outstanding at any one time may not exceed \$[insert authorized amount]; provided, however, that the Resolution may be amended at any time, without notice to or the consent of any Noteholder, to increase the aggregate principal amount of Notes that may be outstanding thereunder.

The Notes are payable out of any moneys of the Authority available therefor and not otherwise pledged, which shall include the proceeds of any obligations of the Authority issued for the repayment of the Notes. This Note does not create a charge or lien or right prior or equal to the charge or lien created by the resolution of the Authority, adopted on November 26, 1974 entitled "General Purpose Bond Resolution", as supplemented or amended in accordance with the terms thereof, or prior or equal to the rights of holders of obligations issued or to be issued thereunder. The Authority reserves the right to issue additional obligations (i) under the General Purpose Bond Resolution, or (ii) for the purpose of refunding obligations issued under the General Purpose Bond Resolution, under separate bond resolutions or note resolutions, whether heretofore or hereafter adopted by the Authority. This Note does not create a charge or lien prior or equal to the charge or lien created by any resolution adopted for the purpose of refunding General Purpose Bonds or prior or equal to the rights of holders of obligations which may be issued thereunder for the purpose of refunding General Purpose Bonds or for any other purpose. The Authority has outstanding and also reserves the right without limitation to issue additional direct and general obligations payable from any moneys of the Authority available therefor and not otherwise pledged, and to establish separate funds and accounts to secure the payment of such obligations. The right to payment of the holders of any such obligations issued by the Authority may not, except as to any separate fund or account established from the proceeds of any such obligations to secure the payment thereof, be prior to the rights of the holder of this Note.

This Note is transferable, as provided in the Resolution, only upon the books of the Authority kept for that purpose at the office of The Chase Manhattan Bank, as Issuing and Paying Agent, by the registered owner hereof in person, or by his or her

duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to such Issuing and Paying Agent, duly executed by the registered owner or his or her duly authorized attorney, and thereupon a new registered Note in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution, upon payment of the charges therein prescribed. The Authority and such Issuing and Paying Agent, may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes.

Pursuant to Section 1011 of the Act, the Authority, as agent for the State of New York, does hereby pledge to and agree with the holder of this Note that the State of New York will not limit or alter the rights vested in the Authority by the Act, until this Note and each of the other Notes of like tenor issued under the Resolution, together with the interest hereon and thereon, have been fully met and discharged or adequate provision shall have been made by law for the protection of the holders of all such Notes.

Pursuant to the Act, the Authority has no power to pledge the credit of the State of New York, nor shall any of its obligations, including this Note, be deemed to be obligations of the State of New York.

Neither the Trustees of the Authority nor any other officer or employee of the Authority shall be subject to any personal liability or accountability by reason of the issuance hereof.

This Note shall not be entitled to any security, right or benefit pursuant to the Resolution or be valid or obligatory for any purposes unless the Certificate of Authentication hereon has been duly executed by The Chase Manhattan Bank, the Issuing and Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed in due time, form and manner as required by law and that the issuance of the Notes, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by law.

EXHIBIT B TO RESOLUTION
(FORM OF COMMERCIAL PAPER NOTE)

POWER AUTHORITY OF THE STATE OF NEW YORK

COMMERCIAL PAPER NOTE, SERIES [1/2/3]

No. [CP1/CP2/CP3]-[insert number]

ISSUE DATE:

PRINCIPAL AMOUNT:

FOR VALUE RECEIVED THE AUTHORITY PROMISES TO PAY

ON

TO THE ORDER OF

THE SUM OF

[PLUS INTEREST OF]*

PAYABLE AT

Power Authority of the State of New York ("Authority") acknowledges itself indebted to and for the value received, hereby promises to pay on the MATURITY DATE to the order of [Bearer] [for registered notes: or registered assigns], the PRINCIPAL AMOUNT [together with interest thereon in the amount as set forth above]* at [INSERT ISSUING AND PAYING AGENT.]

This Note is a direct and general obligation of the Authority and is one of a duly authorized issue of commercial paper notes of the Authority, issued under and pursuant to the Power Authority Act, Title 1 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended ("Act"), and under and pursuant to a resolution of the Authority, adopted on November 25, 1997 entitled "Amended and Restated Resolution Authorizing Commercial Paper Notes" ("Resolution") and is entitled to the benefits and subject to the terms and conditions of the Resolution. A copy of the Resolution is on file at the office of the Authority located at 1633 Broadway, New York, New York 10019. The principal amount of Series ___ Notes issued under the Resolution outstanding at any one time may not exceed \$ _____; provided, however, that the Resolution may be amended at any time,

* Applicable to interest bearing Notes only.

without notice to or the consent of any Noteholder, to increase the aggregate principal amount of Notes that may be outstanding thereunder.

The Notes are payable out of any moneys of the Authority available therefor and not otherwise pledged, which shall include the proceeds of any obligations of the Authority issued for the repayment of the Notes. This Note does not create a charge or lien or right prior or equal to the charge or lien created by the resolution of the Authority, adopted on November 26, 1974 entitled "General Purpose Bond Resolution", as supplemented or amended in accordance with the terms thereof, or prior or equal to the rights of holders of obligations issued or to be issued thereunder. The Authority reserves the right to issue additional obligations (i) under the General Purpose Bond Resolution, or (ii) for the purpose of refunding obligations issued under the General Purpose Bond Resolution, under separate bond resolutions or note resolutions, whether heretofore or hereafter adopted by the Authority. This Note does not create a charge or lien prior or equal to the charge or lien created by any resolution adopted for the purpose of refunding General Purpose Bonds or prior or equal to the rights of holders of obligations which may be issued thereunder for the purpose of refunding General Purpose Bonds or for any other purpose. The Authority has outstanding and also reserves the right without limitation to issue additional direct and general obligations payable from any moneys of the Authority available therefor and not otherwise pledged, and to establish separate funds and accounts to secure the payment of such obligations. The right to payment of the holders of any such obligations issued by the Authority may not, except as to any separate fund or account established from the proceeds of any such obligations to secure the payment thereof, be prior to the rights of the holder of this Note.

[For registered Notes: This Note is transferable, as provided in the Resolution, only upon the books of the Authority, kept for that purpose at the office of The Chase Manhattan Bank, as Issuing and Paying Agent, by the registered owner hereof in person, or by his or her duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to such Issuing and Paying Agent, duly executed by the registered owner or his or her duly authorized attorney, and thereupon a new registered Note in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution, upon payment of the charges therein prescribed. The Authority and such Issuing and Paying Agent may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes.]

Pursuant to Section 1011 of the Act, the Authority, as agent for the State of New York, does hereby pledge to and agree with the holder of this Note that the State of New York will not limit or alter the rights vested in the Authority by the Act, until this Note and each of the other Notes of like tenor issued under the Resolution, together with

the interest hereon and thereon, have been fully met and discharged or adequate provision shall have been made by law for the protection of the holders of all such Notes.

Pursuant to the Act, the Authority has no power to pledge the credit of the State of New York, nor shall any of its obligations, including this Note, be deemed to be obligations of the State of New York.

Neither the Trustees of the Authority nor any other officer or employee of the Authority shall be subject to any personal liability or accountability by reason of the issuance hereof.

This Note shall not be entitled to any security, right or benefit pursuant to the Resolution or be valid or obligatory for any purposes unless the Certificate of Authentication hereon has been duly executed by The Chase Manhattan Bank, the Issuing and Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed in due time, form and manner as required by law and that the issuance of the Notes, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the POWER AUTHORITY OF THE STATE OF NEW YORK has caused this Note to be executed in its name by the manual or facsimile signature of its Chairman, Vice Chairman, President and Chief Operating Officer, or Executive Vice President and Chief Financial Officer, and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, all as of the ISSUE DATE.

POWER AUTHORITY OF THE
STATE OF NEW YORK

By _____
Authorized Officer

[FACSIMILE SEAL]

NOT VALID UNLESS AUTHENTICATED

Authenticated:

THE CHASE MANHATTAN BANK

Issuing and Paying Agent

By _____
Authorized Signature

**POWER AUTHORITY OF THE STATE
OF NEW YORK**

SUPPLEMENTAL RESOLUTION

authorizing

SERIES 4 COMMERCIAL PAPER NOTES

**AMENDING AND SUPPLEMENTING A RESOLUTION
OF THE AUTHORITY AUTHORIZING COMMERCIAL
PAPER NOTES ADOPTED NOVEMBER 25, 1997**

Adopted on February 24, 1998

SUPPLEMENTAL RESOLUTION

authorizing

SERIES 4 COMMERCIAL PAPER NOTES

WHEREAS, on November 25, 1997, the Authority adopted an Amended and Restated Resolution (defined therein as the "Resolution") pursuant to the terms of which the Authority authorized the issuance of Series 1 Notes in a principal amount not to exceed \$300,000,000 outstanding at any time, Series 2 Notes in a principal amount not to exceed \$300,000,000 outstanding at any time, and Series 3 Notes in a principal amount not to exceed \$350,000,000 outstanding at any time;

WHEREAS, pursuant to Section 602 of the Resolution the Authority may amend or modify the Resolution at any time by a supplemental resolution, without notice to or the consent of any Holder, to make such provisions as shall not materially and adversely affect the interests of the Holders of the Commercial Paper Notes then outstanding;

WHEREAS, the Authority has determined to authorize the issuance of an additional series of Commercial Paper Notes to be referred to as "Series 4 Notes" in a principal amount not to exceed \$275,000,000 outstanding at any time;

WHEREAS, in order to accomplish the foregoing the Authority has determined to modify and amend the Resolution in the manner herein provided and hereby determines that such modifications and amendments will not materially and adversely affect the interests of the Holders of the Commercial Paper Notes;

BE IT RESOLVED by the Power Authority of the State of New York that the Resolution is hereby amended and supplemented as follows:

ARTICLE I

DEFINITIONS

Section 1011. Definitions. (A) Except as provided in paragraph (B) of this Section 101, all terms which are defined in the Resolution, including by cross-reference, or in the General Resolution, shall have the same meanings in this Supplemental Resolution.

(B) In this Supplemental Resolution Authorizing Series 4 Commercial Paper Notes (herein referred to as the "Supplemental Resolution"), unless a different meaning clearly appears from the context:

(1) "General Resolution" means the Authority's General Resolution Authorizing Revenue Obligations adopted on February 24, 1998.

(2) "Resolution" means the Amended and Restated Resolution Authorizing Commercial Paper Notes of the Authority adopted on November 25, 1997, as amended and supplemented from time to time.

(3) "Series 1 Notes", "Series 2 Notes", "Series 3 Notes", and "Series 4 Notes" means, respectively, the Commercial Paper Notes, Series 1, Series 2, Series 3, and Series 4 authorized by Section 301 of the Resolution, as amended and supplemented by this Supplemental Resolution.

ARTICLE II

AMENDMENTS TO RESOLUTION

Section 1021. The Resolution is amended and supplemented as follows:

1. Section 203 is amended to read as follows:

Section 203. Obligation of Commercial Paper Notes. The Commercial Paper Notes shall be Subordinated Indebtedness within the meaning of the General Resolution and shall be payable from the Trust Estate, provided that such payments shall be subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt, as provided for in Sections 503 and 604 of the General Resolution. The Trust Estate is hereby pledged for the payment of the Commercial Paper Notes, provided that such pledge shall be junior and inferior to the pledge of the Trust Estate created in the General Resolution for the payment of the Obligations and Parity Debt.

2. Section 301 is amended and supplemented so that the fifth and sixth sentences of such section read as follows:

The Authority hereby authorizes the issuance of three additional series of Commercial Paper Notes which respectively shall bear the designations "Commercial Paper Notes, Series 2," "Commercial Paper Notes, Series 3" and "Commercial Paper Notes, Series 4." Subject to Section 602, the principal amount of all Series 1 Notes outstanding at any time shall not exceed \$300,000,000, the principal amount of all Series 2 Notes outstanding at any time shall not exceed \$300,000,000, the principal amount of all Series 3 Notes outstanding at any time shall not exceed \$350,000,000, and the principal amount of all Series 4 Notes outstanding at any time shall not exceed \$275,000,000.

3. Section 302 is amended as follows:

(a) The words "of \$1,000 in excess" shall be added after the word "multiple" and before the word "thereof" in the first sentence.

(b) The parenthetical in the first sentence is amended to read as follows:

(i.e., CP1-1, CP2-1, CP3-1, or CP4-1)

(c) The first sentence of the second paragraph is amended to read as follows:

The Series 3 Notes and the Series 4 Notes shall be issued on a discount basis or on an interest-bearing basis, as directed by an Authorized Officer.

4. Section 310 is supplemented to add the following after the third sentence thereof:

J.P. Morgan Securities, Inc. and Goldman, Sachs & Co. are hereby appointed as Dealers for the Series 4 Notes, each serving as Dealer for one-half of the principal amount of the Series 4 Notes outstanding from time to time. The execution and delivery by an Authorized Officer of the Dealer Agreement relating to the Series 4 Notes, in the form submitted at this meeting, with such modifications as are approved by such Authorized Officer, is hereby authorized, which execution and delivery shall be conclusive evidence of any such modification.

5. Section 401 is supplemented to add the following as the final paragraph thereof:

SERIES 4 NOTES (a) to refund a portion of the Authority's 1974 Bonds, (b) to refund any Series 4 Notes or Obligations, (c) to pay any Series 4 Notes or Obligations at their maturity, (d) to repay any amounts outstanding on the related Credit Agreement, (e) to pay costs incurred in connection with the issuance of the Commercial Paper Notes, or (f) for any other purpose subsequently approved by the Authority's Trustees.

6. Section 402 is supplemented to add the following sentence as the third sentence from the end of such section:

At the direction of an Authorized Officer, moneys in the Series 4 Note Proceeds Account shall be applied to one or more of the purposes set forth in Section 401.

7. Section 501(D) is amended and supplemented to add the phrase "or the 1998 Revolving Credit Agreement" immediately after the phrase "the 1994 Revolving Credit Agreement".

8. Section 501(G) is supplemented to add the following as the last sentence thereof:

The Authority shall give notice to Holders of affected Commercial Paper Notes of any substitute Credit Facility, such notice to be given by a date which is, to the extent practicable, not less than 30 days prior to the substitution.

9. Appendix A is amended as follows:

(a) The first sentence of the first paragraph of the [Form of Reverse of Master Note] is amended to read as follows:

This Note is one of a duly authorized issue of commercial paper notes of the Authority, issued under and pursuant to the Power Authority Act, Title 1 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended ("Act"), and under and pursuant to a resolution adopted by the Authority on November 25, 1997 entitled "Amended and Restated Resolution Authorizing Commercial Paper Notes", as supplemented by a resolution adopted by the Authority on February 24, 1998, entitled "Supplemental Resolution Authorizing Series 4 Commercial Paper Notes" (as supplemented, the "Resolution") and is entitled to the benefits and subject to the terms and conditions of the Resolution.

(b) The second paragraph of Appendix A is amended to read as follows:

The Notes are Subordinated Indebtedness within the meaning of the General Resolution and are payable from the Trust Estate, provided that such payments are subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt, as provided for in Section 503 and 604 of the General Resolution. The Trust Estate is pledged for the payment of the Commercial Paper Notes, provided that such pledge is junior and inferior to the pledge of the Trust Estate created in the General Resolution for the payment of the Obligations and Parity Debt.

10. Appendix B is amended as follows:

(a) The second and third lines of Exhibit B is amended to read as follows:

COMMERCIAL PAPER NOTE, SERIES [1/2/3/4]

No. [CP1/CP2/CP3/CP4] - [insert number]

(b) The first sentence of the second paragraph of Appendix B is amended to read the same as the first sentence of the first paragraph of Appendix A (as amended by Section 8(a) hereof).

(c) The third paragraph of Appendix B is amended to read the same as the second paragraph of Appendix A (as amended by Section 8(b) hereof).

ARTICLE III

MISCELLANEOUS

Section 1031. Effective Date. This Supplemental Resolution shall be in full force and effect upon the issuance and delivery of the Series 4 Notes.

**POWER AUTHORITY OF THE STATE
OF NEW YORK**

SUPPLEMENTAL RESOLUTION

**AMENDING AND SUPPLEMENTING A RESOLUTION
OF THE AUTHORITY AUTHORIZING COMMERCIAL
PAPER NOTES ADOPTED NOVEMBER 25, 1997
(as supplemented by a supplemental resolution
adopted February 24, 1998)**

Adopted on January 26, 1999

SUPPLEMENTAL RESOLUTION

WHEREAS, on November 25, 1997, the Authority adopted an Amended and Restated Resolution pursuant to the terms of which the Authority authorized the issuance of Series 1 Notes, Series 2 Notes and Series 3 Notes and supplemented such resolution on February 24, 1998, to authorize the issuance of Series 4 Notes;

WHEREAS, the Authority has determined to remarket the Series 4 Notes (which are currently remarketed as taxable obligations) as tax-exempt obligations, upon the receipt of the Counsel's Opinion referred to in Section 301 hereof;

WHEREAS, the Authority has determined to authorize additional purposes for the application of the proceeds of the Series 1 Notes, Series 2 Notes and Series 3 Notes, and Section 401 of the Resolution provides that such proceeds may be used for any purpose (in addition to those specified in Section 401) as may be approved by the Authority's Trustees;

WHEREAS, pursuant to Section 602 of the Resolution the Authority may amend or modify the Resolution at any time by a supplemental resolution, without notice to or the consent of any Holder, to make such provisions as shall not materially and adversely affect the interests of the Holders of the Commercial Paper Notes then outstanding;

WHEREAS, the Authority has determined to amend the tax covenant in the Resolution to refer to the Series 4 Notes and to authorize additional purposes for the application of the proceeds of sale of the Series 1 Notes, Series 2 Notes and Series 3 Notes;

WHEREAS, in order to accomplish the foregoing the Authority has determined to amend the Resolution in the manner herein provided and hereby determines that such amendment will not materially and adversely affect the interests of the Holders of the Commercial Paper Notes;

BE IT RESOLVED by the Power Authority of the State of New York that the Resolution is hereby amended as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions. (A) Except as provided in paragraph (B) of this Section 101, all terms which are defined in the Resolution, including by cross-reference, or in the General Resolution, shall have the same meanings in this Supplemental Resolution.

(B) In this Supplemental Resolution (herein referred to as the "**Supplemental Resolution**"), unless a different meaning clearly appears from the context:

(1) "General Resolution" means the Authority's General Resolution Authorizing Revenue Obligations adopted on February 24, 1998:

(2) "Resolution" means the Amended and Restated Resolution Authorizing Commercial Paper Notes of the Authority adopted on November 25, 1997, as amended and supplemented from time to time (including by the supplemental resolution adopted on February 24, 1998).

(3) "Series 1 Notes", "Series 2 Notes", "Series 3 Notes", and "Series 4 Notes" means, respectively, the Commercial Paper Notes, Series 1, Series 2, Series 3, and Series 4 authorized by Section 301 of the Resolution.

ARTICLE II

AMENDMENTS TO RESOLUTION

Section 201. " The Resolution is amended and supplemented as follows (strikeout indicates deletion; underlining indicates new language):

1. Section 301 is amended and supplemented so that the fifth and sixth sentences of such section read as follows:

The Authority hereby authorizes the issuance of three additional series of Commercial Paper Notes which respectively shall bear the designations "Commercial Paper Notes, Series 2," "Commercial Paper Notes, Series 3" and "Commercial Paper Notes, Series 4." Subject to Section 602, the principal amount of all Series 1 Notes outstanding at any time shall not exceed ~~\$300,000,000~~\$350,000,000, the principal amount of all Series 2 Notes outstanding at any time shall not exceed \$300,000,000, the principal amount of all Series 3 Notes outstanding at any time shall not exceed \$350,000,000, and the principal amount of all Series 4 Notes outstanding at any time shall not exceed ~~\$275,000,000~~\$220,000,000.

2. The second, third and fourth paragraphs of Section 401 are amended to read as follows:

Series 1 Notes (a) to pay any costs in connection with the Authority's current and future energy services programs, including its energy services program for its public customers in southeastern New York, its program to utilize energy efficiency opportunities in new construction and major renovation projects for its public customers in southeastern New York, its programs for the implementation of energy conservation measures in State-owned facilities, county and municipal facilities, and public school districts and community colleges in the State, including the repayment of any obligations issued for such purposes, (b) to pay the principal of and interest on any notes issued by the Authority pursuant to a resolution of the Authority adopted on February 25, 1986, authorizing an agreement between the Authority and Morgan

Guaranty Trust Company of New York and the issuance of notes thereunder in an aggregate amount not to exceed \$150,000,000 outstanding at any time, and any subsequent resolution of the Authority providing for renewal of loan arrangements authorized by the foregoing, (c) to refund any Series 1 Notes, (d) for payment of any Series 1 Notes at their maturity, (e) to repay any amounts outstanding on the related Credit Agreement, (f) to pay costs incurred in connection with the issuance of the Notes, (g) to pay any costs associated with the relicensing of the Niagara Project, (h) to pay any costs associated with the upgrade of the Niagara Project, or (i) for any other purposes subsequently approved by the Authority's Trustees.

Series 2 Notes (a) to refund a portion of the Authority's outstanding Series V Bonds of the Authority, (b) to refund any Series 2 Notes, (c) to pay any Series 2 Notes at their maturity, (d) to repay any amounts outstanding on the related Credit Agreement, (e) to pay any costs associated with the relicensing of the Niagara Project, (f) to pay any costs associated with the upgrade of the Niagara Project, or (g) for any such other purposes subsequently approved by the Authority's Trustees.

Series 3 Notes (a) to refund a portion of the Authority's outstanding General Purpose Bonds, (b) to refund any Series 3 or Series 4 Notes, (c) to pay any Series 3 or Series 4 Notes at their maturity, (d) to repay any amounts outstanding on the related Credit Agreement, (e) to pay costs incurred in connection with the issuance of the Notes, (f) to pay any costs associated with the relicensing of the Niagara Project, (g) to pay any costs associated with the upgrade of the Niagara Project, or (h) for any such other purposes subsequently approved by the Authority's Trustees.

3. "Section 402 is amended to read as follows:

Section 402. Application of Note Proceeds; Note Proceeds Accounts. The Issuing and Paying Agent under this Resolution is hereby directed to establish an account of the Authority to be designated the "Series _ Note Proceeds Account" relating to each series of Commercial Paper Notes authorized and issued by the Authority. The proceeds of the sale of each series of Commercial Paper Notes shall be deposited in the Note Proceeds Account relating to such series. ~~At the direction of an Authorized Officer, moneys in the Series 1 Note Proceeds Account, (1) other than the proceeds of the Series 1 Notes issued to refund Series 1 Notes, to pay other Series 1 Notes at their maturity, or to pay costs incurred in connection with the issuance of Commercial Paper Notes, shall be transferred to the Energy Conservation Construction and Effectuation Fund or such other Authority fund or account deemed appropriate by the Authority, (2) shall be transferred to the Issuing and Paying Agent for the purpose of refunding Series 1 Notes or paying principal of and interest on Series 1 Notes at maturity, (3) shall be applied to repay any amounts outstanding under the related Credit Agreement, or (4) shall be applied to pay costs incurred in connection with the issuance of Commercial Paper Notes. At the direction of an Authorized Officer, moneys in the Series 2 Note Proceeds Account, (1) other than the proceeds of the Series 2 Notes issued to refund Series 2 Notes or to pay other Series 2 Notes at their maturity, shall be transferred to an Escrow Fund to be established by~~

~~the Authority for the purpose of refunding certain outstanding obligations of the Authority, (2) shall be transferred to the Issuing and Paying Agent for the purpose of refunding Series 2 Notes or paying principal of and interest on Series 2 Notes at maturity, or (3) shall be applied to repay any amounts outstanding under the Related Credit Agreement. At the direction of an Authorized Officer, moneys in the Series 3 Note Proceeds Account, (1) other than the proceeds of the Series 3 Notes issued to refund Series 3 Notes, to pay other Series 3 Notes at their maturity, or to pay costs incurred in connection with the issuance of Commercial Paper Notes, shall be transferred to an Escrow Fund to be established by the Authority for the purpose of refunding certain outstanding obligations of the Authority, (2) shall be transferred to the Issuing and Paying Agent for the purpose of paying principal of and interest on Series 3 Notes at maturity, (3) shall be applied to repay any amounts outstanding under the related Credit Agreement, or (4) shall be applied to pay costs incurred in connection with the issuance of Commercial Paper Notes. At the direction of an Authorized Officer, moneys in the Series 4 each Note Proceeds Account shall be applied to one or more of the purposes set forth in Section 401 relating to the series for which such account was established. Monies in such Note Proceeds Accounts may also be used for any other purposes subsequently authorized by the Authority's Trustees. The Issuing and Paying Agent is hereby authorized to create such funds, accounts and sub-accounts in accordance with this Resolution as necessary for the administration of the Authority's commercial paper program.~~

4. Section 501(E) of the Resolution is amended to read as follows:

(E) The Authority shall at all times do and perform all acts and things permitted by law and necessary in order to assure that interest paid by the Authority on the Series 1 Notes, Series 2 Notes and the Series 4 Notes shall, for the purpose of Federal income tax, be exempt from all income taxation under any valid provision of law. The Authority shall not take or omit to take any action which would cause interest on any Series 1 Note, Series 2 Note or Series 4 Note to be included in the gross income of any Holder of such Commercial Paper Note for Federal income tax purposes by reason of subsection (b) of section 103 of the Internal Revenue Code of 1986 as in effect on the date of issuance of such Commercial Paper Note.

ARTICLE III

"MISCELLANEOUS"

Section 301. Effective Date. This Supplemental Resolution shall be in full force and effect upon its adoption, provided that subsection 4 of Section 201 shall not be in full force and effect until the delivery by Hawkins, Delafield & Wood of an opinion that the interest on the Series 4 Notes is not included in gross income for Federal income tax purposes pursuant to Section 103 of the Code.

**POWER AUTHORITY OF THE STATE
OF NEW YORK**

SUPPLEMENTAL RESOLUTION

**AMENDING AND SUPPLEMENTING A RESOLUTION
OF THE AUTHORITY AUTHORIZING COMMERCIAL
PAPER NOTES ADOPTED NOVEMBER 25, 1997
(as supplemented by supplemental resolutions
adopted February 24, 1998 and January 26, 1999)**

Adopted on December 14, 1999

SUPPLEMENTAL RESOLUTION

WHEREAS, on November 25, 1997, the Authority adopted an Amended and Restated Resolution, and supplemented such resolution on February 24, 1998 and January 26, 1999 (as supplemented, the "Resolution");

WHEREAS, the Authority has determined to authorize additional purposes for the application of the proceeds of the Series 1 Notes, the Series 2 Notes, and the Series 3 Notes, and Section 401 of the Resolution provides that such proceeds may be used for any purpose (in addition to those specified in Section 401) as may be approved by the Authority's Trustees;

WHEREAS, pursuant to Section 602 of the Resolution the Authority may amend or modify the Resolution at any time by a supplemental resolution, without notice to or the consent of any Holder, as defined in the Resolution, to make such provisions as shall not materially and adversely affect the interests of the Holders of the Commercial Paper Notes then outstanding;

WHEREAS, in order to accomplish the foregoing the Authority has determined to amend the Resolution in the manner herein provided and hereby determines that such amendment will not materially and adversely affect the interests of the Holders of the Commercial Paper Notes;

BE IT RESOLVED by the Power Authority of the State of New York that the Resolution is hereby amended as follows:

ARTICLE I

AMENDMENTS TO RESOLUTION

Section 101. The Resolution is amended and supplemented as follows:

1. The second, third, and fourth paragraphs of Section 401 are amended to read as follows:

Series 1 Notes (a) to pay any costs in connection with the Authority's current and future energy services programs, including its energy services program for its public customers in southeastern New York, its program to utilize energy efficiency opportunities in new construction and major renovation projects for its public customers in southeastern New York, its programs for the implementation of energy conservation measures in State-owned facilities, county and municipal facilities, and public school districts and community colleges in the State, including the repayment of any obligations issued for such purposes, (b) to pay the principal of and interest on any notes issued by the Authority pursuant to a resolution of the Authority adopted on February 25, 1986, authorizing an agreement between the Authority and Morgan Guaranty Trust Company of New York and the issuance of notes thereunder in an aggregate amount not to exceed \$150,000,000 outstanding at any time, and any subsequent resolution of the Authority providing for renewal of

loan arrangements authorized by the foregoing, (c) to refund any Series 1 Notes, (d) for payment of any Series 1 Notes at their maturity, (e) to repay any amounts outstanding on the related Credit Agreement, (f) to pay costs incurred in connection with the issuance of the Notes, (g) to pay any costs associated with the relicensing of the Niagara Project, (h) to pay any costs associated with the upgrade of the Niagara Project, (i) to finance a 500-MW combined cycle generation plant at the Authority's Poletti Project site, including the financing of costs of engineering, licensing and construction of such plant, or (j) for any other purposes subsequently approved by the Authority's Trustees.

Series 2 Notes (a) to refund a portion of the Authority's outstanding Series V Bonds, (b) to refund any Series 2 Notes, (c) to pay any Series 2 Notes at their maturity, (d) to repay any amounts outstanding on the related Credit Agreement, (e) to pay any costs associated with the relicensing of the Niagara Project, (f) to pay any any costs associated with the upgrade of the Niagara Project, (g) to finance a 500-MW combined cycle generation plant at the Authority's Poletti Project site, including the financing of costs of engineering, licensing and construction of such plant, or (h) for any such other purposes subsequently approved by the Authority's Trustees.

Series 3 Notes (a) to refund a portion of the Authority's outstanding General Purpose Bonds, (b) to refund any Series 3 or Series 4 Notes, (c) to pay any Series 3 or Series 4 Notes at their maturity, (d) to repay any amounts outstanding on the related Credit Agreement, (e) to pay costs incurred in connection with the issuance of the Notes, (f) to pay any costs associated with the relicensing of the Niagara Project, (g) to pay any costs associated with the upgrade of the Niagara Project, (h) to finance a 500-MW combined cycle generation plant at the Authority's Poletti Project site, including the financing of costs of engineering, licensing and construction of such plant, or (i) for any such other purposes subsequently approved by the Authority's Trustees.

ARTICLE II

MISCELLANEOUS

Section 202. Effective Date. This Supplemental Resolution shall be in full force and effect upon its adoption.

February 26, 2002

Exhibit "7-A"

POWER AUTHORITY OF THE STATE OF NEW YORK

FOURTH
SUPPLEMENTAL RESOLUTION

AMENDING AND SUPPLEMENTING A RESOLUTION
OF THE AUTHORITY AUTHORIZING COMMERCIAL
PAPER NOTES ADOPTED NOVEMBER 25, 1997
(as supplemented by supplemental resolutions
adopted February 24, 1998, January 26, 1999 and December 14, 1999)

Adopted on February 26, 2002

SUPPLEMENTAL RESOLUTION

WHEREAS, on November 25, 1997, the Power Authority of the State of New York (the "Authority") adopted an Amended and Restated Resolution, and amended and supplemented such resolution on February 24, 1998, January 26, 1999 and December 14, 1999 (as amended and supplemented, the "Resolution");

WHEREAS, the Authority has determined to increase the aggregate principal amount of the Series 2 Notes that may be outstanding under the Resolution at any time;

WHEREAS, pursuant to Section 602 of the Resolution the Authority may amend or modify the Resolution at any time by a supplemental resolution, without notice to or the consent of any Holder, to increase the aggregate principal amount of Commercial Paper Notes that may be outstanding thereunder at any time;

WHEREAS, in order to accomplish the foregoing the Authority has determined to amend the Resolution in the manner herein provided;

BE IT RESOLVED by the Power Authority of the State of New York that the Resolution is hereby amended as follows:

ARTICLE I
DEFINITIONS

1. Section 101. Definitions. (A) Except as provided in paragraph (B) of this Section 101, all terms which are defined in the Resolution, including by cross-reference, or in the General Resolution, shall have the same meanings in this Supplemental Resolution.

(B) In this Supplemental Resolution (herein referred to as the "Supplemental Resolution"), unless a different meaning clearly appears from the context:

(1) "General Resolution" means the Authority's General Resolution Authorizing Revenue Obligations adopted on February 24, 1998, as supplemented and amended.

(2) "Amended and Restated 1999 Revolving Credit Agreement" means the Amended and Restated 1999 Revolving Credit Agreement, expected to be dated as of March 12, 2002, among the Authority, the banks named therein, JPMorgan Chase Bank, as Administrative Agent, and The Bank of Nova Scotia, as Documentation Agent.

(3) "Series 2 Notes" means the Commercial Paper Notes, Series 2 authorized by Section 301 of the Resolution.

ARTICLE II
AMENDMENTS TO RESOLUTION

Section 201. Section 301 of the Resolution is amended and supplemented so that the sixth sentence of such section reads as follows (deleted material shown as strikethrough; new language in bold):

Subject to Section 602, the principal amount of all Series 1 Notes outstanding at any time shall not exceed \$350,000,000, the principal amount of all Series 2 Notes outstanding at any time shall not exceed **\$450,000,000**, the principal amount of all Series 3 Notes outstanding at any time shall not exceed \$350,000,000, and the principal amount of all Series 4 Notes outstanding at any time shall not exceed \$220,000,000.

February 26, 2002

ARTICLE III
MISCELLANEOUS

Section 301. Effective Date. This Supplemental Resolution shall be in full force and effect upon (i) its adoption and (ii) the execution and delivery of the Amended and Restated 1999 Revolving Credit Agreement.

POWER AUTHORITY OF THE STATE OF NEW YORK

FIFTH
SUPPLEMENTAL RESOLUTION

AMENDING AND SUPPLEMENTING A RESOLUTION
OF THE AUTHORITY AUTHORIZING COMMERCIAL
PAPER NOTES ADOPTED NOVEMBER 25, 1997
(as supplemented by supplemental resolutions
adopted February 24, 1998, January 26, 1999, December 14, 1999 and February 26, 2002)

Adopted on November 28, 2006

SUPPLEMENTAL RESOLUTION

WHEREAS, on November 25, 1997, the Power Authority of the State of New York (the "Authority") adopted an Amended and Restated Resolution, and amended and supplemented such resolution on February 24, 1998, January 26, 1999, December 14, 1999 and February 26, 2002 (as amended and supplemented, the "Resolution");

WHEREAS, the Authority has determined to increase the aggregate principal amount of the Series 1 Notes that may be outstanding under the Resolution at any time;

WHEREAS, the Authority has also determined to confirm the appointment of RBC Dain Rauscher Inc. (as successor entity to Artemis Capital Group, Inc.) as a Dealer for the Series 1 Notes;

WHEREAS, pursuant to Section 602 of the Resolution the Authority may amend or modify the Resolution at any time by a supplemental resolution, without notice to or the consent of any Holder, to increase the aggregate principal amount of Commercial Paper Notes that may be outstanding thereunder at any time;

WHEREAS, in order to accomplish the foregoing the Authority has determined to amend the Resolution in the manner herein provided;

BE IT RESOLVED by the Power Authority of the State of New York that the Resolution is hereby amended as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions. (A) Except as provided in paragraph (B) of this Section 101, all terms which are defined in the Resolution, including by cross-reference, or in the General Resolution, shall have the same meanings in this Supplemental Resolution.

(B) In this Supplemental Resolution (herein referred to as the "Supplemental Resolution"), unless a different meaning clearly appears from the context:

(1) "General Resolution" means the Authority's General Resolution Authorizing Revenue Obligations adopted on February 24, 1998, as supplemented and amended.

(2) "Series 1 Notes" means the Commercial Paper Notes, Series 1 authorized by Section 301 of the Resolution.

ARTICLE II

AMENDMENTS TO RESOLUTION

Section 201. Section 301 of the Resolution is amended and supplemented so that the sixth sentence of such section reads as follows (strikeout indicates deletion; bolding indicates new language):

Subject to Section 602, the principal amount of all Series 1 Notes outstanding at any time shall not exceed ~~\$350,000,000~~ **\$400,000,000**, the principal amount of all Series 2 Notes outstanding at any time shall not exceed \$450,000,000, the principal amount of all Series 3 Notes outstanding at any time shall not exceed \$350,000,000, and the principal amount of all Series 4 Notes outstanding at any time shall not exceed \$220,000,000.

Section 202. Section 310 is amended so that the first sentence of such section reads as follows (strikeout indicates deletion; bolding indicates new language):

The appointment of **RBC Dain Rauscher Inc. (as successor entity to Artemis Capital Group, Inc.)** and Lehman Brothers Inc. as Dealers for the Series 1 Notes is hereby ~~ratified and confirmed~~.

ARTICLE III

MISCELLANEOUS

Section 301. Effective Date. This Supplemental Resolution shall be in full force and effect upon its adoption.