

BY-LAWS
OF
NEW YORK RENEWABLE ENERGY DEVELOPMENT HOLDINGS CORPORATION

The name of the corporation is NEW YORK RENEWABLE ENERGY DEVELOPMENT HOLDINGS CORPORATION (the “Corporation”), a wholly-owned subsidiary of the Power Authority of the State of New York (“NYPA”).

ARTICLE I

ANNUAL MEETING; OPEN MEETINGS LAW

Section 1. Annual Meetings. The annual meetings of the sole shareholder to elect Directors and the transaction of such other business as may properly come before the meeting, shall be held on the 13th day of November in each year, if not a legal holiday, or if a legal holiday, on the next succeeding day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the sole shareholder, unless otherwise regulated by statute, may be called at any time by the President, by the sole shareholder or by resolution of the Board of Directors. Such request shall state the purpose of the proposed meeting.

Section 3. Place of Meeting. All meetings of the sole shareholder shall be held at the principal business office of the Corporation in the State of New York (the “State”) or at such other place as may be designated in the notice of meeting.

Section 4. Notice of Meetings. Notice of each meeting of the sole shareholder shall be in writing and signed by the President or the Secretary or an Assistant Secretary and shall be sent in the manner herein provided to all persons entitled to such notice. Such notice shall state the purpose or purposes for which the meeting is called and the time when, and the place where, it is to be held, and a copy thereof shall be served personally or by certified mail, to the sole shareholder entitled to vote at such a meeting, not less than ten days before the meeting.

Section 5. Quorum. At each meeting of the sole shareholder there must be present, to constitute a quorum for the transaction of business at such meeting, except as may be otherwise provided by statute, in person or by proxy, the sole shareholder or a duly authorized agent thereof.

Section 6. Voting. The sole shareholder shall be entitled to vote at meetings either in person or by proxy appointed by instrument in writing subscribed by the shareholder or its duly authorized agent.

Section 7. Open Meetings Law. The meetings of the Corporation held pursuant to Article I or Article II hereof and notices thereof shall be subject to the applicable requirements of the New York Open Meetings Law (“NYOML”) pursuant to Section 2829 of the New York Public Authorities Law (“PAL”).

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number. The number of Directors of the Corporation shall be nine (9), of which two (2) Directors shall be appointed and serve *ex officio*: (a) the President and Chief Executive Officer of NYPA and (b) the Executive Vice President and Chief Financial Officer of NYPA.

Section 2. Election. The Directors shall be elected (or with respect to *ex officio* Directors, confirmed) by the sole shareholder at the annual meeting of the sole shareholder, and each of such Directors shall serve until the next annual meeting and until such Director's successor has been elected and qualified. The Directors may elect from their number a Chair and a Vice Chair to act in the absence of the Chair. The composition of the Board shall at all times comply with the requirements of governing law, including, as applicable, the inclusion of a sufficient number of independent Directors in accordance with Section 2825(2) of the PAL.

Section 3. Regular Meetings. The Board of Directors by resolution may provide for the holding of regular meetings of the Board and may fix the time and place for the holding of such meetings. Notice of regular meetings shall be given in accordance with NYOML.

Section 4. Special Meetings. Special meetings of the Board may be called by the President and shall be called by the President or Secretary upon the written request of one or more Directors.

Section 5. Notice of Special Meetings. Notice of the time and place of each special meeting of the Board shall be served upon each Director in one of the following ways: by ordinary mail directed to such Director at such Director's usual place of business or residence at least five (5) days before the day of the meeting, by delivering the same to such Director personally at least two (2) days before the day of the meeting, by sending the same to such Director by electronic mail, or by notifying such Director by telephone at least three (3) days before the day of the meeting. Notice of special meetings shall be given in accordance with NYOML.

Section 6. Quorum and Adjournment. The presence of five (5) Directors shall constitute a quorum at any meeting.¹ A majority of the Directors present at any meeting, although less than a quorum, may adjourn the same from time to time, without further notice, until a quorum shall attend. No additional notice need be given of such adjourned meeting.

Section 7. Voting. Any action taken by the Directors of the Corporation shall be taken by majority vote of the entire Board of Directors (assuming no vacancies or disqualifications)² at a public meeting held in accordance with NYOML. *Ex officio* Directors

¹ Section 2826 of the PAL requires a quorum to consist of at least a majority of the "whole number" of the board, meaning "the total number which such board would have were there no vacancies and were none of the members of such board disqualified from acting."

² Section 2826 of the PAL requires the approval of not less than a majority of the whole number of the board to perform and exercise the powers authorized and provided under the PAL.

acting in such capacity shall enjoy all the rights, powers, duties, liabilities and immunities of other Directors including the right to vote at meetings of the Board.

Section 8. Participation by Videoconference. To the extent permitted by the NYOML, any one or more members of the Board or any Committee thereof may participate in a meeting of the Board or such Committee by means of a video conference or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time; provided, that the requirements under NYOML for quorums and public access to locations of such meetings are satisfied.

Section 9. Removal of Directors. Any Director may be removed either with or without cause at any time by the affirmative vote of the sole shareholder. A Director may be so removed at any annual or special meeting of the sole shareholder or at a separate meeting.

Section 10. Vacancies. Any vacancy in the Board occasioned by the death, resignation or removal of a Director may be filled for the remainder of such Director's term of office by the affirmative vote of the sole shareholder at any annual or special meeting of the sole shareholder.

Section 11. Compensation. No Director or officer of the Corporation shall receive, directly or indirectly, any salary, compensation or emolument from the Corporation, except as provided by the Board and as permitted under applicable state statutes including Section 74 of the New York Public Officers Law. Pursuant to Section 2824(3) of the PAL, no Director who is also the chief executive officer shall participate in determining the level of compensation or reimbursement, or time and attendance rules for the position of chief executive officer.

Section 12. Committees. The Board of Directors may appoint, by vote, such committees, and, subject to Section 7 of this Article, may delegate such powers and duties to them, as the Board may deem advisable. The Board shall appoint and maintain such committees as are required by governing law, including, as applicable, an Audit Committee, Governance Committee and Finance Committee. Members of such committees shall satisfy the independence requirements under the PAL.

Section 13. Resignations. Any Director may resign from office at any time by delivering a resignation in writing to the Corporation, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

ARTICLE III

OFFICERS

Section 1. Number and Designation. The officers shall be a President, a Chief Financial Officer, a Secretary, one or more Assistant Secretaries, a Treasurer, one or more Assistant Treasurers and such other officers as may be appointed by the Board of Directors. All officers shall hold office until their death, removal, resignation or the election of their successors. One person may hold any two or more offices except those of President and Secretary.

Section 2. President. The President and Chief Executive Officer of NYPA shall be appointed and serve *ex officio* as the President of the Corporation (the “President”). The President shall be the Chief Executive Officer and, subject to the direction of the Board of Directors, shall have general control of the business of the Corporation and shall supervise the work of the other officers. The President may attend meetings of the Board of Directors and may submit such recommendations and information as the President may consider proper concerning the business, duties and affairs of the Corporation. The President shall preside at all meetings of the sole shareholder and, if there is no member of the Board of Directors designated by the Directors to preside at meetings of the Directors, the President shall preside at such meetings. The President may sign in the name of the Corporation any and all contracts or other instruments authorized by the Board in accordance with these By-Laws. The President may, as deemed appropriate, delegate their powers and responsibilities to any officers of the Corporation.

Section 3. Chief Financial Officer. The Executive Vice President and Chief Financial Officer of NYPA shall be appointed and serve *ex officio* as the Chief Financial Officer of the Corporation (the “Chief Financial Officer”). The Chief Financial Officer shall be responsible for the overall supervision of the financial activities of the Corporation, and shall exercise such other duties as the President or Board of Directors shall from time to time determine. The Chief Financial Officer shall report directly to the President and shall, when requested, give advice to the Board of Directors. The Chief Financial Officer may, as deemed appropriate, delegate their powers and responsibilities to any officers of the Corporation.

Section 4. Secretary. The Corporate Secretary of NYPA shall be appointed and serve *ex officio* as the Secretary of the Corporation (the “Secretary”). The Secretary shall cause notices of all meetings to be served as prescribed in these By-Laws, shall keep the minutes of all meetings, shall have charge of the seal of the Corporation and the corporate records and shall affix the seal to such papers or documents as may be proper and, when the seal is so affixed, the Secretary shall attest the same by the Secretary’s signature whenever required and shall perform such other duties as are assigned to the Secretary by the President or the Board. Any Assistant Secretary shall be empowered to perform all of the duties of the Secretary.

Section 5. Treasurer. The Treasurer of the Corporation (the “Treasurer”) shall be appointed by vote of the Board of Directors. The Treasurer shall have the custody of all monies and securities of the Corporation and shall keep or cause to be kept regular books of the accounts of the Corporation. The Treasurer shall endorse on behalf of the Corporation for collection checks, notes and other obligations, and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as the Board of Directors may designate. The Treasurer may sign with the President, or such other person or persons as may be designated for such purpose by the Board of Directors, all bills of exchange or promissory notes of the Corporation, and shall perform all other duties that are assigned to the Treasurer by the President or the Board. Any Assistant Treasurer shall be empowered to perform all of the duties of the Treasurer.

Section 6. Other Officers. Such other officers as the Board may from time to time appoint shall perform such duties and have such authority as the Board may determine.

Section 7. Removal. Any officer may be removed, either with or without cause, at any time by the affirmative vote of a majority of the entire Board. The “entire Board” means the total number of Directors the Corporation would have if there were no vacancies.

ARTICLE IV

CONTRACTS AND BANK ACCOUNTS

Section 1. The Board of Directors may authorize any officer or officers, agent or agents, to take any action and to enter into any contract or execute and deliver all kinds of instruments, including but not limited to checks, notes, drafts and bills of exchange in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. The funds of the Corporation shall be deposited with such banks or other depositories, and shall be subject to withdrawal under such regulations as shall be adopted from time to time by the Board.

Section 2. The funds of the Corporation shall not be commingled with the funds of NYPA.

ARTICLE V

CAPITAL SHARES

Section 1. Certificates. Certificates of shares in the Corporation shall be in such form as shall be approved by the Board. They shall be signed by the President and by the Secretary, Assistant Secretary or Treasurer; and in appropriate books of record shall be entered the name of the sole shareholder, the number of shares and the date of issuance. All Certificates exchanged and returned to the Corporation shall be marked “Cancelled” with the date of cancellation by the President, the Secretary, Assistant Secretary or the Treasurer, and shall be filed among the corporate records of the Corporation.

Section 2. Lost, Stolen and Destroyed Certificates. In the case of lost, stolen or destroyed certificates, new certificates may be issued to take the place thereof upon receipt by the Corporation of such bond of indemnity, and under such regulations, as shall be prescribed by the Board of Directors, but the giving of a bond of indemnity may be waived by the Board.

ARTICLE VI

CONFLICTS OF INTEREST

Section 1. The Directors, officers and employees of the Corporation shall be subject to the Corporation’s Code of Conduct, Board Conflict of Interest Policy, Section 74 of the Public Officers Law and (if applicable) Section 73 of the Public Officers Law.

ARTICLE VII

INDEMNIFICATION

Section 1. (a) General Scope of Indemnification. The provisions of this Article for indemnification shall be in addition to and shall not supplant any indemnification by the State heretofore or hereafter conferred upon any Director, officer or employee by any statute, by Section 18 of the Public Officers Law, or otherwise. This Article is to be construed liberally in favor of each Director, officer and employee of the Corporation to the fullest extent permitted by law, and any ambiguity, uncertainty or reasonable doubt as to facts, interpretation or legal conclusions shall be resolved in favor of such Director, officer or employee. The provisions of this Article shall inure only to the Directors, officers or employees of the Corporation or of its subsidiaries, and to their estates, shall not enlarge or diminish the rights of any other party, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance.

(b) Directors and Officers. The Corporation shall save harmless and indemnify any person (or such person's estate) who shall have served as a Director or officer of the Corporation or of a subsidiary of the Corporation against financial loss or reasonable litigation expense incurred in connection with any claim, demand, suit, action or proceeding, whether civil or criminal, or the defense thereof, and arising out of (i) any transaction of the Corporation or of a subsidiary of the Corporation, or (ii) any act or failure to act by any such Director or officer while engaged in the discharge of such person's duties on behalf of the Corporation or its subsidiaries. In the event any such claim, demand, suit, action or proceeding shall occur, such Director or officer shall be saved harmless and indemnified to the fullest extent possible consistent with Article 7 of the New York Business Corporation Law (the "BCL").

(c) Employees. The Corporation shall save harmless and indemnify any person (or such person's estate) who shall have served as an employee of the Corporation or of a subsidiary of the Corporation against financial loss or reasonable litigation expense incurred in connection with any claim, demand, suit, actions or proceeding, whether civil or criminal, or the defense thereof, and arising out of (i) any transaction of the Corporation or of a subsidiary of the Corporation, or (ii) any act or failure to act by any such employee while engaged in the discharged of such person's duties on behalf of the Corporation, or its subsidiaries. In the event any such claim, demand, suit, action or proceeding shall occur, such employee shall be saved harmless and indemnified to the fullest extent as herein provided, unless such individual is found by a final judicial determination not to have acted, in good faith, for a purpose which such person reasonably believed to be in the best interests of the Corporation or of its subsidiaries, and, in criminal actions or proceedings, in addition, not to have had reasonable cause to believe that such person's conduct was lawful.

Section 2. Conditions Precedent and Representation of Persons Indemnified. Except in a criminal proceeding, the right to indemnification shall be conditioned on (i) the prompt delivery to the Corporation of a copy of the summons, complaint, process, notice, demand or pleading commencing any such claim, demand, suit, action or proceeding, (ii) a contemporaneous offer to name counsel to the Corporation as counsel to the said Director, officer or employee in the defense of such claim, demand, suit, action or proceedings and (iii) the full cooperation of the said

Director officer or employee, in the event the offer is accepted, in the making of such defense. The Corporation may, either by its own staff counsel or by outside counsel of its choice, accept the offer and assume the representation of any person who becomes a party to the claim, demand, suit, action or proceeding, except in situations in which (x) choice of counsel is governed by statute, or (y) the Corporation's counsel determines that it is inappropriate or inadvisable for such person to be represented by counsel chosen by the Corporation. In the event the Corporation does not assume such representation, such person shall have the right to engage private counsel of such person's choice and the Corporation shall have the obligation of indemnification for the reasonable fees and expenses of such private counsel as provided in this Article and, to the extent applicable, Article 7 of the BCL; provided, however, that the Corporation as a condition to such indemnification for the cost of private counsel may require appropriate groups of persons to be represented by the same counsel.

Section 3. Advances of Expenses. (a) Directors and Officers. A Director or officer who becomes a party to an action or proceeding may request that the Corporation advance expenses pending the final disposition of such action or proceeding. Such advancement shall be made in the manner delineated by Section 724 of the BCL.

(b) Employees. Reasonable litigation expenses incurred by an employee who becomes a party to an action or proceeding shall be paid by the Corporation from time to time pending the final disposition of such action or proceeding without necessity for any authorization, findings, or other action by the Directors prior to the making of such advances; provided, however, that the Directors (i) may make a preliminary finding at any time prior to the final disposition of such action or proceeding that it then appears that an employee has clearly not acted, in good faith, for a purpose reasonably believed to be in the best interests of the Corporation or of its subsidiaries and in criminal actions or proceedings, in addition, that the employee clearly had not had reasonable cause to believe that such person's conduct was lawful, or may seek an opinion in writing of outside legal counsel with respect to that issue, and if such a preliminary finding shall be made or a negative opinion on that issue shall be given, no further advances under this paragraph shall be made with respect to expenses of such employee, and (ii) may determine, or provide for the determination of, the reasonableness of expenses sought to be advanced.

(c) Repayment. The Corporation shall require each person receiving amounts advanced under paragraph (a) or (b) of this Section to agree in writing that the same shall be repaid if the person receiving such advances is ultimately found not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced by the Corporation or allowed by a court exceed the indemnification to which such person is ultimately found to be entitled.

ARTICLE VIII

AMENDMENTS

Section 1. The By-Laws may be altered, amended or repealed, and new By-Laws added, only with the consent of the sole shareholder.

ARTICLE IX

DIVIDENDS

Section 1. The Board of Directors shall by vote declare dividends from the available net earnings of the Corporation whenever, in their opinion, the condition of the corporation's affairs will render it expedient for such dividends to be declared.

ARTICLE X

SEAL

Section 1. The seal of the Corporation shall be circular in form and shall bear the name of the Corporation, the words "Corporate Seal," the year of incorporation and the words "New York," and may be affixed to any instrument by causing it to be impressed or otherwise reproduced thereon.

ARTICLE XI

SPECIAL ACTIONS

Section 1. The prior written consent of the sole shareholder is required prior to the Board of Directors authorizing any of the following actions:

- (i) Dissolution, liquidation, termination or winding-up of the Corporation;
- (ii) (a) Consent of the institution of bankruptcy or insolvency proceedings against the Corporation, (b) the filing of a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (c) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Corporation or a substantial part of its property, (d) the making of a general assignment for the benefit of creditors, or (e) admission in writing of the Corporation's inability to pay its debts generally as they become due; or
- (iii) Merger or consolidation of the Corporation with any other entity, or the sale of all or substantially all of the Corporation's assets or the acquisition by the Corporation of all or substantially all of the assets or capital stock or other ownership interest of or in any other entity.

ARTICLE XII

CERTIFICATE OF INCORPORATION

Section 1. These By-Laws, the powers of the Corporation and its directors, and all matters concerning the conduct and regulation of the business of the Corporation shall be subject to the provisions of the Corporation's certificate of incorporation adopted and filed with the Secretary of State of the State of New York, as the same may be amended from time to time (the "Certificate of Incorporation").