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

PROPOSED AGENDA

September 23, 2025 at 9:00 A.M.

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

1. Adoption of the September 23, 2025 Proposed Meeting Agenda

2. DISCUSSION AGENDA:

a. Strategic Initiatives

i. President and Chief Executive Officer's Report -- (Justin E. Driscoll)

b. Utility Operations

i. Chief Operating Officer's Report -- (Joseph Kessler)

1. History of Niagara Power Project (Jairo Florez)

2. Customer Benefits of the Niagara Power Project (Maribel Cruz-Brown)

3. New York State Canal Corporation Update (Brian Stratton/Rebecca Hughes/David Mellen)

a. Canal Revitalization: Director's Report (Brian Stratton)

b. Canal Revitalization: Foster Connection, Enjoyment & Respect for Our Resources (Rebecca Hughes)

c. Canal Revitalization: Operate, Maintain & Improve Canal Infrastructure (Dave Mellen)

c. Financial Operations

i. Chief Financial Officer's Report -- (Adam Barsky)

1. Hydroelectric Preference Power Rates – Notice of Proposed Rulemaking – Resolution (Adam Barsky)

d. Risk and Resiliency

i. Chief Risk and Resiliency Officer's Report -- (Alexis Harley)

e. Finance Committee Report – (Chair Koelmel)

i. Finance Committee Recommendations for Approval:

1. Release of Funds in Support of the New York State Canal Corporation for Q4 2025 – Resolution (Adam Barsky)

2. Fleet Vehicles – Contract Award – Resolution (Patrick Monaghan)

3. Workforce Development – Funding Request – Resolution (Sandra Bleckman)

4. Authorization to Enter Into an Intercompany Loan Agreement with New York Renewable Energy Development Holdings Corporation – Resolution (Nicholas Gonzalez)

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

3. CONSENT AGENDA:

a. Customer Solutions

i. Expansion Power Allocation and Hydropower Allocation Modifications -- Resolution (Maribel Cruz Brown)

ii. Recommendation for Award of Fund Benefits from the Northern New York Economic Development Fund by the Northern New York Power Proceeds Allocation Board – Resolution (Maribel Cruz Brown)

iii. Extension of Hydropower Contracts with Upstate Investor-Owned Utilities for the Benefit of Rural and Domestic Consumers – Final Approval and Transmittal to the Governor -- Resolution (Maribel Cruz Brown)

iv. Contracts for the Sale of Hydro Power – Final Approval and Transmittal to the Governor –- Resolution (Maribel Cruz Brown)

v. Contract for the Sale of Preservation Power to Alcoa USA Corp - Final Approval and Transmittal to the Governor --- Resolution (Maribel Cruz Brown)

vi. Transfer of ReCharge New York Power Allocations --- Resolution (Maribel Cruz Brown)

vii. Recommendation for the Award of Fund Benefits from the Western New York Economic Development Fund by the Western New York Power Proceeds Allocation Board -- Resolution (Maribel Cruz Brown)

viii. Extension of the Industrial Incentive Award to Pratt Paper (NY), Inc. and Economic Development Plan -- Resolution (Maribel Cruz-Brown)

b. Procurement (Services) Contracts

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

ii. NYPA Fleet Vehicles and Electric Vehicle Training Tools – Transfer of Ownership to Educational Institutions in New York State – Resolution (John Canale)

c. Governance Matters

i. Approval of the Minutes of the Joint Power Authority of the State of New York and New York State Canal Corporation Board of Directors held on July 29, 2025.

4. NEXT MEETING

President & CEO Report

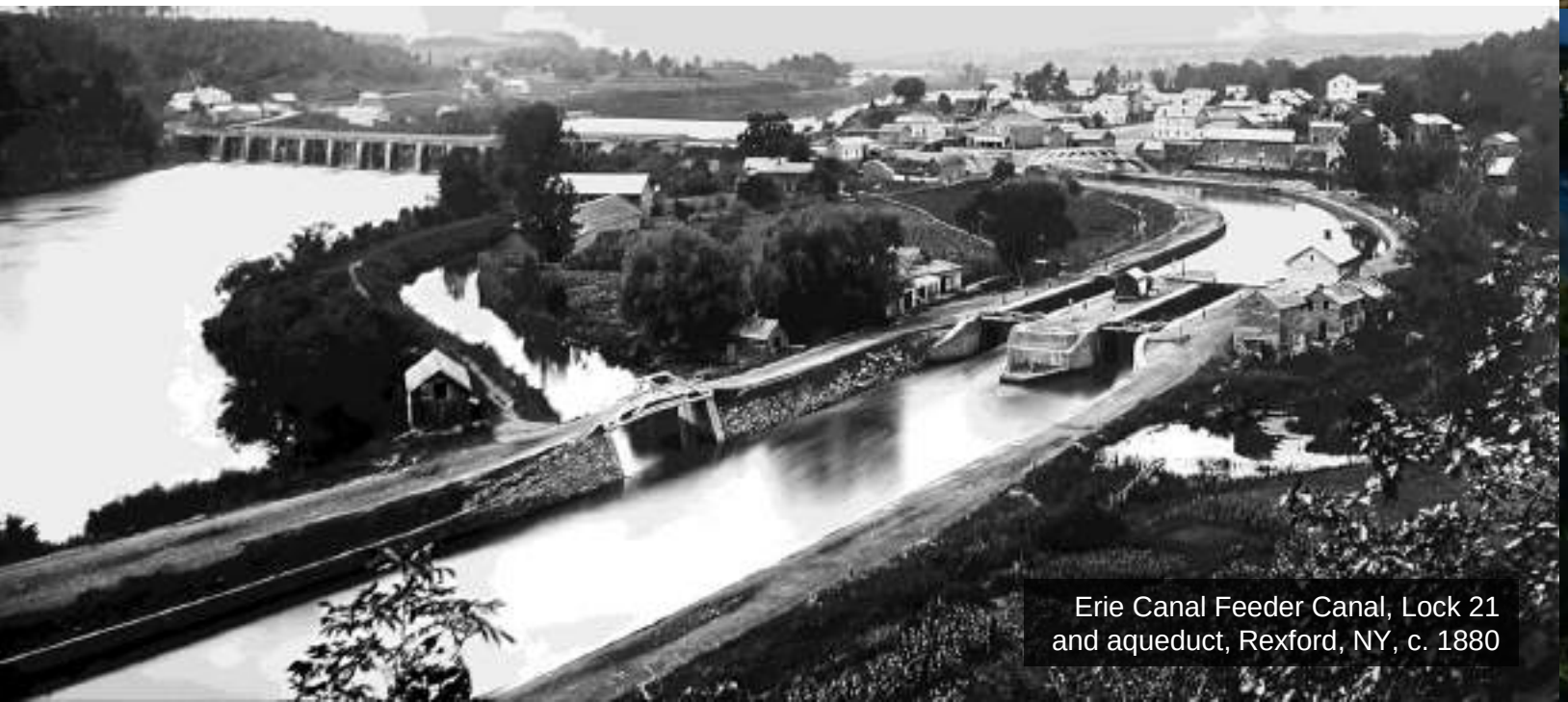
Justin E. Driscoll
President & CEO

September 23, 2025

Celebrating 200 Years

The New York State Canal system is among the country's most transformative infrastructure projects, shaping the economic, social and political landscape of the United States. Its creation helped to make New York City the chief port in the United States and opened the western part of the state and other western territories to increased settlement and trade that accelerated the nation's growth and development in the 19th century.

Construction on the Erie Canal in Scotia, New York



Erie Canal Feeder Canal, Lock 21 and aqueduct, Rexford, NY, c. 1880

Brockport pedestrian bridge

Welcome to the Trustees' Room at the Niagara Power Project

- This building was the original administrative building for the power project.
- The room's design, materials and furniture are original and in keeping with the style of public buildings in the 1960s.
- Conservation work has been performed over the course of the last few decades, most recently in the summer of 2024.
- NYPA board meetings were held here on several occasions, with votes cast on Power Allocations to companies like Moog.

Photo: 1967 Board meeting, Chairman Fitzpatrick presiding at the head of the table

NYPA's Economic Development Programs Support WNY Customers

Combined totals from Expansion Power/Replacement Power, ReCharge NY, Industrial Economic Development Program and WNY Power Proceeds:

240+ Economic Development Customers

550 MW Awarded

49K Jobs Committed

$6B Private Capital Investments

$53M Power Proceeds Awards

Workers assemble a kayak at Confer Plastics, a plastic fabrication company in North Tonawanda

NYPA’s Economic Development Programs Support WNY Customers

Explore & More – The Ralph C. Wilson Jr. Children’s Museum at Canalside hosts 250,000 visitors annually to Buffalo's waterfront. Located at the corner of Lloyd Street and Marine Drive, the museum was built on the terminus of the original Erie Canal, where replica canals and bridges have become year-round family and tourist destinations.

Irish Welding is a Buffalo-based, family-owned company that distributes carbonic supplies and gases, as well as soft drink syrup and juice products.

Building the Nuclear Workforce

The Advanced Nuclear Energy Workforce Roundtable September 9, 2025

- Brought together leaders from **Labor, Energy, Education and Government**
- Explored opportunities to **accelerate training and apprenticeship programs** to support the expansion of jobs in the nuclear energy field
- **Partnerships will be key to progress** to a thriving nuclear energy workforce

Renewables Engagement Recap

2 Virtual Public Hearings

66 Speakers

300+ Live Viewers

6,000+ Public comments*

*45-day public comment period ended on September 12

NY Power Authority | Canal Corporation

Chief Operating Officer's Report

Joseph F. Kessler, P.E.
EVP & Chief Operating Officer

September 23, 2025

Niagara Power Project

“The mighty power of the Niagara has been harnessed for the public good.”

– Dwight D. Eisenhower

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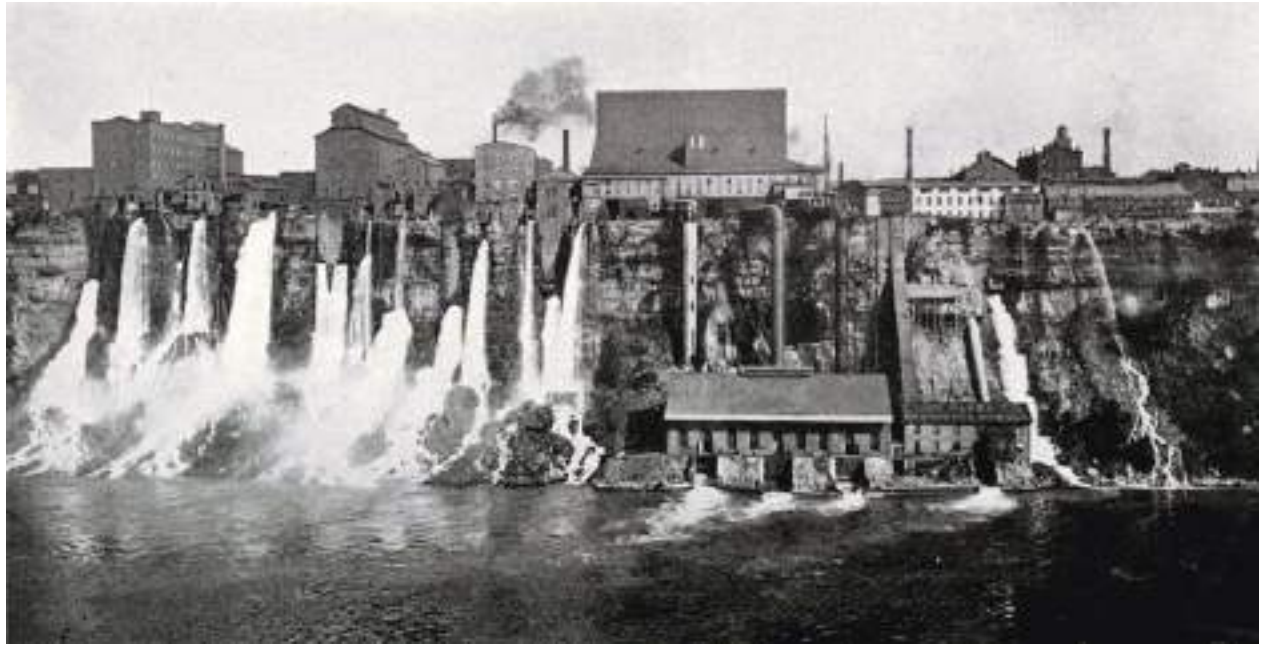
History of the Niagara Power Project

Jairo Florez
SVP and Regional Manager

September 23, 2025

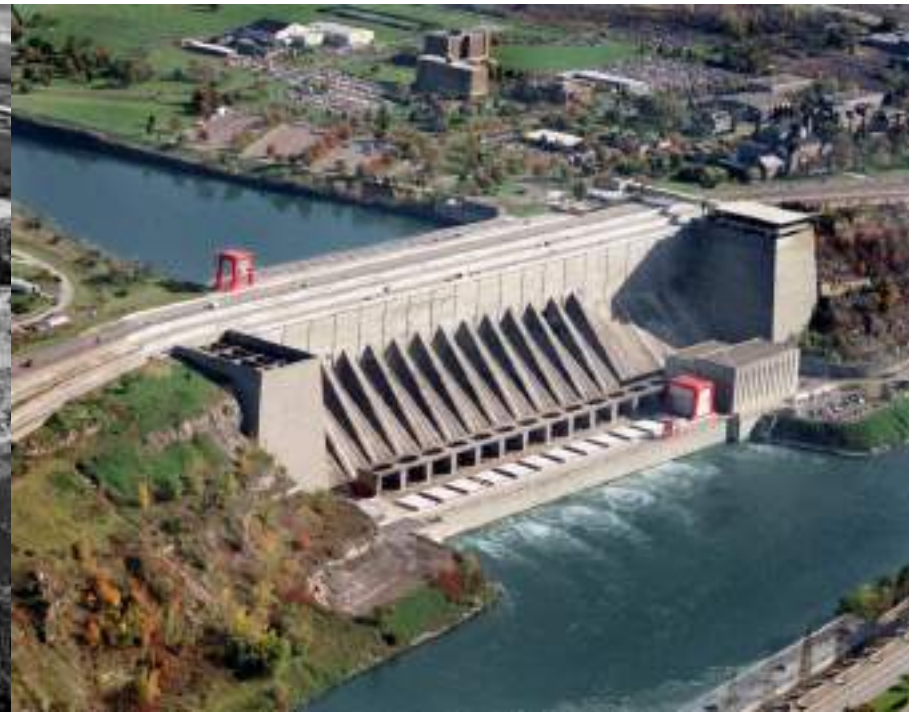
A Historical Overview of Niagara Power Project



Niagara Falls Hydraulic Power & Manufacturing Company of Niagara Falls, New York, was the first company to generate electricity from Niagara Falls in 1882
In 1918, the company merged with Niagara Falls Power Company, which later became Niagara Mohawk and eventually was acquired by National Grid.

On June 7, 1956, the collapse of two-thirds of Schoellkopf Power Station No. 2, killed one worker, caused an estimated $100 million in damage and 400 MW loss.
The instant energy crisis forced the expedited development of the Niagara Power Project.

Building Niagara Power Project



Commercial operation began in January 1961

Honoring the Builders of Niagara

August 2025

Some of the original workforce and their family members return to the Niagara Power Vista to celebrate their monumental achievements!

Niagara Power Project

- Located in town of Lewiston in Niagara County
- The largest power plant in NYPA's fleet
- The Project consists of two separate facilities:

Robert Moses Niagara Power Project

(13 units, 2,435 MW)

Lewiston Pump Generating Plant LPGP

(12 pump turbines, 240 MW)

Niagara Power Project – Community Benefits

Niagara Power Project Relicensing Benefits | Total Value: $1 Billion and 32 MW – Over 50 years

Examples:

Community and Regional Development

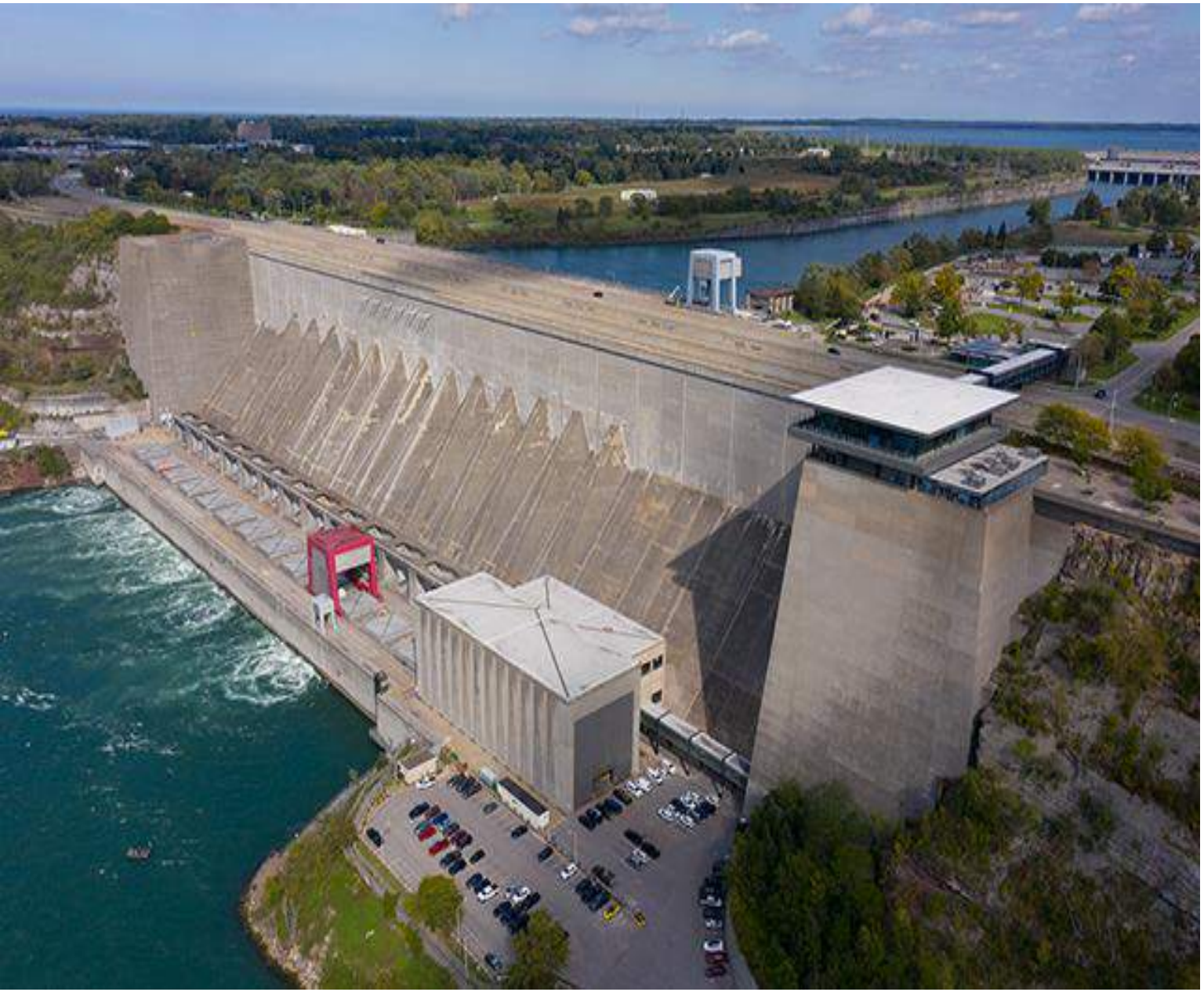
- Host Communities Fund
- Buffalo & Erie County
- Tuscarora Nation
- NYS Parks
- Buffalo's East Side

Environmental and Recreational

- Ecological Improvements – habitat improvement projects
- Fishing Facilities
- Power Vista Renovations
- Niagara River Greenway Funds
- Niagara Gorge Corridor

Educational and Workforce Development

- Niagara University
- Workforce Development/Northland



Securing the Future

Next Generation Niagara Capital Investment Program

- Unit Controls Upgrade
- Control Room Upgrades
- Mechanical and Electrical Overhauls
- Penstock Inspection Platform
- 630-ton Crane Replacement

Other Major Capital Investments

- Unit Substation Replacement
- Superstructure Bridge Replacement
- Transmission Life Extension & Modernization Program

NY Power Authority | Canal Corporation

Customer Benefits of the Niagara Power Project

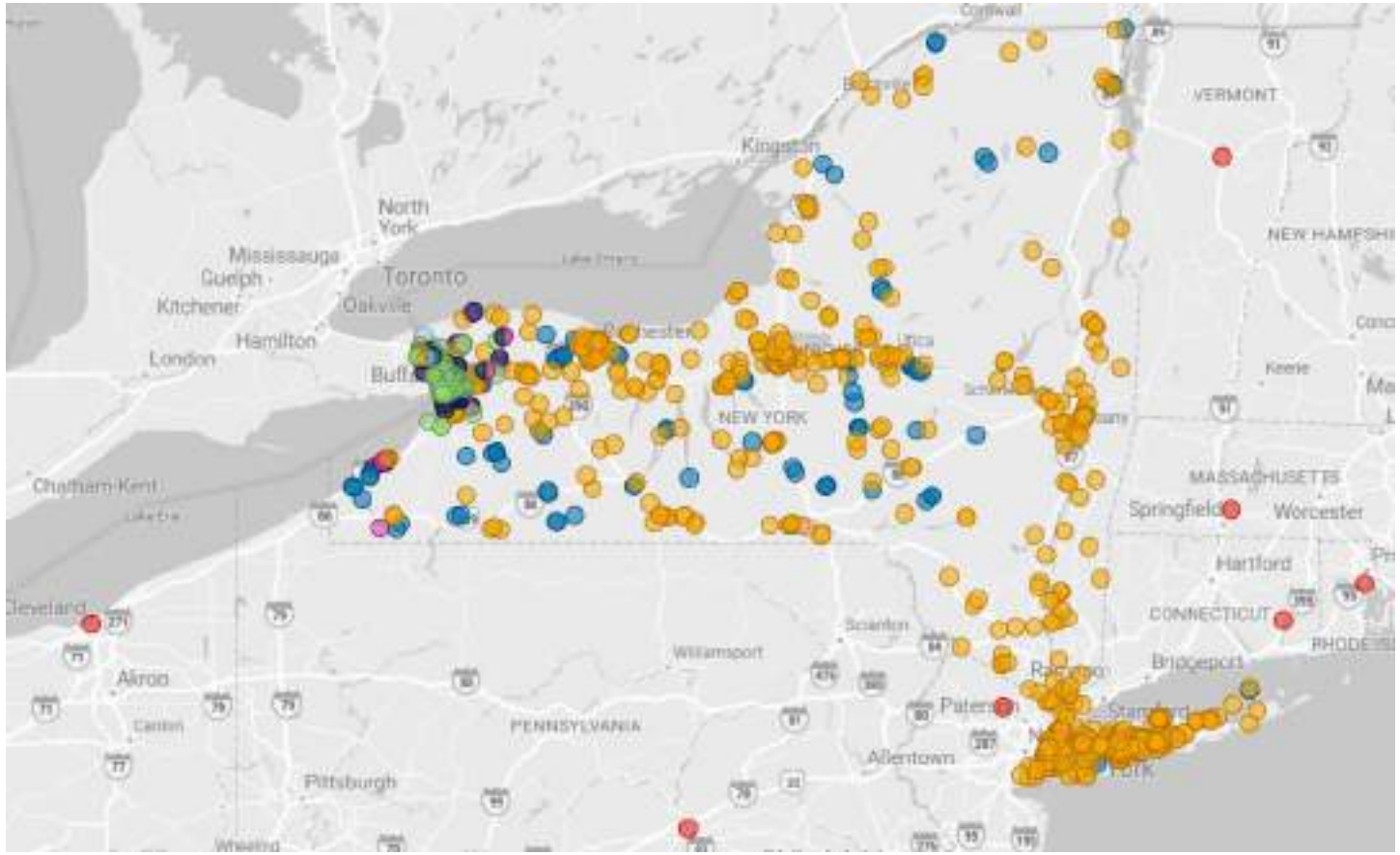
Maribel Brown-Cruz
SVP, Customer Solutions

September 23, 2025

Customers Benefiting from Niagara Power Project

The Niagara Power Project fuels economic growth across New York State by generating reliable, renewable energy that powers industries and attracts investment.

2,675 MWs of Demonstrated Maximum Net Capability -> **1,914 MWs** Dedicated to Customer Programs -> **1,791 MWs** In Service



Economic Development Programs

- Expansion / Replacement Power | 581 MW
- ReCharge NY | 194 MW
- WNY Economic Development Fund | N/A

$27.6B
Capital Investments

217,639
Jobs Created

Preference Power Customers

- Muni / Coop + Industrial Economic Development Program | 768 MW
- Host Communities + Buffalo Waterfront | 57 MW
- Neighboring States | 191 MW

The numbers depicted are based on Firm Hydropower allocations to customers.
WNY Economic Development Fund is funded with the aggregate excess of revenues received from the sale of Expansion and Replacement Power produced at the Niagara Power Project that was sold in the wholesale energy market over what revenues would have been received had such Expansion and Replacement Power been sold on a firm basis to an eligible Expansion or Replacement Power customer.

Ralph C. Wilson Park Conservancy
Western NY Power Proceeds Award

Community-led, $200 million+ redevelopment of Buffalo's LaSalle Park (now the Ralph Wilson Park) aims to create a vibrant and inclusive space for all

Total Power Proceeds Award: $2,334,434

Total Project Cost: $11,672,171

This award is recommended to support the construction of a 10,000 square foot multi-use facility that will augment the $200 million redevelopment of Buffalo's LaSalle Park.

The building will provide operations, administrative, security and programming team offices, storage, public restrooms, and a maintenance facility from where the Conservancy will manage the park.

To ensure that it remains clean, safe, and welcoming year-round, grounds and maintenance equipment will be purchased, and a park signage system will be installed as part of the project.

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Canal Revitalization: Director's Report

Brian U. Stratton
Director, NYS Canal Corporation

September 23, 2025

Welcome to Buffalo
& World Canal Conference 2025

Welcome

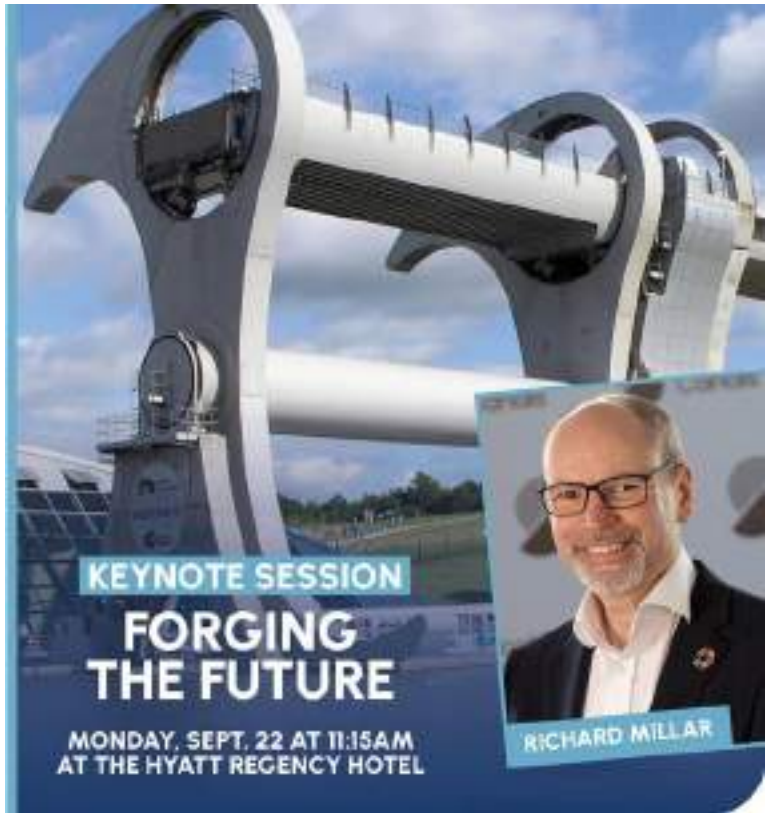
- Keynotes by Richard Millar & Haben Girma

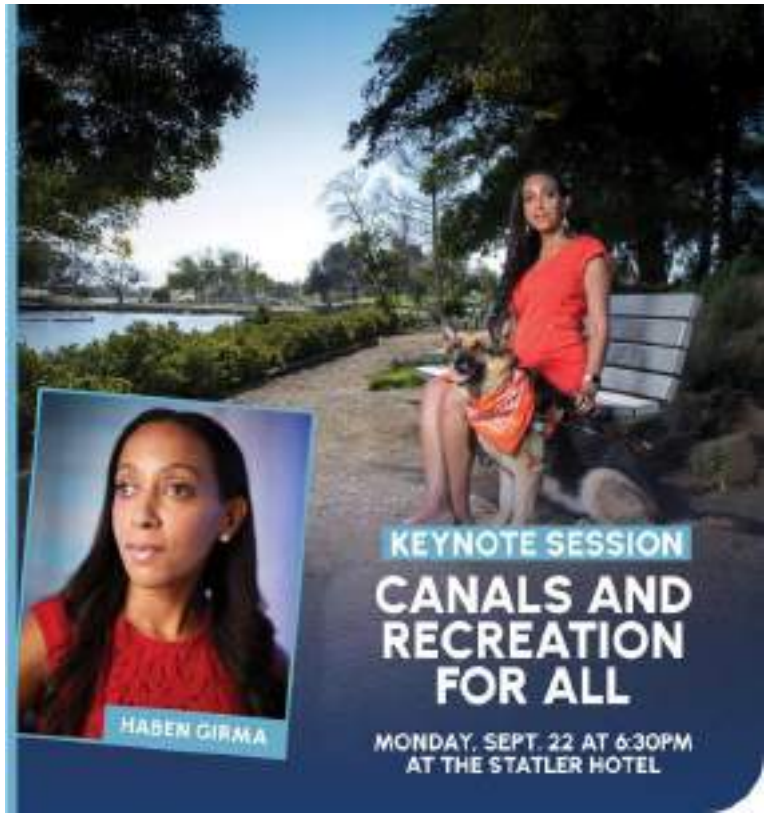
Attendance

- Over **450** visitors from **ten** countries
- **20+** NYPA, Canals & partner speakers

Four Field Sessions

- Niagara Falls & Welland Canal
- Brockport & Fairport
- Lockport & Medina
- North Tonawanda & Lockport





Bicentennial Highlights

1. NY Lottery Raffle
2. Governor Hochul aboard the *Sam Patch* tour boat
3. ASO summer concert series
4. Canal exhibit at State Capitol

Journey of the Seneca Chief & Culminating Events

Replica *Seneca Chief* departs from WCC

- 28 stops on bicentennial voyage

Grand celebration at Pier 26, Hudson River Park

- Sunday, October 26
- Featuring West Point Band

Lecture & Forum featuring NY's First Gentleman

- Monday, October 27
- Roosevelt House Public Policy Institute at Hunter College

Canal Revitalization:
Foster Connection, Enjoyment & Respect for Our Resources

Rebecca Hughes
Deputy Executive Director

September 23, 2025

On the Canals: A Vision for the NYS Canal as an Accessible Destination

- **80%** of everyone's health and wellness takes place *outside* of medical offices.
- **1 in 5** Americans lives with a disability.
- **Recreation** can drive the health of our communities**.**
- People living with disabilities – plus their families, friends, and advocates – wield **considerable spending power** around the Canalway and surrounding communities.

Medina Triennial
Media Coverage

Medina Triennial

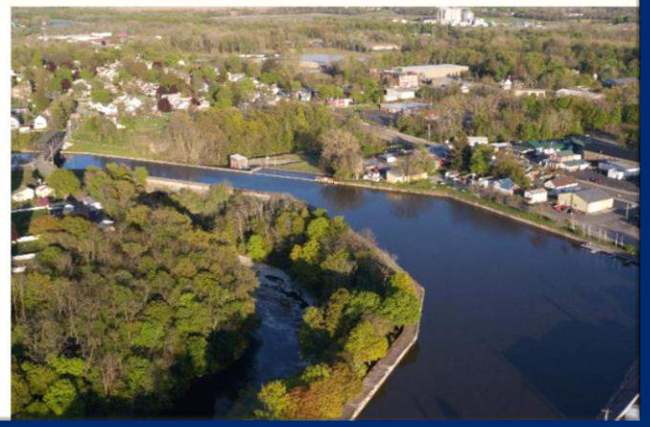
MENU | IL GIORNALE DELL'ARTE Subscriptions SEARCH

A new Triennale is coming to New York state

For the bicentennial of the Erie Canal, the Medina Triennial will be inaugurated in June 2026, which is proposed as a cultural and economic catalyst with the aim of contributing to the revitalization of the area

Maurita Cardone | July 17, 2025 | 6 min read

CONTEMPORARY ART



Major art installation coming to Medina in 2026

Posted 14 July 2025 at 5:14 pm

Medina Triennial will feature 50 artists at 12 venues

Former NAPA site on Main Street will be base for big art initiative in Medina

By Tom Rivers, Editor Posted 16 July 2025 at 2:47 pm

'It will be turning Medina into an even bigger cultural destination than it already is.'

Art & Exhibitions

Will Art Lovers Flock to a Tiny New York Village? This New Triennial Hopes So

The village of Medina is home to just 6,000, but is already drawing attention for a "culinary and cultural renaissance."

Graduate School of Architecture & Planning
at the State University at Buffalo

Happening Sept.13
Medina Hub

- **Public storefront** by **Serweta+Peck** and graduate architecture students at the **University at Buffalo.**
- Cultural initiative represents a **7:1 return on investment** and is **expecting 50,000 visitors**.
- ***all that sustains us*** is an homage to the Erie Canal, maintenance and ecology.
- All furnishings **fabricated with recycled materials,** including wood from Canal locks.

Sydney Gross Memorial, 2023

Medina Triennial Hub, 2025

Brockport
Bicentennial Bridge

Sustainable, eco-friendly construction materials offered a reduce carbon footprint and habitat preservation:

- **Durable & rot-resistant**: Naturally long-lasting, Black Locust reduces waste by extending the bridge's lifespan.
- **Fast-growing hardwood**: Black Locust is a sustainable timber choice that supports reforestation and healthy ecosystems.
- **Chemical-free**: No harmful treatments needed to preserve the wood, reflecting a commitment to environmental resilience.

Designed by **SHoP Architects**, engineered by **Arup**, and built by local SDVOB contractor **Crane Hogan Structural Systems**.

Brockport
Bicentennial Bridge

Community Use & Involvement

- **Public hearing** Spring 2022 for design feedback
- Residents and SUNY Brockport students & staff have **access to Empire State Trail** for walking, biking (including adaptive) and relaxation

Village of Brockport & SUNY Brockport Involvement

Immediate and in-depth collaboration on:

- Property transfers
- Underground sub-transmission line relocation
- Execution of maintenance agreement with all three parties (e.g., Canals, SUNY, and village)

Canal Revitalization:
Operate, Maintain & Improve Canal Infrastructure

Dave Mellen
SVP and Regional Manager, Canals

September 23, 2025

May 15-November 3
2025 Navigation Season Highlights

Vessel Traffic

- **47K+** passages (lift bridge or lockage) through August
- System usage consistent with prior seasons
- Commercial shipping **up 32%** compared to 2024

Maintenance

- Extended bicentennial season
- Rocky Rift Dam & Danube embankment repairs; other emergent work
- Early-season high water, late-season droughts

Labor

- Permanent and seasonal staffing
- Expanded training program
- Safety focus

Operations Report

Winter Maintenance Preview

Waterford, NY – Lock E-5 construction, part of winter maintenance for the NYS Canal Corporation.

Fleet Modernization

Then & Now

Top: Tugboat *Thomas X. Grasso*, first of four new tugboats for approved for construction.

Bottom: All-electric workboat engine developed by Photon Marine; fitted to aluminum hull manufactured by Silverback Marine.

Critical Infrastructure Rehabilitation

Madison Dam

Madison Dam: *Rendering of Rehabilitated Structures*

Fortifying Our Embankments
Test and Learn

Embankment Fiber Optic Monitoring Pilot Program

- Approximately **1,500 ft of fiber optic cable to be installed this month** along Canal embankment in Spencerport, NY.
- **One-year pilot program** to explore the use of fiber for monitoring and detecting **embankment seepage**, **boat traffic** & adjacent Canal **water levels**.
- Involves Canal Operations & Canal Strategic Projects, and NYPA R&D.

Using Goats for Vegetation Management

- Traverse **steep embankments** typically difficult for man or machine
- **Sustainable, emissions-free, option** to supplement resources
- Partnership with **Electric Power Research Institute (EPRI)**
- The GOAT: Highest social engagement video of all time (**100K+ views**)

NY Power Authority | Canal Corporation

Chief Financial Officer's Report

Adam Barsky
EVP & Chief Financial Officer

September 23, 2025

Year-To-Date Actuals through August 31st

8+4

In $ Thousands	2025 Budget ($)	2025 Current ($)	Variance ($)
Net Operating Income			
Operating Revenue			
Generation Revenue	$619,620	$767,558	$147,938
Ancillary Service Revenue	24,501	37,824	13,323
Transmission and Other	248,133	274,516	26,383
Non Utility Revenue	40,488	38,482	(2,006)
Pass Through Revenue	1,301,939	1,565,530	263,591
Operating Revenue Total	**2,234,681**	**2,683,909**	**449,228**
Operating Expense			
Purchase Power	(8,103)	(41,893)	(33,790)
Fuel Consumed	(24,677)	(35,552)	(10,875)
Transportation and Delivery	(64,184)	(63,821)	363
Pass Through Expense	(1,301,939)	(1,565,530)	(263,591)
Operations & Maintenance	(491,967)	(495,287)	(3,320)
Other Expense	(60,369)	(114,290)	(53,921)
Monetized Funds Support	(14,422)	(30,476)	(16,054)
Allocation to Capital	35,131	19,748	(15,383)
Operating Expense Total	**(1,930,529)**	**(2,327,102)**	**(396,573)**
Operating Income Total	**304,152**	**356,807**	**52,655**
Non Operating			
Interest and Other Expenses			
Investment and Other Income	51,901	78,059	26,157
Mark to Market Adjustments	0	12,055	12,055
FADS Total	**356,053**	**446,921**	**90,867**
Interest & Other Expenses	(23,490)	(23,039)	451
Depreciation	(238,211)	(227,008)	11,202
Interest and Other Expenses Total	**(209,800)**	**(159,934)**	**49,866**
NET INCOME	**$94,352**	**$196,873**	**$102,521**

FADS: Funds Available for Debt Service

Margins - Generation	**$76,724**
Margins - Transmission	**6,315**
Margins - Non Utility	**(2,224)**
Operating Expenses	**(28,160)**
Non-Operating Net	**49,866**
	$102,521

2025 Year-End Projection

8+4

In $ Thousands	2025 Budget ($)	2025 Current ($)	Variance ($)
Net Operating Income			
Operating Revenue			
Generation Revenue	$926,341	$1,066,911	$140,570
Ancillary Service Revenue	36,966	55,827	18,861
Transmission and Other	400,229	455,106	54,877
Non Utility Revenue	60,631	62,461	1,830
Pass Through Revenue	1,912,440	2,195,385	282,945
Operating Revenue Total	**3,336,606**	**3,835,689**	**499,083**
Operating Expense			
Purchase Power	(12,472)	(47,253)	(34,781)
Fuel Consumed	(35,297)	(50,582)	(15,285)
Transportation and Delivery	(96,763)	(96,126)	637
Pass Through Expense	(1,912,440)	(2,195,385)	(282,945)
Operations & Maintenance	(743,333)	(750,361)	(7,029)
Other Expense	(90,553)	(154,916)	(64,364)
Monetized Funds Support	(17,806)	(44,920)	(27,114)
Allocation to Capital	52,589	31,672	(20,917)
Operating Expense Total	**(2,856,074)**	**(3,307,873)**	**(451,799)**
Operating Income Total	**480,532**	**527,816**	**47,284**
Non Operating			
Interest and Other Expenses			
Investment and Other Income	77,887	108,366	30,479
Mark to Market Adjustments	0	12,055	12,055
FADS Total	**558,419**	**648,238**	**89,818**
Interest & Other Expenses	(35,249)	(35,743)	(494)
Depreciation	(357,316)	(346,113)	11,202
Interest and Other Expenses Total	**(314,677)**	**(261,435)**	**53,242**

NET INCOME	$165,855	*$259,083 Low Case*	$266,381 Expected	*$296,131 High Case*	$100,526

Margins - Generation**	**$52,392**
Margins - Transmission	**39,498**
Margins - Non Utility	**1,515**

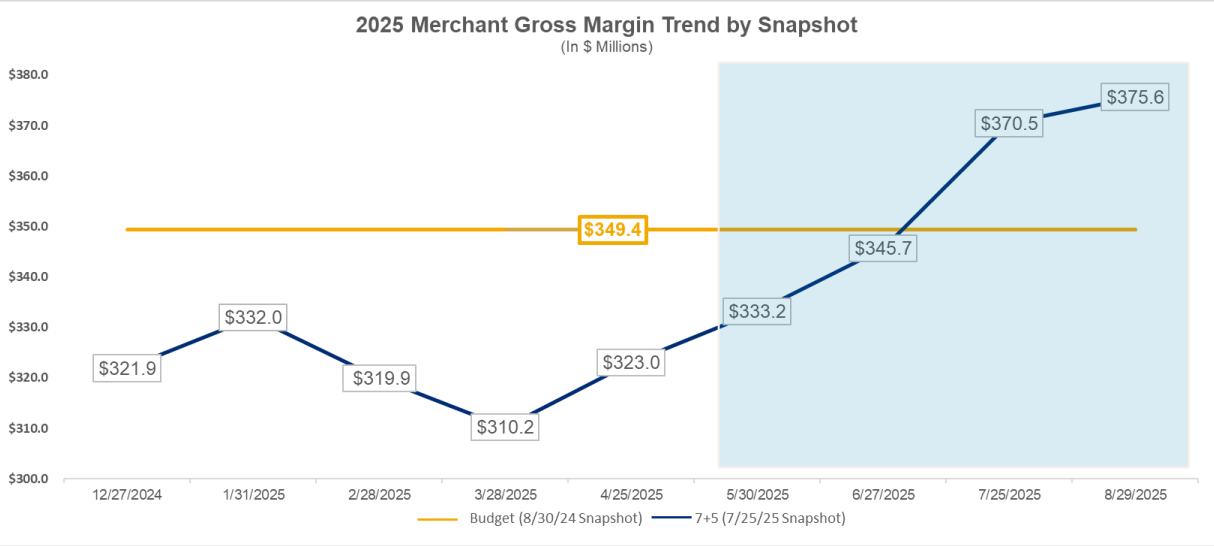
*** Includes Merchant Gross Margin Variance of $26,268 : Budget @ $349,371 vs Current @ $375,638*

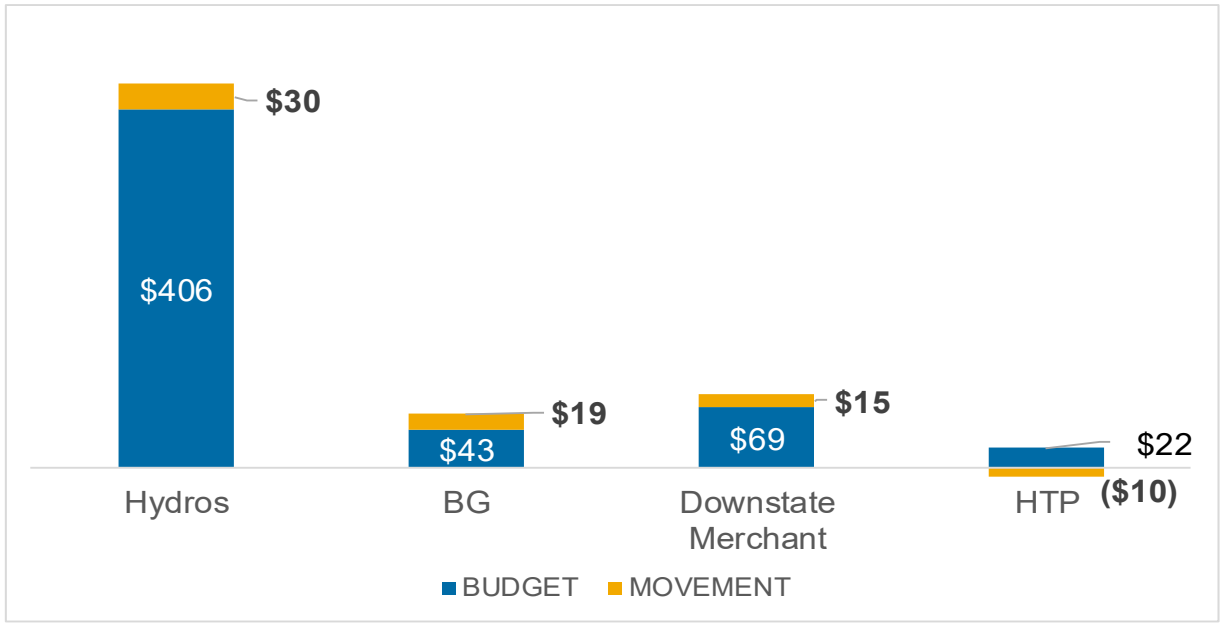
Operating Expenses	**(46,121)**
Non-Operating Net	**53,242**
$100,526	

FADS: Funds Available for Debt Service

Low/High case taken from Risk's Merchant Portfolio Daily Performance Summary

2025 Merchant Gross Margin Trend





Warmer temperatures

Cooling Degree Days	Normal	Actual
June	119	150
July	233	298

Higher Energy Prices

Upstate ($/MWH)	Budget	Actual
June	$32.31	$48.33
July	$40.99	$62.32

Revitalize the Canals Major Program / Project Performance

Project/Program	Total Estimate $	Total Spent $	2025 Plan			Cost	Sch.	Projected End Date	Next Major Milestone	Risks/Comments
			Budget	Forecast	Actuals					
Madison Reservoir Dam Rehabilitation	72	7	1	2	1	●	●	2029	Issue Construction Bid Documents to SSM Q2 2025	Milestone achieved.
Court St Dam Life Extension, Modernization, and Safety Upgrade	57*	6	1	<1	<1	●	●	2029	Complete Facility Plan Q2 2025	Listed milestone delayed to Q3 finalize specification.
Erieville Reservoir Dam Rehabilitation	56*	2	<1	<1	<1	●	●	2031	Award Engineering Contract Q3 2025	
Lock E17 Tower and Dam Rehabilitation	43	3	1	2	1	●	●	2029	All Permit Approvals Received Q2 2026	
Kingsley Brook Reservoir Dam Rehabilitation	36*	2	<1	<1	<1	●	●	2031	Award Engineering Contract Q2 2025	Listed milestone delayed to Q3 2025 due to grouping of multiple awards to improve procurement efficiency.
Tugboat Replacement Program	35*	15	6	8	6	●	●	2028	Continue Fabrication of First 2 Tugboats (First delivery in Q2 and second in Q3 2025)	
Guy Park Manor	30 ﹀	16	6	6	4	●	●	2027	Award Contract for Phase II Construction Q4 2025	Total estimate decreased due to re-envisioned Phase II. Listed milestone delayed to Q1 2026 pending decision on project financing.
Brockport Pedestrian Bridge	23	21	1	2	2	●	●	2025	Substantial Completion of Construction Q2 2025	Milestone achieved.

**Estimates for non-Revitalize projects are pending development by NYPA's estimating group*
All financials in millions

Business Growth Accelerator

NYPA and ESD Collaboration

ESD, NYPA, and Several State Agencies Partner to Strengthen MWBE Pipeline Through Business Growth Accelerator Program

Purpose: Strengthens MWBEs' capacity, growth, and sustainability. Focused on construction and semi-conductors.

Goal: Drives business development with State partners; executed MOU between ESD and NYPA.

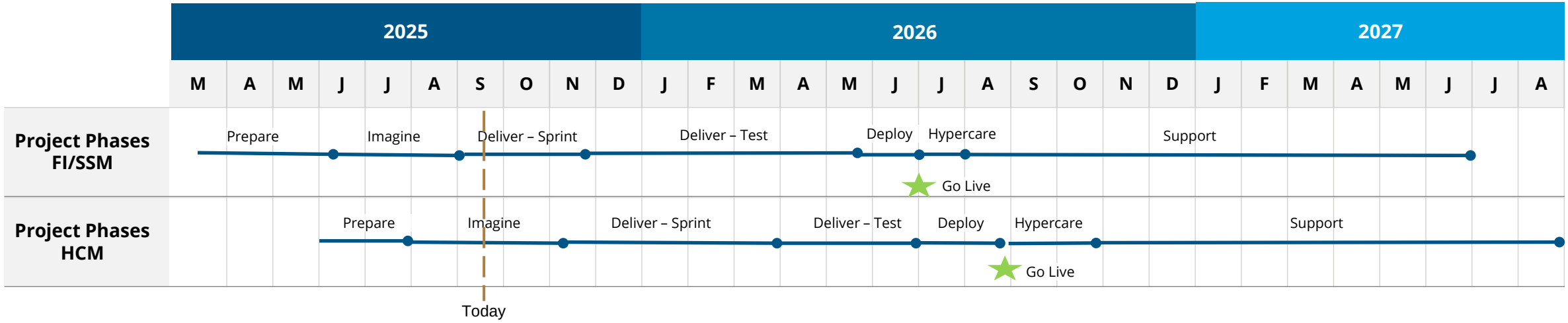
Collaboration: Western NY, Central NY, and NYC/Long Island cohorts. (18-Month program. Anticipated 2026 graduation.)

Activities: Develop business leads; host NYPA project workshops (in-person and virtual) and NYC/LI BGA Networking Day on 10/29. Provides ongoing mentorship and support to MWBEs.

Competition: ESD and NYPA collaborate to ensure graduates compete on NYPA procurements.

Commitment: Demonstrates NYPA's commitment to fostering long-term growth and sustainability for diverse suppliers through Board's long-term investment.

Project Luminate Update



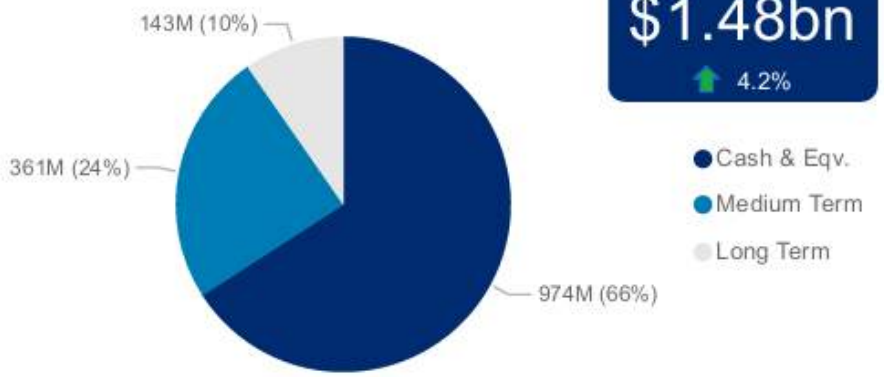
Project Updates

- Infrastructure and connectivity for technical environments established
- Prepare phases completed for both Finance/SSM and HCM
- 45 design sessions completed for Finance/SSM; 120+ people involved in design sessions; integration sessions underway
- 23 design sessions completed for HCM and are on-going; 70+ people involved in design sessions; integration sessions underway
- Cyber resources actively involved and on-going discussions established

Ratings Update

Adjusted Days Cash On Hand	Adj Days Liquidity on Hand (incl Avail Cred Lines)	Available Credit Lines ($950M)	Cash and Cash Equivalents	FCCR	DSCR	Long Term Debt to Equity
346 Days 8 Days	464 Days 10 Days	$723M	$974M	4.27X 0.09	7.72X 0.19	34%

Total Cash and Investments - Aug'25



$1.48bn
4.2%

Credit Ratings

Ratings Agency	General Bond Resolution Long-Term Rating	General Bond Resolution Short-Term Rating	Separately Financed Projects Rating
Fitch	AA	F1+	AA-
KBRA	AA+	NR	AA
Moody's	Aa1	P-1	Aa3
S&P	AA	A-1+	NR

- In July 2025, Fitch reviewed and affirmed the Authority's AA (GBR) & AA- (SFP) long-term and F1+ short-term ratings, with Stable Outlook
- In September 2025, KBRA reviewed and affirmed the Authority's AA+ (GBR) & AA (SFP) long-term ratings, also with Stable Outlook
- Independent rating agencies' affirmations highlight the Authority's stable financial profile and disciplined debt management

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Memorandum

Date: **September 23, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT & CHIEF EXECUTIVE OFFICER**

Subject: **Hydroelectric Preference Power Rates – Notice of Proposed Rule Making**

SUMMARY

The New York Power Authority ("NYPA" or "Authority") Board of Trustees ("Board of Trustees") are requested to approve a Notice of Proposed Rule Making ("'NOPR") to increase the rates for Preference Power supplied from the Niagara and St. Lawrence Hydroelectric Projects ("Hydro Projects") per the proposed rate plan commencing April 1, 2026 ("2026 Rate Plan"). This proposed rate action would, if approved, implement the first Preference Power rate increase since May 2014.

In addition, the Board of Trustees is requested to direct the Corporate Secretary to file the NOPR with the New York State Department of State for publication in the *New York State Register* in accordance with the requirements of the State Administrative Procedure Act ("SAPA"). Following the publication of this NOPR in the State Register, the 60-day public comment period will begin on October 8, 2025, and close on December 8, 2025.

Further, the Board of Trustees is requested to authorize the Corporate Secretary to schedule two public forums to obtain the views of interested parties, consistent with the Authority's ratemaking policy. After the 60-day comment period required under the SAPA, Authority staff will address any filed comments, including any comments raised at the public forums, and return to the Board of Trustees at their December 2025 meeting to seek final adoption of Preference Power rates, effective April 1, 2026.

In connection with this rate action, NYPA will also require contract modifications with its customers to permit the new Preference Power rates to become effective to the extent they are based on rate methodologies that diverge from existing practices. NYPA staff expects that contract modifications will be attained in a consensual manner with customers and to seek Board of Trustees' authorization later this year or early next year to submit modified customer contracts for approval as required under N.Y. Public Authorities Law ("PAL") § 1009.

BACKGROUND

The Authority's Preference Power rates are based on cost-of-service principles and apply to hydroelectric sales to forty-seven municipal electric systems, four rural electric cooperatives, three upstate

investor-owned utilities (for the benefit of their residential customers), the "Neighboring States" customers[1], two transportation authorities, and the Niagara Project relicensing customers. In total, 1,457 MW of firm and firm peaking hydropower are provided to customers at the Preference Power rates.

At their November 15, 2011 meeting, the Board of Trustees approved a four-year rate plan ("2011 Rate Plan") which adopted new Preference Power rates effective December 1, 2011, with three successive rate increases occurring on May 1 of 2012, 2013 and 2014. Per the Board of Trustees' direction, the Corporate Secretary published a Notice of Adoption in the *New York State Register* regarding the 2011 Rate Plan. As this was the last rate modification plan authorized by the Board of Trustees, the May 1, 2014 Preference Power rate has remained in effect ever since. The 2011 Rate Plan rates, which accomplished a phase-in to fully cost-based rates in 2014, were as follows:

Table 1
2011 Rate Modification Plan
2011-2014

Rate Year Beginning	Demand Rate ($/kW-month)	Energy Rate ($/MWh)	RSR-Related Surcharge ($/MWh)	Effective Rate ($/MWh)[2]
12/1/2011	3.26	4.92		11.30
5/1/2012	3.57	4.92		11.91
5/1/2013	3.91	4.92		12.57
5/1/2014	4.07	4.92	Up to .40 (*not implemented*)	12.88

As explained below, a rate modification is now needed to recover capital investments in the Hydro Projects, as well as increased operation and maintenance ("O&M") expenses, and allocated administrative and general ("A&G") costs to the Hydro Projects. The Rate Stabilization Reserve ("RSR") is a contractual mechanism the Authority uses to ensure rate stability and which also provides guidance on ratemaking. The RSR balance is determined on an annual basis and calculates the difference between actual costs and revenues collected through Preference Power rates. Based on recent RSR calculations, the Authority is not recovering its costs under the existing Preference Power rates.

In December 2024, the Authority proposed a rulemaking to increase Preference Power rates for the first time since 2014. This proposed rulemaking included a four-year phase-in of increases, with a decrease in year five to a rate that reflected the projected Hydro Cost of Service ("COS") without any past cost recoveries owed to the Authority through the RSR. In March 2025, the Authority withdrew the 2024 proposed Preference Power

[1] Municipal utilities located in Connecticut, Massachusetts, New Jersey, Ohio, Pennsylvania, Rhode Island and Vermont.
[2] Effective Rate at 70% load factor.

rulemaking in response to affordability concerns raised by Governor Kathy Hochul and several customer groups.

Subsequently, the Authority actively re-engaged with its Preference Power rate customers ("Customers") through their associations or representatives, and by providing transparency on technical analytics, communicating the need for a rate change, and gathering Customer feedback and support for the proposed rate change, the Authority now proposes a six-year 2026 Rate Plan commencing April 1, 2026 that reflects the lowest rates NYPA can implement. The 2026 Rate Plan reflects lower rates than NYPA originally proposed in 2024, addresses Customer feedback expressed during the prior rulemaking process, and represents less than a 3% annual increase on total bills for end-use customers each year of the 2026 Rate Plan.

To achieve an updated rate proposal and to help mitigate Customer bill impacts, the 2026 Rate Plan introduces a gradual increase in rates over a six-year period from April 1, 2026 through March 31, 2032, and includes updated cost and revenue projections and a lower cost of capital. Additionally, in recognition of ratemaking methodology changes as described herein and their anticipated inclusion in modified contracts, the RSR balance as of December 31, 2025 will be set to zero. Last, the 2026 Rate Plan also includes a rate design in which 50% of each year's increase will be recovered through the demand rate and 50% of each year's increase will be recovered through the energy rate. Table 2 below includes the proposed rates to be implemented in the 2026 Rate Plan.

Table 2
2026 Rate Plan
April 1, 2026 through March 31, 2032

Rate Year[3]	Demand Rate ($/kW-month)	Energy Rate ($/MWh)	Effective Rate ($/MWh)[4]
Current Rates	4.07	4.92	12.88
2026	4.50	5.76	14.57
2027	4.93	6.61	16.25
2028	5.36	7.45	17.94
2029	5.79	8.29	19.63
2030	6.22	9.14	21.32
2031	6.65	9.98	23.00

[3] For the 2026 Rate Plan, the rate years will be established as April 1st of the calendar year indicated to March 31st of the following year.
[4] Effective rate at 70% load factor.

Electric bill impacts based upon the above rates are shown in Exhibit A. For a typical end-use customer of a municipal or cooperative system, bill impacts under the rate plan are estimated to be about $1-2 per month—or less than 3% on their total electric bill—based on electric usage of less than 1,200 kWh per month. A typical New York State residential home uses approximately 600 kWh per month.

DISCUSSION

2026 Rate Plan

The attached Exhibit B includes the Hydro COS that sets forth the estimated costs required to serve the Customers from the Authority's Hydro Projects.

Table 2 above includes the proposed rates to be implemented in the 2026 Rate Plan and are derived from NYPA's Hydro COS as explained below.

Hydro COS

The Hydro Projects' costs, net of merchant unforced capacity ("UCAP") and ancillary services revenues, are $326 million, $360 million, $359 million, $369 million, $380 million, and $394 million for the 2026 to 2031 calendar years, respectively (line 13 of Exhibit B). Since the 2011 Rate Plan and through 2024, NYPA has invested approximately $1.2 billion in plant and equipment in the Hydro Projects. NYPA has also initiated its Next Generation Niagara Modernization and Digitization Project ("NextGen Niagara"), a capital investment program to replace end of life assets with new and modern plant and equipment, with an expected total cost of $1.1 billion over the 2017 through 2039 period ($200 million has been incurred through 2024). These investments, along with increases in NYPA's hydroelectric O&M expenses and allocated A&G expenses, necessitate this 2026 Rate Plan.

Implementing group depreciation accounting, a change in methodology now commonplace in the electric utility industry, has made the Modified Trended Original Cost/Original Cost ("MTOC/OC") capital cost recovery methodology utilized in prior rate plans no longer feasible. In the 2026 Rate Plan, NYPA proposes to adopt a more traditional ratemaking methodology of rate base times cost of capital for determining its capital recovery. Moving forward, the cost of capital will be defined as NYPA's cost of long-term debt. NYPA's debt cost, currently 4.4%, represents a lower cost of capital than was initially contemplated in the 2024 proposal, and produces a more modest rate increase to customers.

Rate Stabilization Reserve

The RSR, a contractual mechanism as discussed above, tracks the under-recovery or over-recovery of actual Hydro COS relative to the costs collected in the Preference Power rates. The RSR balance as of December 31, 2024 is an under-recovery of $51 million. In recognition of ratemaking methodology changes as described herein and their anticipated inclusion in modified contracts, the RSR balance as of December 31, 2025 will be set to zero. Any RSR balances accrued through the 2026 Rate Plan shall be addressed after the 2026 Rate Plan.

As part of the 2026 Rate Plan, some additional changes will be reflected in base rates and RSR balances, including:

a) Managing A&G and O&M expenses within the projected amounts.
b) The UCAP credit to the Hydro COS will be based on revenues received from the sale of merchant UCAP to the New York Independent System Operator ("NYISO") from capacity auctions or from bilateral arrangements with other parties. For bilateral arrangements with other parties, the UCAP credit will be determined based on an equally weighted average of the NYISO capacity auction prices.
c) The treatment of ancillary services will now be the same as the treatment of merchant UCAP revenues, wherein actual ancillary services revenues are credited to the Hydro COS.
d) The ReCharge New York ("RNY") Program will no longer be normalized as the Program is nearly fully subscribed.

The above changes, particularly limitations on NYPA's recovery of A&G and O&M, represent a reduced revenue requirement than was initially contemplated in the 2024 proposal, and produces a more modest rate increase to customers. NYPA's proposed UCAP crediting methodology provides additional value to Customers not contemplated in the 2024 proposal.

Ratemaking Methodologies

The Hydro COS continues several of the ratemaking methodologies adopted by the Trustees in their April 2003 final rate action and agreed to by Customers who were active parties to the 2003 Preference Power rate proceeding, continued in NYPA's 2007 Preference Power rate proceeding, and used again (with modifications) in the adoption of the 2011 Rate Plan. Some of the previous methodologies are proposed to be discontinued and replaced with updated and revised methodologies. The methodologies and principles employed in the 2026 Rate Plan that are changes from previous practice include:

a) The Authority's capital costs to include the Hydro rate base times the Authority's actual cost of long-term debt, which will replace the MTOC/OC methodology.

b) Revised RSR methodology to incorporate the new capital cost recovery methodology, crediting of Ancillary Services and merchant UCAP revenues to the Hydro COS, and the elimination of RNY normalization, as explained above.

c) Use of a five-year average of actual generation at the Hydro Projects in place of the Authority's traditional long-term average generation.

To the extent the above methodologies represent changes to existing contracts, NYPA will enter into discussions with customers to include appropriate contract modifications and return to the Board of Trustees to seek approval of modified contracts in accordance with PAL § 1009.

The 2026 Rate Plan would continue to employ a number of existing rate methodologies and principles, including:

a) The Preference Power rates for generation produced at the Hydro Projects and sold to wholesale customers for the benefit of domestic and rural consumers shall be the "lowest rates reasonably possible" as referred to in the federal Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) and the "lowest possible rates" as referred to in PAL § 1005(5).

b) The Authority shall recover in its rates the "cost of generation, plus capital and operating charges" or any other charge permitted under PAL § 1005(5).

c) Melding of St. Lawrence Project and Niagara Project costs for ratemaking purposes.

d) Recovery in rates of all prudent Hydro Project relicensing costs incurred by the Authority in the exercise of its broad discretion.

e) The 'labor/labor' method (i.e. labor ratios) adopted by the Authority's Trustees on December 18, 2001 and incorporated into the January 2003 Report on Hydroelectric Production Rates ('January 2003 Report') for the allocation of A&G costs.

f) Continuation of the existing practice of retaining excess revenues from the sale of generation after the Preference Power rate is set, as allowed under existing statutes, precedents and contracts.

g) Use of the RSR methodology, as revised herein, to continue tracking any under-collection or over-collection of the Authority's Hydro COS.

The proposed action to adjust the Preference Power rates must be posted for public comment in the *New York State Register*. In addition, as a matter of Authority policy, any proposed action that would increase rates by 2% or more will be the subject of a public forum and comment period for the purpose of gathering the views of interested people concerning the proposal. Any comments received, along with supporting Staff analyses, will be presented to the Board of Trustees at the time the 2026 Rate Plan is considered for final action, which is anticipated for the December 2025 Trustee meeting. A final staff report will be issued shortly after the December 2025 meeting and will reflect public comments, staff analysis of those comments, and the final action of the Trustees.

FISCAL INFORMATION

Implementation of the 2026 Rate Plan and the related schedule of rate increases would allow the Authority to recover the costs associated with serving the customers subject to the Preference Power rates. NYPA's estimated revenue increases for each year of the 2026 Rate Plan relative to current rates are shown below in Table 3:

Table 3
Estimated Revenue Impacts ($ in Millions)
2026 Rate Plan

Calendar Year	Increase from Current Rates
2026	$9M
2027	$22M
2028	$35M
2029	$48M
2030	$61M
2031	$74M

RECOMMENDATION

The Executive Vice President and Chief Financial Officer requests that the Board of Trustees authorize the Corporate Secretary to: (1) file a Notice of Proposed Rulemaking in the New York State Register for the adoption of the Hydroelectric Preference Power rate increase contained in the 2026 Rate Plan; and (2) schedule public forums for the purpose of gathering the views of interested persons concerning the Preference Power rates.

It is also recommended that the Vice President – Economic Development & Key Account Management, or his designee, be authorized to issue written notice of the proposed actions to the affected customers.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution in the form of the attached draft resolution.

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That the Corporate Secretary of the Authority be, and hereby is, directed to file such notices as may be required with the Secretary of State for publication in the *New York State Register* and to submit such other notice as may be required by statute or regulation concerning the proposed Preference Power rate increase; and be it further

RESOLVED, That the Corporate Secretary of the Authority be, and hereby is, directed to schedule a public forum for the purpose of obtaining the views of interested persons concerning the Authority's proposed action to adjust the hydroelectric Preference Power rates, as set forth in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Vice President – Economic Development & Key Account Management, or their designee be, and hereby is, authorized to issue written notice to affected customers of this proposed hydroelectric Preference Power rate action; and be it further

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

EXHIBIT "A"

NEW YORK POWER AUTHORITY
PREFERENCE POWER RATE PLAN BILL IMPACTS
Prices ($/MWh) include demand and energy components

	2025	2026	2027	2028	2029	2030	2031
PROPOSED HYDRO PRODUCTION RATES	12.88	14.57	16.25	17.94	19.63	21.32	23.00
INCREASES FROM CURRENT		1.69	1.69	1.69	1.69	1.69	1.69
MUNIS/COOPS UPSTATE: END USE RESIDENTIAL IMPACTS (600kWh/mo.)							
Total Monthly Bill ($)	40.91	41.89	42.87	43.85	44.83	45.82	46.80
Monthly Bill Impact ($)		0.98	0.98	0.98	0.98	0.98	0.98
Monthly Bill Impact (%)		2.39%	2.34%	2.29%	2.24%	2.19%	2.14%
MUNIS/COOPS DOWNSTATE: END USE RESIDENTIAL IMPACTS (600kWh/mo.)							
Total Monthly Bill ($)	85.41	86.31	87.22	88.13	89.04	89.95	90.85
Monthly Bill Impact ($)		0.91	0.91	0.91	0.91	0.91	0.91
Monthly Bill Impact (%)		1.06%	1.05%	1.04%	1.03%	1.02%	1.01%
MUNIS/COOPS UPSTATE: END USE RESIDENTIAL IMPACTS (1,000kWh/mo.)							
Total Monthly Bill ($)	66.66	68.29	69.93	71.56	73.20	74.83	76.47
Monthly Bill Impact ($)		1.63	1.64	1.64	1.64	1.64	1.64
Monthly Bill Impact (%)		2.45%	2.40%	2.34%	2.29%	2.24%	2.19%
MUNIS/COOPS DOWNSTATE: END USE RESIDENTIAL IMPACTS (1,000kWh/mo.)							
Total Monthly Bill ($)	137.33	138.84	140.35	141.86	143.38	144.89	146.40
Monthly Bill Impact ($)		1.51	1.51	1.51	1.51	1.51	1.51
Monthly Bill Impact (%)		1.10%	1.09%	1.08%	1.07%	1.06%	1.04%
MUNIS/COOPS UPSTATE: END USE RESIDENTIAL IMPACTS (1,500kWh/mo.)							
Total Monthly Bill ($)	98.84	101.29	103.74	106.20	108.65	111.11	113.56
Monthly Bill Impact ($)		2.45	2.45	2.45	2.45	2.45	2.45
Monthly Bill Impact (%)		2.48%	2.42%	2.37%	2.31%	2.26%	2.21%
MUNIS/COOPS DOWNSTATE: END USE RESIDENTIAL IMPACTS (1,500kWh/mo.)							
Total Monthly Bill ($)	202.22	204.49	206.76	209.03	211.30	213.57	215.84
Monthly Bill Impact ($)		2.26	2.27	2.27	2.27	2.27	2.27
Monthly Bill Impact (%)		1.12%	1.11%	1.10%	1.09%	1.07%	1.06%

EXHIBIT "A"

NEW YORK POWER AUTHORITY
PREFERENCE POWER RATE PLAN BILL IMPACTS

Prices ($/MWh) include demand and energy components

	2025	2026	2027	2028	2029	2030	2031
PROPOSED HYDRO PRODUCTION RATES	12.88	14.57	16.25	17.94	19.63	21.32	23.00
INCREASES FROM CURRENT		1.69	1.69	1.69	1.69	1.69	1.69
MUNIS/COOPS UPSTATE: COMMERCIAL CUSTOMER IMPACTS (5,000kWh/mo.)							
Total Monthly Bill ($)	346.63	354.79	362.97	371.15	379.33	387.51	395.69
Monthly Bill Impact ($)		8.16	8.18	8.18	8.18	8.18	8.18
Monthly Bill Impact (%)		2.35%	2.31%	2.25%	2.20%	2.16%	2.11%
MUNIS/COOPS DOWNSTATE: COMMERCIAL CUSTOMER IMPACTS (5,000kWh/mo.)							
Total Monthly Bill ($)	701.65	709.20	716.76	724.33	731.90	739.46	747.03
Monthly Bill Impact ($)		7.55	7.57	7.57	7.57	7.57	7.57
Monthly Bill Impact (%)		1.08%	1.07%	1.06%	1.04%	1.03%	1.02%
MUNIS/COOPS UPSTATE: INDUSTRIAL CUSTOMER IMPACTS (50kW; 25,550kWh/mo.)							
Total Monthly Bill ($)	1,617.47	1,659.16	1,700.96	1,742.76	1,784.56	1,826.36	1,868.16
Monthly Bill Impact ($)		41.68	41.80	41.80	41.80	41.80	41.80
Monthly Bill Impact (%)		2.58%	2.52%	2.46%	2.40%	2.34%	2.29%
MUNIS/COOPS DOWNSTATE: INDUSTRIAL IMPACTS (50kW; 25,550kWh/mo.)							
Total Monthly Bill ($)	2,903.90	2,942.46	2,981.12	3,019.79	3,058.45	3,097.11	3,135.78
Monthly Bill Impact ($)		38.56	38.66	38.66	38.66	38.66	38.66
Monthly Bill Impact (%)		1.33%	1.31%	1.30%	1.28%	1.26%	1.25%

EXHIBIT "A"

NEW YORK POWER AUTHORITY
PREFERENCE POWER RATE PLAN BILL IMPACTS
Prices ($/MWh) include demand and energy components

	2025	2026	2027	2028	2029	2030	2031
PROPOSED HYDRO PRODUCTION RATES	12.88	14.57	16.25	17.94	19.63	21.32	23.00
INCREASES FROM CURRENT		1.69	1.69	1.69	1.69	1.69	1.69
NGRID RESIDENTIAL UTILITY CUSTOMERS (PEAKING ONLY): END USE RESIDENTIAL IMPACTS							
Total Monthly Bill ($)[1]	116.59	116.65	116.71	116.77	116.84	116.90	116.96
Monthly Bill Impact ($)		0.06	0.06	0.06	0.06	0.06	0.06
Monthly Bill Impact (%)		0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
NYSEG RESIDENTIAL UTILITY CUSTOMERS (PEAKING ONLY): END USE RESIDENTIAL IMPACTS							
Total Monthly Bill ($)[1]	124.72	124.81	124.91	125.01	125.10	125.20	125.30
Monthly Bill Impact ($)		0.10	0.10	0.10	0.10	0.10	0.10
Monthly Bill Impact (%)		0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
RGE RESIDENTIAL UTILITY CUSTOMERS (PEAKING ONLY): END USE RESIDENTIAL IMPACTS							
Total Monthly Bill ($)[1]	119.66	119.71	119.76	119.81	119.86	119.91	119.96
Monthly Bill Impact ($)		0.05	0.05	0.05	0.05	0.05	0.05
Monthly Bill Impact (%)		0.04%	0.04%	0.04%	0.04%	0.04%	0.04%

[1] Average Residential Bill is based on average kWh usage provided by utilities

NEW YORK POWER AUTHORITY
HYDROELECTRIC PROJECTS
FINAL PRODUCTION COST OF SERVICE

Line	Description		2014	2026	2027	2028	2029	2030	2031	Difference 2026 vs 2014
	Operations & Maintenance/Administrative & General									
1	Operations & Maintenance (O&M)		90,938	126,202	124,176	113,426	116,261	119,168	122,147	35,264
2	Administrative & General (A&G)		59,163	97,584	101,487	105,547	109,769	114,159	118,726	38,420
3	Subtotal O&M/A&G	(line 1 + line 2)	150,101	223,786	225,663	218,972	226,030	233,327	240,873	73,684
4	Rate Base			1,675,623	1,816,750	1,827,678	1,841,519	1,941,079	2,195,130	
5	Cost of Long-Term Debt			4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	
	Capital Costs									
6	Total Depreciation		47,204	100,856	112,193	117,559	120,555	120,384	116,428	53,652
7	Cost of Capital	(multiply line 5 by line 4)	71,692	73,727	79,937	80,418	81,027	85,407	96,586	2,036
8	Subtotal Capital Costs	(line 6 + 7)	118,896	174,583	192,130	197,977	201,582	205,791	213,014	55,687
9	**Total Cost of Service**	(line 3 + line 8)	**268,997**	**398,369**	**417,793**	**416,949**	**427,611**	**439,118**	**453,886**	**129,372**
	Cost of Service Reductions									
10	Ancillary Services		(16,271)	(21,536)	(20,598)	(21,216)	(21,852)	(22,508)	(23,183)	(5,265)
11	UCAP Credit		(6,493)	(50,659)	(37,142)	(37,142)	(37,142)	(37,142)	(37,142)	(44,166)
12	Subtotal Cost of Service Reductions	(line 10 + line 11)	(22,764)	(72,195)	(57,740)	(58,358)	(58,995)	(59,650)	(60,326)	(49,431)
13	**Total Net Cost of Service**	(line 9 + line 12)	**246,233**	**326,174**	**360,053**	**358,591**	**368,617**	**379,468**	**393,561**	**79,940**

2014 data is from COS level approved in last rate plan (2011-2014)

Chief Risk & Resiliency Officer's Report

Alexis Harley
SVP, Chief Risk & Resiliency Officer

September 23, 2025

Improving the Canals risk profile since 2017

			Actions Taken
1	Mitigate	Can we mitigate or reduce the impact of the risk?	o Increased funds available for **capital investment** (including NYS $50M) o Extensive portfolio of **State of Good Repair projects** o **Shared services** with NYPA; enhanced risk governance, escalation
2	Transfer / Share	Can we transfer or share ownership of the risk with external parties?	o **Collaboration** with local emergency services and State Agencies o Implemented general liability and property damage **insurance** o Transfer of ownership back to local municipalities
3	Accept / Monitor	Can this risk be accepted or is the risk exposure within our risk appetite?	o Established enterprise, operational, and asset **risk registers** o Developed **risk appetite** statement o Increased **inspection** rates; **new technology** used to monitor assets
4	Avoid	Can we prevent the risk or stop doing the activity giving cause to the risk?	o **Renewed** VISION2030 **strategy** (Revitalize the Canals) o Moderating water levels as needed for **public safety** o Prioritizing critical **infrastructure** projects
5	Opportunity	Are we willing to increase the risk exposure in pursuit of higher reward?	o Bi-Centennial Celebration o Partnering with third parties to increase **public benefits** o Updated **navigation season** length

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Memorandum

Date: **September 23, 2025**

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

From: **PRESIDENT & CHIEF EXECUTIVE OFFICER**

Subject: **Finance Committee Recommendations for Approvals**

SUMMARY

The Finance Committee met on September 16, 2025, and adopted the resolutions set forth below. The Board of Trustees are requested to acknowledge receipt and consideration of the materials submitted to the Finance Committee and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee.

BACKGROUND

After discussion and consideration, the Finance Committee adopted on September 16, 2025, the following resolutions:

i. Release of Funds in Support of the New York State Canal Corporation for Q4 2025

" RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees authorize the release of up to $27.0 million in funding to the Canal Corporation to support operations of the Canal Corporation in Q4 2025, as discussed in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's General Resolution Authorizing Revenue Obligations, dated February 24, 1998, as amended and supplemented (the "General Bond Resolution"), that the amount of up to $27.0 million in funding as described in the foregoing report is not needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution of that the release of such amount is feasible and advisable; and be it further

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

ii. **Fleet Vehicles - Contract Award**

" RESOLVED, that the Finance Committee hereby recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of six (6) five-year contracts to Bollinger Motors Inc., Global Lease Group, Inc., Lithia of Utica - 2 LLC, Mastrovito Auto Group, Inc., Nielsen Ford of Morristown, Inc., and Sarat Ford Sales, Inc. in the aggregate amount of $53 million; and be it further

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

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

iii. **Workforce Development – Funding Request**

" RESOLVED, that the Finance Committee recommends that the Authority's Board of Trustees approve funding for the DOL Workforce Training Initiative and the DOL Support Services Fund, as detailed in the foregoing Memorandum of the President and Chief Executive Officer (the "Memorandum"), for a total of $12 million; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's General Resolution Authorizing Revenue Obligations, dated February 24, 1998, as amended and supplemented (the "General Bond Resolution"), that the aggregate amount of $12 million in funding as described in the foregoing report is not needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution and that the release of such amount is feasible and advisable; and be it further

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

iv. Authorization to Enter Into an Intercompany Loan Agreement with New York Renewable Energy Development Holdings Corporation

" RESOLVED, that the Finance Committee recommends that the New York Power Authority's (the "Authority") Board of Trustees authorize the execution, delivery and performance of an Intercompany Loan Agreement with New York Renewable Energy Development Holdings Corporation, a wholly-owned subsidiary of the Authority incorporated under the New York State Business Corporation Law, in an amount not to exceed $100,000,000; and be it further

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

RECOMMENDATION

Each of the Officers of the Authority responsible for the items submitted to the Finance Committee at its meeting on September 16, 2025, recommends that the Board of Trustees acknowledge receipt and consideration of the materials submitted to the Finance Committee and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee set forth above

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

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, that the Trustees acknowledge receipt and consideration of the materials submitted to the Finance Committee on September 16, 2025, and accept, approve, and adopt as Trustees the recommendations set forth in the resolutions of such committee as set forth in the foregoing report of the President and Chief Executive Officer.

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

NEW YORK STATE | NY Power Authority | Canal Corporation

September 23, 2025

Risk and Resiliency Committee Report (Chair Morris)

[ORAL PRESENTATION]

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **September 23, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT & CHIEF EXECUTIVE OFFICER**

Subject: **Expansion Power Allocation and Hydropower Allocation Modifications**

SUMMARY

The New York Power Authority Board of Trustees ("Board of Trustees") is requested to:

(a) approve an allocation of 4,190 kilowatts ("kW") of Expansion Power ("EP") to Upstate Niagara Cooperative, Inc. ("Upstate Niagara") for a term of ten years to support the company's proposed expansion at 3300 North America Drive, West Seneca, New York (Erie County); and

(b) approve modifications to existing Replacement Power ("RP") allocations to Unifrax I LLC ("Unifrax") in support of a combined campus configuration across multiple facilities.

These matters are discussed in greater detail below and in Exhibit "A" (background on the proposed new EP allocation). If awarded, the EP allocation for Upstate Niagara would be added to its existing contract.

BACKGROUND

Under PAL §1005(13), the New York Power Authority ("Authority") may contract to allocate up to 250 megawatts ("MW") of firm hydroelectric power as EP and up to 445 MW of RP to businesses located within 30 miles of the Niagara Power Project, provided that the amount of power allocated to businesses in Chautauqua County on January 1, 1987, shall continue to be allocated in that county.

Each application for an allocation of EP and RP is considered under criteria set forth in PAL §1005(13)(a), which establishes general eligibility requirements. Factors considered when evaluating a request for an allocation of hydropower include: (1) the number of jobs to be created relative to the amount of power requested; (2) the applicant's long-term commitment to the region, as demonstrated by current and/or planned capital investment in its facilities; (3) the types of jobs to be created, including wage and benefit levels, and the security and stability of employment; and (4) the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed.

The Authority works closely with business associations, local distribution companies, and economic development entities to gauge support for projects seeking Authority hydropower allocations. Regular consultations occur with National Grid, New York State Electric & Gas, Empire State Development, Invest Buffalo Niagara, the Niagara County Center for Economic Development, and the Erie County Industrial Development Agency (collectively, the "Economic Development Entities") to coordinate other economic development incentives that may enhance business investment in New York State. Staff also confers with these Economic Development Entities to help maximize the value of hydropower in improving the economy of Western New York and the State of New York as a whole. Each organization has expressed support for today's recommended EP allocations.

At this time, 62,113 kW of unallocated EP and 51,947 kW of unallocated RP remain available for allocation under the criteria set forth in PAL §1005(13)(a).

DISCUSSION

Upstate Niagara

Established in 1960, Upstate Niagara is a dairy cooperative comprised of approximately 260 family-owned dairy farms located in New York State. Its product line includes milk, cream, ready-to-drink beverages, yogurt, sour cream, cottage cheese, ice cream mix, and specialty items. The cooperative is a current Authority customer utilizing 1,000 kW of EP and 398 kW of ReCharge New York ("RNY") Power at its West Seneca plant.

Upstate Niagara is proposing a 165,000 square-foot expansion of its existing facility in West Seneca. The project is designed to significantly increase its manufacturing capacity while also providing additional storage for finished goods, ingredients, and packaging materials.

By enhancing its operational capabilities, the expansion would allow Upstate Niagara to meet growing demand and streamline production processes. The additional space would not only accommodate increased output but also ensure more efficient storage solutions, thereby optimizing workflow and reinforcing the cooperative's commitment to delivering high-quality dairy products to consumers.

The expansion would be constructed on vacant land adjacent to the cooperative's 223,000 square-foot plant, which currently produces yogurt, cottage cheese, sour cream, and chip dips. The expansion would increase Upstate Niagara's capacity for yogurt and cottage cheese production at the site, both to meet expanded customer demand and to introduce enhanced products.

The proposed project is expected to significantly increase demand for milk from New York State dairy farms, with the resulting products distributed nationwide. This increased production would support local dairy farmers, promote farm growth, and stimulate employment in multiple communities across the State.

The expansion project represents a minimum capital investment of approximately $215 million, including an estimated $83.3million for new building construction, $131.2 million for new machinery and equipment purchases and $.5 million for site preparation costs.

Upstate Niagara plans to begin the initial phases of the project this year, with additional phases targeted for completion through 2027. The company has committed to creating 125 new, permanent, full-time jobs at its West Seneca facility over the term of the allocation with the average annual compensation and benefits estimated at $97,000 per position.

The company applied for a 6,500 kW allocation of hydropower in connection with the expansion project. Staff recommends an EP allocation of 4,190 kW for a term of ten years.

The job creation ratio for the proposed allocation of 4,190 kW is 30 new jobs per MW. While this is below the historic average of 62 new jobs per MW based on prior allocations, the total investment of at least $215 million yields a capital investment ratio of $51.3 million per MW, which is well above the historic average of $20.3 million per MW.

The Economic Development Entities have expressed support for an allocation of EP to Upstate Niagara.

EP Allocation – Contract Information

The following is a summary of key provisions in the contract with Upstate Niagara and ST WNY-2:

- Base rates for demand and energy, an annual adjustment factor, and a minimum monthly charge, which helps the Authority cover its fixed costs of serving a customer even if the allocation is not fully utilized during a billing period.

- Direct billing of all production-related charges (demand and energy), along with New York Independent System Operator, Inc. charges, taxes and any other required assessments.

- Provision of substitute energy in the event of hydropower curtailments caused by adverse water conditions that affect power project operations.

- Standard requirements for customer metering.

- Early outreach with the customer regarding allocation extension initiatives by the Authority.

- Requirements for energy audits at the facility receiving the allocation. Customers may satisfy this requirement through either a traditional physical audit or a virtual audit conducted by the Authority's New York Energy Manager, which is expected to provide considerable savings for customers who participate.

- Periodic communications with the customer regarding energy-related projects, programs and services offered by the Authority.

- Compliance provisions authorizing the Authority to reduce a customer's allocation if supplemental commitments are not met, while also providing an opportunity to present a corrected plan with actionable milestones to cure deficiencies.

- Recovery of costs incurred by the Authority in connection with its purchase of Zero Emission Credits and Renewable Energy Credits, through the collection of a Zero Emission Credit Charge and a Monthly Renewable Energy Credit Charge attributable to the customer's load.

Unifrax

Unifrax was previously awarded eight RP allocations in support of its facilities located in Tonawanda, New York (Erie County) and Sanborn, New York (Niagara County). The Tonawanda facilities are located at 360 Firetower Drive and 55 Pirson Parkway, while the Sanborn facility is located at 2054 Cory Drive. In total, 11,255 kW of RP has been awarded to Unifrax across these sites.

The company has requested consolidation of its allocations into a combined campus configuration. A consolidated allocation would provide Unifrax with more flexibility in meeting job and capital spending commitments across its facilities. The campus modification would also allow Unifrax to operate under a single combined allocation covering its Tonawanda and Sandborn sites. The revised allocation would be served under ST-WNY 2 and would expire on December 31, 2028.

Unifrax would be subject to an annual capital investment commitment of at least $373,000 and a retained job commitment of 451 jobs, covering both the Tonawanda facilities and Sanborn facility. The company would also retain the right to request an extension of the revised campus allocation and other changes beyond December 31, 2028, consistent with provisions available to other Western New York hydropower customers served under ST WNY-2.

As a condition of the proposed campus modification, Unifrax would relinquish 650 kW of currently unused RP. The revised allocation would therefore total 10,605 kW of RP.

Staff has reviewed this request and recommends that the Trustees approve the proposed modifications to Unifrax as described above.

FISCAL INFORMATION

The actions recommended herein are not expected to have a significant negative impact on the Authority's finances.

RECOMMENDATION

The Senior Vice President, Customer Solutions requests that the Board of Trustees:

1) Approve an allocation of 4,190 kW of EP to Upstate Niagara, as described herein and in Exhibit "A", for a term of ten years; and

2) Approve the recommended modifications to existing RP allocations to Unifrax, and the associated job and capital investment commitments, in support of a consolidated campus allocation configuration.

For the reasons stated, I recommend the approval of the requested actions through adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That an allocation of 4,190 kilowatts (“kW”) of Expansion Power (“EP”) to Upstate Niagara Cooperative, Inc. (“Upstate Niagara”) for a term of ten years, to support the company’s proposed expansion at 3300 North America Drive, West Seneca, New York, as detailed in the foregoing memorandum of the President and Chief Executive Officer (“Memorandum”), be, and hereby is, approved, subject to rates previously approved by the Board of Trustees; and be it further;

RESOLVED, That modifications to existing Replacement Power (“RP”) allocations made to Unifrax I LLC (“Unifrax”), resulting in a total combined RP allocation of 10,605 kW to be served under Service Tariff No. WNY-2 through December 31, 2028, for use at both Tonawanda facilities and the Sanborn site, together with the associated job and capital investment commitments as described in the foregoing Memorandum, be, and hereby are, approved; and be it further

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

September 23, 2025
Exhibit "A"

APPLICATION SUMMARY
Expansion Power ("EP")

Company:	Upstate Niagara Cooperative, Inc. ("Upstate Niagara")
Location:	West Seneca, NY
County:	Erie County
IOU:	New York State Electric & Gas Corporation
Business Activity:	Established in 1960, Upstate Niagara is a dairy cooperative consisting of approximately 260 dairy farms. The cooperative's product range includes milk, cream, ready-to-drink beverages, yogurt, sour cream, cottage cheese, ice cream mix, and specialty items.
Project Description:	Upstate Niagara proposes a 165,000 square-foot expansion of its current West Seneca facility to increase production of cottage cheese and yogurt. The project will add significant manufacturing capacity and provide storage space for finished goods, ingredients, and packaging materials.
Existing Allocation(s):	1,000 kW of EP 398 kW of ReCharge New York ("RNY")
Power Request:	6,500 kW of EP
Power Recommended:	4,190 kW of EP
Job Commitment:	
Base:	226
New:	At least 125 jobs
New Jobs/Power Ratio:	30 jobs/MW
New Jobs - Avg. Wage and Benefits:	$97,000
Capital Investment:	At least $215 million
Capital Investment/MW:	$51.3 million/MW
Other ED Incentives:	Upstate Niagara has been granted incentives for the project from Empire State Development and the Erie County Industrial Development Agency.
Summary:	Upstate Niagara proposes to utilize vacant land adjacent to its current West Seneca facility to add approximately 165,000 square feet of production space to expand capacity for yogurt and cottage cheese production. The project is expected to increase demand for milk from New York State dairy farms, with products distributed nationwide. An allocation of low-cost hydropower could further incentivize Upstate Niagara to consider additional expansion opportunities at its West Seneca plant in the future.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **September 23, 2025**

To: **Board of Trustees**

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **Recommendation for Award of Fund Benefits from the Northern New York Economic Development Fund by the Northern New York Power Proceeds Allocation Board**

SUMMARY

The Trustees are requested to: (1) accept the recommendations of the Northern New York Power Proceeds Allocation Board (the "Allocation Board" or "NNYPPAB") and make an award of Fund Benefits from the Northern New York Economic Development Fund to Vecino Group New York, LLC ("Vecino Group" or "Applicant") more particularly described in Exhibits "A" and "A-1" in the amount indicated in the Exhibits for the reasons discussed below and in the Exhibits; and (2) authorize the other actions described herein with respect to such applicant and recommended awards.

BACKGROUND

1. Northern New York Power Proceeds Allocation Act

The Northern New York Power Proceeds Allocation Act (the "Act") became law on December 29, 2014. The Act adds provisions to the Economic Development Law ("EDL"), and the Public Authorities Law within the Power Authority Act, the enabling statute of the New York Power Authority ("NYPA") (collectively, the "Statutes"). As discussed in more detail below, the Act creates a program, administered by NYPA and the Board, to support economic development in Northern New York ("Program"). Under the Program, financial assistance known as "fund benefits" may be awarded to "eligible applicants" for "eligible projects" based on criteria set forth in the Statutes.

Under the Act, an "eligible applicant" is a private business, including a not-for-profit corporation that is a private business. "Eligible projects" is defined to mean "economic development projects" that are or would be physically located within St. Lawrence County that will support the growth of business in St. Lawrence County and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments. "Eligible projects" include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York State; support for tourism and marketing and advertising efforts for St. Lawrence County tourism and business; and energy-related projects.

Eligible projects do not include, and fund benefits may not be used for, public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

NYPA and the Town of Massena Electric Department are parties to a contract that provides for NYPA's sale of up to 20 megawatts ("MW") of hydropower known as "St. Lawrence County Economic Development Power" ("SLCEDP") to the Town. As detailed in the Statutes, NYPA is authorized to sell unallocated SLCEDP into the market to generate revenue for the Program. The Statutes provide that NYPA will deposit proceeds from such sales into the Fund no less than quarterly.

At least 15% percent of the Fund is dedicated to eligible projects that are "energy-related projects, programs and services," which are defined as "energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and services, and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services."

Monies from the Fund – known as "fund benefits" – are paid to awardees in the form of grants, and staff expects that in most cases fund benefits will be disbursed as reimbursement for expenses incurred by an awardee. Allocations of fund benefits may only be made on the basis of monies that have been deposited in the Fund. No award may encumber funds that have not been deposited in the Fund.

2. Northern New York Power Proceeds Allocation Board

Under the Act, the Allocation Board's primary responsibilities regarding applications for fund benefits under the Program are to (i) administer the application process, (ii) make determinations relating to eligibility, and (iii) where an applicant and project are eligible, evaluate applications against the statutory criteria and make a recommendation to the NYPA Board of Trustees on whether an applicant should be awarded fund benefits. The Allocation Board uses the criteria applicable to Expansion Power, Replacement Power and Preference Power allocations, and for revitalization of industry, provided for in Public Authorities Law § 1005.

Additionally, the Allocation Board is authorized to consider the extent to which an award of fund benefits is consistent with the strategies and priorities of the North Country Regional Economic Development Council, which covers the region in which eligible projects may be proposed.

At its meeting on January 25, 2017, the Allocation Board, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. A copy of the relevant criteria (collectively, "Program Criteria"), adapted from the Allocation Board's "Procedures for the Review of Applications for Fund Benefits," is attached as Exhibit "B" to this memorandum.

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by the Authority, and the Act authorizes the Authority

to award Fund Benefits to an applicant upon a recommendation of the Allocation Board. Upon a showing of good cause, the Authority has discretion as to whether to adopt the Allocation Board's recommendation, or to award benefits in a different amount or on different terms and conditions than proposed by the Allocation Board. In addition, the Authority is authorized to include within the contract covering an award ("Award Contract") such other terms and conditions that the Authority deems appropriate.

3. Application Process

In an effort to provide for the efficient review of applications and disbursement of Fund Benefits, the Allocation Board establishes an annual schedule of dates on which the Allocation Board will meet to consider applications. At this time, applications are being accepted on a rolling basis. A webpage was created that is hosted on WWW.NYPA.GOV/NNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by NYPA.

DISCUSSION

At its August 13, 2025 meeting, the Allocation Board considered an application from Vecino Group seeking $1,500,000 in Fund Benefits.

As detailed in Exhibit "A-1", Vecino Group seeks Fund Benefits to develop an Innovation Center in Canton, NY, to equip emerging entrepreneurs with end-to-end support to launch and grow new ventures. This project fulfills one of four signature initiatives identified by McKinsey & Company in the NYPA-commissioned 2015 St. Lawrence County Economic Development Study, which proposed that an entrepreneur accelerator "could create up to 150 new jobs and grow GDP by close to $7 million" within five years. As part of a mixed-use community revitalization development project in the heart of Canton, Proceeds funding is requested to help offset capital costs for machinery and equipment, furniture and fixtures and soft costs associated with the Innovation Center. The funding will support the specialized fabrication lab equipment and software – items essential for hands-on digital prototyping and design – and ensure local entrepreneurs and students have access to top-tier tools. The applicant will spend approximately $7.5 million on this project.

Allocation Board staff analyzed the application and made award recommendations to the Allocation Board based on eligibility requirements and Program Criteria. The Program Criteria are described in Exhibit "B". Copies of the recommendation memorandum and supporting documents provided to the Allocation Board for the project are attached as Exhibit "A-1". The application has also been made available to the Trustees for review.

The Allocation Board has recommended that the Applicant receive a Fund Benefit award in the amount of and for the purposes indicated on Exhibit "A" and "A-1". Given the nascent stage of the proposed projects, it was not practical to recommend the terms and conditions that would be applicable to the awards and memorialized in an Award Contract between the Authority and a successful applicant.

If this Applicant receives a Fund Benefit award, Authority staff will negotiate final terms and conditions with the applicant following receipt of more detailed information concerning the project and proposed schedules. Award Contracts may include scheduled payments keyed to commitment milestones, such as employment creation and retention. In addition, staff

anticipates that Award Contracts will contain provisions for periodic audits of the successful applicants for the purpose of determining contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursements if an applicant fails to maintain agreed-upon commitments.

RECOMMENDATION

The Senior Vice President, Clean Energy Solutions, recommends that:

(1) the Trustees accept the recommendation of the Allocation Board and make an award of Fund Benefits to Vecino Group in the amount recommended in Exhibits “A” and “A-1”, conditioned upon an agreement to be negotiated with the applicant on the final terms and conditions that would be applicable to the award to be contained in the Award Contract approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or such official’s designee, as to form;

(2) the EVP Chief Operating Officer, or such official’s designee, be authorized to negotiate with the Applicant concerning such final terms and conditions that will be applicable to the award; and

(3) the Senior Vice President for Customer Solutions, or such official’s designee, be authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibits “A” and “A-1” subject to the foregoing conditions.

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

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

WHEREAS, the Northern New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make an award of Fund Benefits from the Northern New York Economic Development Fund ("Fund") to Vecino Group New York, LLC ("Vecino Group"), which is more particularly described in the accompanying Memorandum of the President and Chief Executive Officer ("Memorandum") and the other information referred to therein;

NOW,THEREFORE, BE IT RESOLVED, that the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to Vecino Group in the amount recommended in the attached Memorandum and other information referred to therein, subject to the execution of an agreement between the Authority and applicant on the final terms and conditions that would be applicable to the award, and set forth in a written award contract ("Award Contract") between the Authority and the applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel or such official's designee, as to form; and be it further

RESOLVED, that the EVP Chief Operating Officer, or such official's designee, is authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the award; and be it further

RESOLVED, that the Senior Vice President for Customer Solutions, or such official's designee, is authorized to execute on behalf of the Authority an Award Contract for this award, subject to the foregoing conditions; and be it further

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

Northern NY Power Proceeds Allocation Board

Northern New York Economic Development Fund Recommendation Memo

EXHIBIT A-1

Applicant Name:	Vecino Group New York, LLC	REDC Region:	North Country
Project Type:	Innovation/Entrepreneur Development	County:	St. Lawrence
Industry:	Commercial and Institutional Building Construction	Locality:	Canton
Amount Requested:	$1,500,000	Start Date:	July 2026
		Finish Date:	May 2028

RECOMMENDED OFFER

Recommended Total Award:	$1,500,000
Total Project Cost:	$7,500,000
% of Project Cost Recommended:	20%

PROJECT BUDGET (Proposed by Applicant)

Use of funds	Amount	Source of Funds	Amount
Hard costs, specific to Innovation Center (IC)	$4,340,000	NNYEDF	$1,500,000
Soft costs, design fees, legal, permits, etc.	$1,460,000	HUD Grant	$2,641,000
Developer Fee	$500,000	ESD Capital Grant	$1,322,000
Land Acquisition*	$320,000	Restore NY Grant	$1,000,000
IC Equipment	$290,000	Deferred Developer Fee	$500,000
Demolition*	$250,000	Developer Cash Equity	$425,674
Environmental Remediation*	125,000	Northern Border Reg. Comm.	$111,326
Infrastructure*	125,000		
IC Furniture & Fixtures	$90,000		
**Innovation Center share of total costs*			
Total:	**$7,500,000**	**Total:**	**$7,500,000**

REGIONAL IMPACT MEASUREMENTS

Job Commitments:	The Funding Track under which the application was submitted does not require job-related commitments.
Average Salary of Jobs:	n/a
Indirect Jobs Created	n/a
Other Impact	n/a

PROJECT DESCRIPTION (Adapted from Application)

Vecino Group will develop an Innovation Center (IC) in Canton to equip emerging entrepreneurs with end-to-end support to launch and grow new ventures. The IC will include a community fabrication lab with advanced 3D printers, innovative fabrication tools, and high-performance computing to foster hands-on innovation. An accelerator program will support scaling startups with access to prototyping tools, business planning, market research, mentorship, and capital. Flexible co-working spaces will promote collaboration and knowledge sharing. By combining cutting-edge technology with expert guidance, the IC will help revitalize St. Lawrence County's entrepreneurial ecosystem and provide the infrastructure necessary to drive economic growth.

This project advances one of four key initiatives identified by McKinsey & Company in their 2015 St. Lawrence County Economic Development Study. The study proposed that an entrepreneur accelerator "could create up to 150 new jobs and grow GDP by close to $7 million" within five years.

The IC is designed to help launch startups and spur job creation. While near-term employment and tax revenue from the Center's development may be limited, the long-term impact of a mature innovation ecosystem is expected to produce sustainable regional growth through the accelerator and co-working programs.

As part of a broader mixed-use revitalization project in downtown Canton, Proceeds funding is requested to offset capital costs for machinery, equipment, furniture, and fixture installation specific to the Innovation Center. These funds will support the acquisition of specialized fabrication lab equipment and software critical to digital prototyping and design, ensuring local entrepreneurs and students have access to top-tier tools.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

HUD	$2,641,000	Restore NY	$1,000,000
ESD Capital Grant	$1,322,000	Northern Border Reg. Commission	$111,326

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS
None		

BASIS FOR RECOMMENDATION

Aspects of this project that support a recommendation in favor of a Fund Benefits award:

- Supports diversification of the regional economy by helping emerging entrepreneurs successfully launch businesses and enabling existing firms to expand.
- Enhances community vitality by replacing a deteriorated plaza in the heart of Canton with a modern, mixed-use, multi-level facility that serves entrepreneurs, students and the broader public.
- Provides specialized training to upskill residents and students for entrepreneurial roles, supporting graduate retention and helping to reverse "brain-drain."
- Establishes a year-round destination for entrepreneurs, investors, students, and corporate partners, supporting local restaurants, retail, and lodging.
- Builds on Vecino Group's track record of purpose-driven economic development projects across New York State and the U.S.
- Advances one of four signature initiatives identified by McKinsey & Company in the 2015 SLC Economic Development Study, which found that an entrepreneur accelerator could "create up to 150 new jobs and grow GDP by close to $7 million" within five years.
- Advances the North Country Regional Economic Development Council's strategic objectives; to cultivate a culture of entrepreneurship and innovation that nurtures and attracts entrepreneurs; and creates livable, attractive, and connected communities where people want to live, work, visit, and invest.

ANTICIPATED DISBURSEMENT TERMS
Given that this project is integrated within a larger, mixed-use development where not all land and buildings are utilized for eligible purposes, the allocation of Fund Benefits will be limited to reimbursing the applicant for eligible costs specific to the Innovation Center. These include machinery and equipment, furniture and fixtures, soft costs, and working capital. It is anticipated that funds will be disbursed on a reimbursement basis, proportionate to the total amount of eligible expenses. Payments will be made upon NYPA's receipt of invoices and any other documentation necessary to verify that the applicant has incurred approximately $7.5 million in eligible costs.

Exhibit "A"
September 23, 2025

Applicants Recommended for an Award of Fund Benefits by the NNY Proceeds Allocation Board

Line	Business	City	County	Economic Development Region	Project Description	Project Type	Recommended Award Amount	Total Project Cost	Jobs Retained	Jobs Created
1	Vecino Group New York, LLC	Canton	SLC	North Country	Innovation Center	Innovation/Entrepreneur Development	$1,500,000	$7,500,000	N/A	N/A
						Total:	**$1,500,000**	**$7,500,000**	**N/A**	**N/A**

Total Jobs Created & Retained: N/A

Northern NY Power Proceeds Allocation Board

"EXHIBIT B"

Criteria adapted from the "Board Procedures, and Board Policies Relating to the Review of Applications for Fund Benefits", adopted by the Northern New York Power Proceeds Allocation Board

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the North Country Regional Economic Development Council ("NCREDC"). Such strategies and priorities include the following:
    - Energize our communities by building on growth in the aerospace, transit equipment, defense, biotech, energy, and manufacturing industries
    - Leverage our gateway to Canada, the nation's largest trading partner, to lead the State in global investment
    - Attract and nurture entrepreneurs through innovation to catalyze the highest per capita rate of small business start-ups and expansions in the state
    - Invest in community development infrastructure that expands opportunities and capacity
    - Innovate effective rural healthcare and education delivery networks
    - Elevate global recognition of the region as one of the special places on the planet to visit, live, work and study
    - Activate tourism as a driver to diversify our economies by creating demand to accelerate private investment
    - Invest in agriculture as we help feed the region and the world
    - Create the greenest energy economy in the state
2. Whether the eligible project would occur in the absence of an award of Fund Benefits.
3. The extent to which an award of Fund Benefits will result in new capital investment in the State by the eligible applicant and the extent of such investment.
4. Other assistance the eligible applicant may receive to support the eligible project.
5. The type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the eligible applicant were to receive an award of Fund Benefits.
6. The eligible applicant's payroll, salaries, benefits and number of jobs at the eligible project for which an award of Fund Benefits is requested.
7. Where applicable, the number of jobs that will be created or retained within St. Lawrence County and any other parts of the State in relation to the requested award of Fund Benefits, and the extent to which the eligible applicant will agree to commit to creating or retaining such jobs as a condition to receiving an award of Fund Benefits.
8. Whether the eligible applicant is at risk of closing or curtailing facilities or operations in St. Lawrence County and other parts of the State, relocating facilities or operations out of St. Lawrence County and other parts of the State, or losing a significant number of jobs in

"EXHIBIT B"

St. Lawrence County and other parts of the State, in the absence of an award of Fund Benefits.[1]

9. The significance of the eligible project that would receive an award of Fund Benefits to the economy of the area in which such eligible project is located.
10. For new, expanded and/or rehabilitated facilities, the extent to which the eligible applicant will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving an award of Fund Benefits.[2]

[1] Job creation and retention are key indicators of economic activity. However, the Allocation Board recognizes that certain investments may increase productivity and revitalize areas without immediately increasing permanent employment. Therefore, job creation/retention commitments will be emphasized primarily in the Business Investment Track. While job creation and retention may not be a significant factor for other Tracks, demonstration of economic development benefits to the Region will generally be considered favorably when assessing applications under all Tracks.

[2] As provided for in Economic development Law § 197-c(4), many of the criteria are adapted from criteria used in determining eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law ("PAL") § 1005(13). Certain criteria identified in PAL § 1005(13) are relevant to power allocations under these programs and do not have any logical application to the allocation of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **September 23, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT & CHIEF EXECUTIVE OFFICER**

Subject: **Extension of Hydropower Contracts with Upstate Investor-Owned Utilities for the Benefit of Rural and Domestic Consumers - Final Approval and Transmittal to the Governor**

SUMMARY

The Trustees are requested to authorize: (1) the approval of the proposed contract extensions ("2025 Amendments") for the sale by the New York Power Authority ("Authority") to Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid"), New York State Electric and Gas Corporation ("NYSEG"), and Rochester Gas and Electric Corporation ("RGE") (collectively, the "Utilities") of firm peaking hydropower totaling 360 megawatts ("MW"); and (2) the transmittal of the 2025 Amendments to the Governor for review and approval, in accordance with Public Authority Law ("PAL") §1009, and, upon such approval, to authorize the Authority to execute the 2025 Amendments. The forms of the 2025 Amendments, as set forth in the 2025 Amendment to 1990 Service Agreement" with National Grid, NYSEG and RGE are attached as Exhibit "A", Exhibit "B", and Exhibit "C", respectively. This request follows the public hearing and comment period on the form of the 2025 Amendments that the Trustees authorized at their July 29, 2025 meeting. The public hearing was held on September 15, 2025, and a transcript is attached as Exhibit "D".

BACKGROUND

In accordance with hydropower contracts signed with the Utilities in 1990 ("1990 Hydro Contracts") and subsequent contract extensions, the Utilities have purchased both firm power and firm peaking power from the St. Lawrence/FDR and Niagara Power Projects.

The Utilities have purchased such power at the Authority's cost-based preference power hydropower rate, the benefits of which have been passed on to the Utilities' residential and small farm customers (also referred to as their rural and domestic or "R&D consumers") without markup, through the retail service rates provided by the Utilities.

Chapter 60 (Part CC) of the Laws of 2011 created the Recharge New York Power Program ("RNY Program"). This statute authorized the Authority to use the firm hydropower previously allocated to the Utilities for the RNY Program. *See* PAL § 1005(13-a).

Effective August 1, 2011, the Authority withdrew the firm power allocations from the Utilities in accordance with the withdrawal provisions of the 1990 Hydro Contracts and the new law, and terminated the firm power allocations of 189 MW for Niagara Mohawk Power Corporation d/b/a National Grid, 167 MW for NYSEG, and 99 MW for RGE, but continued to sell the firm peaking power to the Utilities in the following amounts: National Grid, 175 MW; NYSEG, 150 MW; and RGE, 35 MW.

Beginning with the 2014 extension of the 1990 Hydro Contracts, the Authority's Trustees approved a three-year contract extension for the peaking hydropower allocations and associated contracts through December 31, 2023. National Grid did not extend its 1990 Hydro Contract initially in 2020, but in 2022 signed an agreement with the Authority to recommence electric service under the 1990 Service Agreement for 175 MW firm peaking power until expiration of the agreement on December 31, 2023.

In 2023, the Authority extended the peaking power allocations and terms of each of the 1990 Hydro Contracts for a one-year term providing for the sale of the peaking power through December 31, 2024. In 2024, the Authority extended the peaking power allocations and terms for an additional one-year period, providing for the sale of peaking power through December 31, 2025. The proposed 2025 Amendments provide for a further additional one-year extension through December 31, 2026.

DISCUSSION

The Authority and each of the Utilities have negotiated the 2025 Amendments, which provide for the continued sale of the peaking power in the amounts indicated above through December 31, 2026. The 2025 Amendments specify the terms and conditions applicable to the sale of peaking power, including provisions granting the Authority the right to terminate any extension upon thirty (30) days' written notice to the Utilities.

At their July 29, 2025 meeting, the Trustees authorized the submission of the 2025 Amendments to the Governor for review and approval under PAL § 1009. To avoid interruption of the financial benefits that peaking power provides to the R&D customers, the Trustees also authorized interim execution of the 2025 Amendments pending the Governor's approval. Accordingly, the 2025 Amendments are being presented for final authorization, subject to provisions for their cancellation in the event that the Governor does not approve the contracts pursuant to PAL § 1009.

In accordance with PAL § 1009, a public hearing was held on the 2025 Amendments on September 15, 2025, at 40 La Riviere Drive, Buffalo, NY 14202, from 2:00-6:00 p.m. No public comments were received and Authority staff recommends no modifications to the 2025 Amendments.

FISCAL INFORMATION

The proposed 2025 Amendments would allow the Utilities to continue purchasing firm peaking hydropower at the Authority's cost-based rates charged to the Authority's Preference Power customers, in accordance with the Authority's rate-setting methodologies and principles. Accordingly, there will be no fiscal impact to the Authority associated with these contract extensions.

RECOMMENDATION

The Senior Vice President – Customer Solutions requests that the Trustees approve the terms of the proposed 2025 Amendments with the Utilities and authorize the transmittal of the 2025 Amendments to the Governor for review and approval for the Authority to execute the 2025 Amendments, and to transmit the proposed 2025 Amendments to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee, in accordance with PAL § 1009.

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

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That the proposed contract extensions ("2025 Amendments") attached to the accompanying Memorandum of the President and Chief Executive Officer are approved; and be it further

RESOLVED, That the 2025 Amendments be submitted to the Governor for review and approval, in accordance with Public Authorities Law § 1009, and, upon such approval, the Authority is authorized to execute the 2025 Amendments; and be it further

RESOLVED, That copies of the 2025 Amendments be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee, in accordance with Public Authorities Law §1009; and be it further

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

2025 Amendment to 1990 Service Agreement

This 2025 Amendment to the 1990 Service Agreement, dated this __ day of December, 2025 is made between Niagara Mohawk Power Corporation, d/b/a National Grid ("Company") and the Power Authority of the State of New York ("Authority").

WHEREAS, the Company and the Authority are parties to an agreement dated February 22, 1989 under which the Authority has sold certain quantities of hydroelectric power and energy in accordance with Authority Service Tariff ("ST") No. 41 and ST. No. 42 from Authority's Niagara and St. Lawrence Projects to Company for resale to its rural and residential consumers (the "1990 Service Agreement").

WHEREAS, the Company and Authority have previously modified and extended the 1990 Service Agreement, most recently by the "2024 Amendment to 1990 Service Agreement" (the "2024 Agreement").

WHEREAS, by letter dated June 29, 2011, Authority withdrew all 189 MW of Firm Hydroelectric Power and Energy allocated under ST No. 41 and terminated service under the 1990 Service Agreement under ST No. 41 with respect to all 189 MW of Firm Hydroelectric Power and Energy, effective August 1, 2011, for use in the Recharge New York Power Program created pursuant to Chapter 60 (Part CC) of the Laws of 2011 (the "Firm Power and Energy Withdrawal/Termination").

WHEREAS, Company and Authority agree to further modify and extend certain terms of the 1990 Service Agreement as follows:

1) As a result of the Authority's Firm Power and Energy Withdrawal/Termination, the amount of Firm Hydroelectric Power and Energy allocated to Company under ST No. 41 is zero (0), and the Firm Peaking Power allocation of 175 MW under ST No. 42 will remain unchanged.

2) Article E - Rates. The current text is deleted in its entirety and is replaced with the following text.

> "The rates charged by the Authority under this Agreement shall be established in accordance with this Article.
>
> The Authority shall charge, and Company shall pay the preference power rates in effect, as such rates may be revised from time to time. Company waives any and all objections, suits, appeals or other challenges to the preference power rates adopted by the Authority, except as otherwise provided for below.
>
> Company waives any challenges to any of the following methodologies and principles used by the Authority to set future preference power rates, numbers (i) through (vii) as set forth in the "January 2003 Report on Hydroelectric Production Rates" as modified by the April 2003 "Staff Analysis of Public Comments and Recommendations":
>
> (i) The principles set forth in the March 5, 1986 Settlement Agreement

settling *Auer v. Dyson*, No, 81-124 (Sup. Ct. Oswego Co.), *Auer v. Power Authority*, index No. 11999-84 (Sup. Ct. N.Y. Co.) and *Delaware County Electric Cooperative, Inc. v. Power Authority*, 82 Civ. 7256 (S.D.N.Y.) (the "*Auer* Settlement").

(ii) Recovery of capital costs using Trended Original Cost and Original Cost methodologies.

(iii) Treatment of sales to third parties, including the New York Independent System Operator.

(iv) Allocation of Indirect Overheads.

(v) Melding of costs of the Niagara Power Project and St. Lawrence-FDR Power Project for ratemaking.

(vi) Post-employment benefits other than pensions (i.e., retiree health benefits).

(vii) Rate Stabilization Reserve (RSR) methodology.

In the event the Authority ceases to employ any of the methodologies and principles enumerated above, the Company shall have the right to take any position whatsoever with respect to such methodology or principle, but shall not have the right to challenge any of the remaining methodologies and principles that continue to be employed by the Authority."

3) Article F - Transmission. The current text is deleted in its entirety and is replaced with the following text.

"In accordance with the terms of the existing transmission service agreement, which by its terms will expire on August 31, 2007, Company will cease taking transmission service from Authority and will instead take transmission service under the New York Independent System Operator's ("NYISO") Open Access Transmission Tariff. Company agrees to settle any outstanding transmission charges that may apply prior to September 1, 2007 including any subsequent NYISO true up settlements."

4) Article G - Notification. In the contact address for Authority replace "10 Columbus Circle, New York, NY 10019" with "123 Main Street, White Plains, NY 10601".

5) Article K - Restoration of Withdrawn Power and/or Energy is deleted in its entirety.

6) Article L - Term of Service, is revised to read as follows:

"Service under this contract shall commence at 12:01 A.M. on January 1, 1990 and shall continue unless cancelled as provided for In the "Withdrawals of Power and/or Energy" or the "Cancellation or Reduction" provisions until December 31,

2026, subject to earlier termination by the Authority at any time with respect to any or all of the quantities of power and energy provided hereunder on at least thirty (30) days' prior written notice to Company."

7) Article M - Availability of Energy - Firm and Firm Peaking Hydroelectric Power Service. In the third paragraph, line 1, starting with the words "In the event that..." through "... minimize the impact of such reductions." on line 10, replace with the following:

> "The Authority will have the right to reduce on a pro rata basis the amount of energy provided to Company under Service Tariff No. 42 if such reductions are necessary due to low flow (i.e. hydrologic) conditions at the Authority's Niagara Project hydroelectric generating station. In the event that hydrologic conditions require the Authority to reduce the amount of energy provided to Company, reductions as a percentage of the otherwise required, energy deliveries will be the same for all firm Niagara Project customers. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Company in later billing periods. The offer of Energy for delivery shall fulfill the Authority's obligations for purposes of this Provision whether or not the Energy is taken by the Company. The Authority shall provide reasonable notice to Company of any condition or activities that could result, or have resulted, in low flow conditions consistent with the notice provided to other similarly affected customers."

8) This amendment shall be referred to as the "2025 Amendment to the 1990 Service Agreement".

9) Continuation of service under this 2025 Amendment to the 1990 Service Agreement shall be subject to approval of this 2025 Amendment to the 1990 Service Agreement by the Governor of the State of New York pursuant to Public Authorities Law § 1009. If the Governor disapproves this 2025 Amendment to the 1990 Service Agreement, service will cease on the last day of the month following the month during which the Governor disapproved this 2025 Amendment to the 1990 Service Agreement. If the Governor takes no action within the time frame provided for in Public Authorities Law § 1009, service will cease on the last day of the month following the month during which such timeframe expired.

10) Except as expressly provided in this 2025 Amendment to the 1990 Service Agreement, the 1990 Service Agreement shall remain unchanged and in full force and effect.

11) This 2025 Amendment to the 1990 Service Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts and to be performed in such state, without regard to conflict of laws principles.

12) This 2025 Amendment to the 1990 Service Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.

13) Upon approval of the Governor of the State of New York pursuant to Public Authorities Law § 1009, and upon execution by the Chairman of the Authority, this 2025

Amendment to the 1990 Service Agreement shall come into full force and effect, provided however that pending such gubernatorial approval and execution, this 2025 Amendment to the 1990 Service Agreement shall take effect upon the expiration of the 2024 Agreement and continue on a month to month basis.

14) This 2025 Amendment to the 1990 Service Agreement may be amended or modified by written agreement signed by the Authority and the Company.

AGREED:

Niagara Mohawk Power Corporation, d/b/a National Grid

By: _____

Name: _____

Title: _____

Date: _____

Power Authority of the State of New York

By: _____
Name: John R. Koelmel
Title: Chairman

Date: _____

2025 Amendment to 1990 Hydropower Contract

This 2025 Amendment to the 1990 Hydropower Contract, dated this __ day of December, 2025 is made between New York State Electric & Gas Corporation ("Company") and the Power Authority of the State of New York ("Authority").

WHEREAS, the Company and the Authority are parties to an agreement dated February 22, 1989 under which the Authority sells certain quantities of hydroelectric power and energy from Authority's Niagara and St, Lawrence Projects to Company for resale to its rural and residential consumers (the "1990 Hydropower Contract").

WHEREAS, Authority, Rochester Gas and Electric Corporation ("RGE") and Company are also parties to a letter agreement dated February 14, 2008, which modified Article D - Regulation of Rates and Charges as it pertained to the calculation of the monthly savings realized by the customers of Company and RGE from the purchase of Authority hydropower.

WHEREAS, Company and Authority have previously modified and extended the 1990 Hydropower Contract, most recently by the "2024 Amendment to 1990 Hydropower Contract" (the "2024 Amendment").

WHEREAS, by letter dated June 29, 2011, Authority withdrew all 167 MW of Firm Hydroelectric Power and Energy allocated under Service Tariff No. 41 and terminated service under the 1990 Hydropower Contract with respect to all 167 MW of Firm Hydroelectric Power and Energy, effective August 1, 2011, for use in the Recharge New York Power Program created pursuant to Chapter 60 (Part CC) of the Laws of 2011 (the "Firm Power and Energy Withdrawal/Termination").

WHEREAS, Company and Authority agree to further modify and extend certain terms of 1990 Hydropower Contract as follows:

1) As a result of the Authority's Firm Power and Energy Withdrawal/Termination, the amount of Firm Hydroelectric Power and Energy allocated to Company under Service Tariff No. 41 is zero (0). The Firm Peaking Power allocation of 150 MW under Service Tariff No. 42 will remain unchanged.

2) Article E - Rates. The current text is deleted in its entirety and is replaced with the following text.

> "The rates charged by the Authority under this Agreement shall be established In accordance with this Article.
>
> The Authority shall charge, and Company shall pay the preference power rates in effect, as such rates may be revised from time to time. Company waives any and all objections, suits, appeals or other challenges to the preference power rates adopted by the Authority, except as otherwise provided for below.
>
> Company waives any challenges to any of the following methodologies and principles used by the Authority to set future preference power rates, numbers (i) through (vii) as set forth in the "January 2003 Report on Hydroelectric Production

Rates" as modified by the April 2003 "Staff Analysis of Public Comments and Recommendations":

(i) The principles set forth in the March 5, 1986 Settlement Agreement settling *Auer v. Dyson*, No, 81-124 (Sup. Ct. Oswego Co.), *Auer v. Power Authority*, index No. 11999-84 (Sup. Ct. N.Y. Co.) and *Delaware County Electric Cooperative, Inc. v. Power Authority*, 82 Civ. 7256 (S.D.N.Y.) (the "*Auer* Settlement").

(ii) Recovery of capital costs using Trended Original Cost and Original Cost methodologies.

(iii) Treatment of sales to third parties, including the New York Independent System Operator.

(iv) Allocation of Indirect Overheads.

(v) Melding of costs of the Niagara Power Project and St. Lawrence-FDR Power Project for ratemaking.

(vi) Post-employment benefits other than pensions (i.e., retiree health benefits).

(vii) Rate Stabilization Reserve (RSR) methodology.

In the event the Authority ceases to employ any of the methodologies and principles enumerated above, the Company shall have the right to take any position whatsoever with respect to such methodology or principle, but shall not have the right to challenge any of the remaining methodologies and principles that continue to be employed by the Authority."

3) Article F - Transmission. The current text is deleted in its entirety and is replaced with the following text.

"In accordance with the terms of the existing transmission Hydropower Contract, which by its terms will expire on August 31, 2007, Company will cease taking transmission service from Authority and will instead take transmission service under the New York Independent System Operator's ("NYISO") Open Access Transmission Tariff. Company agrees to settle any outstanding transmission charges that may apply prior to September 1, 2007 including any subsequent NYISO true up settlements."

4) Article G - Notification. In the contact address for Authority replace "10 Columbus Circle, New York, NY 10019" with "123 Main Street, White Plains, NY 10601". For Company, delete the current reference in its entirety and replace with the following "Patrick W. Fox, Senior Director, NY Energy Services, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, 18 Link Drive, P.O. Box 5224, Binghamton, New York 13902-5224".

5) Article K - Restoration of Withdrawn Power and/or Energy is deleted in its entirety.

6) Article L - Term of Service, is revised to read as follows:

> "Service under this contract shall commence at 12:01 A.M. on January 1, 1990 and shall continue unless cancelled as provided for in the "Withdrawals of Power and/or Energy" or the "Cancellation or Reduction" provisions until December 31, 2026, subject to earlier termination by the Authority at any time with respect to any or all of the quantities of power and energy provided hereunder on at least thirty (30) days' prior written notice to Company."

7) Article M - Availability of Energy - Firm and Firm Peaking Hydroelectric Power Service. In the third paragraph, line 1, starting with the words "In the event that..." through "... minimize the impact of such reductions." on line 10, replace with the following:

> "The Authority will have the right to reduce on a pro rata basis the amount of energy provided to Company under Service Tariff No. 42 if such reductions are necessary due to low flow (i.e. hydrologic) conditions at the Authority's Niagara Project hydroelectric generating station. In the event that hydrologic conditions require the Authority to reduce the amount of energy provided to the Company, reductions as a percentage of the otherwise required, energy deliveries will be the same for all firm Niagara Project customers. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Company in later billing periods. The offer of Energy for delivery shall fulfill Authority's obligations for purposes of this Provision whether or not the Energy is taken by the Company. The Authority shall provide reasonable notice to the Company of any condition or activities that could result, or have resulted, in low flow conditions consistent with the notice provided to other similarly affected customers."

8) This amendment shall be referred to as the "2025 Amendment to the 1990 Hydropower Contract".

9) Continuation of service under this 2025 Amendment to the 1990 Hydropower Contract shall be subject to approval of this 2025 Amendment to the 1990 Hydropower Contract by the Governor of the State of New York pursuant to Public Authorities Law § 1009. If the Governor disapproves this 2025 Amendment to the 1990 Hydropower Contract, service will cease on the last day of the month following the month during which the Governor disapproved this 2025 Amendment to the 1990 Hydropower Contract. If the Governor takes no action within the time frame provided for in Public Authorities Law § 1009, service will cease on the last day of the month following the month during which such timeframe expired.

10) Except as expressly provided in this 2025 Amendment to the 1990 Hydropower Contract, the 1990 Hydropower Contract shall remain unchanged and in full force and effect.

11) This 2025 Amendment to the 1990 Hydropower Contract shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts and to be performed in such state, without regard to conflict of laws principles.

12) This 2025 Amendment to the 1990 Hydropower Contract may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.

13) Upon approval of the Governor of the State of New York pursuant to Public Authorities Law § 1009, and upon execution by the Chairman of the Authority, this 2025 Amendment to the 1990 Hydropower Contract shall come into full force and effect, provided however that pending such gubernatorial approval and execution, this 2025 Amendment to the 1990 Hydropower Contract shall take effect upon the expiration of the 2024 Amendment and continue on a month to month basis.

14) This 2025 Amendment to the 1990 Hydropower Contract may be amended or modified by a written agreement signed by the Authority and the Company.

AGREED:

New York State Electric & Gas Corporation

By: _____
Name: Andrea VanLuling
Title: Controller
Date: _____

By: _____
Name: Patricia Nilsen
Title: Chief Executive Officer
Date: _____

Power Authority of the State of New York

ACCEPTED:

By: _____
Name: John R. Koelmel
Title: Chairman
Date: _____

2025 Amendment to 1990 Hydropower Contract

This 2025 Amendment to the 1990 Hydropower Contract, dated this ___ day of December, 2025 is made between Rochester Gas and Electric Corporation ("Company") and the Power Authority of the State of New York ("Authority").

WHEREAS, the Company and the Authority are parties to an agreement dated February 22, 1989 under which the Authority sells certain quantities of hydroelectric power and energy from Authority's Niagara and St. Lawrence Projects to Company for resale to its rural and residential consumers (the "1990 Hydropower Contract").

WHEREAS, Authority, New York State Electric & Gas Corporation ("NYSEG") and Company are also parties to a letter agreement dated February 14, 2008 which modified Article D - Regulation of Rates and Charges as it pertained to the calculation of the monthly savings realized by the customers of Company and NYSEG from the purchase of Authority hydropower.

WHEREAS, Company and Authority have previously modified and extended the 1990 Hydropower Contract, most recently by the "2024 Amendment to 1990 Hydropower Contract" (the "2024 Amendment").

WHEREAS, by letter dated June 29, 2011, Authority withdrew all 99 MW of Firm Hydroelectric Power and Energy allocated under Service Tariff No. 41 and terminated service under the 1990 Hydropower Contract with respect to all 99 MW of Firm Hydroelectric Power and Energy, effective August 1, 2011, for use in the Recharge New York Power Program created pursuant to Chapter 60 (Part CC) of the Laws of 2011 (the "Firm Power and Energy Withdrawal/Termination").

WHEREAS, Company and Authority agree to further modify and extend certain terms of 1990 Hydropower Contract as follows:

1) As a result of the Authority's Firm Power and Energy Withdrawal/Termination, the amount of Firm Hydroelectric Power and Energy allocated to Company under Service Tariff No. 41 is zero (0). The Firm Peaking Power allocation of 35 MW under Service Tariff No. 42 will remain unchanged.

2) Article E - Rates. The current text is deleted in its entirety and is replaced with the following text.

> "The rates charged by the Authority under this Agreement shall be established in accordance with this Article.
>
> The Authority shall charge, and Company shall pay the preference power rates in effect, as such rates may be revised from time to time. Company waives any and all objections, suits, appeals or other challenges to the preference power rates adopted by the Authority, except as otherwise provided for below.
>
> Company waives any challenges to any of the following methodologies and principles used by the Authority to set future preference power rates, numbers (i) through (vii) as set forth in the "January 2003 Report on Hydroelectric Production

Rates" as modified by the April 2003 "Staff Analysis of Public Comments and Recommendations":

(i) The principles set forth in the March 5, 1986 Settlement Agreement settling *Auer v. Dyson*, No, 81-124 (Sup. Ct. Oswego Co.), *Auer v. Power Authority*, index No. 11999-84 (Sup. Ct. N.Y. Co.) and *Delaware County Electric Cooperative, Inc. v. Power Authority*, 82 Civ. 7256 (S.D.N.Y.) (the "*Auer* Settlement").

(ii) Recovery of capital costs using Trended Original Cost and Original Cost methodologies.

(iii) Treatment of sales to third parties, including the New York Independent System Operator.

(iv) Allocation of Indirect Overheads.

(v) Melding of costs of the Niagara Power Project and St. Lawrence-FDR Power Project for ratemaking.

(vi) Post-employment benefits other than pensions (i.e., retiree health benefits).

(vii) Rate Stabilization Reserve (RSR) methodology.

In the event the Authority ceases to employ any of the methodologies and principles enumerated above, the Company shall have the right to take any position whatsoever with respect to such methodology or principle, but shall not have the right to challenge any of the remaining methodologies and principles that continue to be employed by the Authority."

3) Article F - Transmission. The current text is deleted in its entirety and is replaced with the following text.

"In accordance with the terms of the existing transmission Hydropower Contract, which by its terms will expire on August 31, 2007, Company will cease taking transmission service from Authority and will instead take transmission service under the New York Independent System Operator's ("NYISO") Open Access Transmission Tariff. Company agrees to settle any outstanding transmission charges that may apply prior to September 1, 2007 including any subsequent NYISO true up settlements."

4) Article G - Notification. In the contact address for Authority replace "10 Columbus Circle, New York, NY 10019" with "123 Main Street, White Plains, NY 10601". For Company, delete the current reference in its entirety and replace with the following "Patrick W. Fox, Senior Director, NY Energy Services, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, 18 Link Drive, P.O. Box 5224, Binghamton, New York 13902-5224".

5) Article K - Restoration of Withdrawn Power and/or Energy is deleted in its entirety.

6) Article L - Term of Service, is revised to read as follows:

> "Service under this contract shall commence at 12:01 A.M. on January 1, 1990 and shall continue unless cancelled as provided for In the "Withdrawals of Power and/or Energy" or the "Cancellation or Reduction" provisions until December 31, 2026, subject to earlier termination by the Authority at any time with respect to any or all of the quantities of power and energy provided hereunder on at least thirty (30) days' prior written notice to Company."

7) Article M - Availability of Energy - Firm and Firm Peaking Hydroelectric Power Service. In the third paragraph, line 1, starting with the words "In the event that..." through "... minimize the impact of such reductions." on line 10, replace with the following:

> "The Authority will have the right to reduce on a pro rata basis the amount of energy provided to Company under Service Tariff No. 42 if such reductions are necessary due to low flow (i.e. hydrologic) conditions at the Authority's Niagara Project hydroelectric generating station. In the event that hydrologic conditions require the Authority to reduce the amount of energy provided to the Company, reductions as a percentage of the otherwise required, energy deliveries will be the same for all firm Niagara Project customers. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Company in later billing periods. The offer of Energy for delivery shall fulfill the Authority's obligations for the purposes of this Provision whether or not the Energy is taken by the Company. The Authority shall provide reasonable notice to Company of any condition or activities that could result, or have resulted, in low flow conditions consistent with the notice provided to other similarly affected customers."

8) This amendment shall be referred to as the "2025 Amendment to the 1990 Hydropower Contract".

9) Continuation of service under this 2025 Amendment to the 1990 Hydropower Contract shall be subject to approval of this 2025 Amendment to the 1990 Hydropower Contract by the Governor of the State of New York pursuant to Public Authorities Law § 1009. If the Governor disapproves this 2025 Amendment to the 1990 Hydropower Contract, service will cease on the last day of the month following the month during which the Governor disapproved this 2025 Amendment to the 1990 Hydropower Contract. If the Governor takes no action within the time frame provided for in Public Authorities Law § 1009, service will cease on the last day of the month following the month during which such timeframe expired.

10) Except as expressly provided in this 2025 Amendment to the 1990 Hydropower Contract, the 1990 Hydropower Contract shall remain unchanged and in full force and effect.

11) This 2025 Amendment to the 1990 Hydropower Contract shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts

and to be performed in such state, without regard to conflict of laws principles.

12) This 2025 Amendment to the 1990 Hydropower Contract may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.

13) Upon approval of the Governor of the State of New York pursuant to Public Authorities Law § 1009, and upon execution by the Chairman of the Authority, this 2025 Amendment to the 1990 Hydropower Contract shall come into full force and effect, provided however that pending such gubernatorial approval and execution, this 2025 Amendment to the 1990 Hydropower Contract shall take effect upon the expiration of the 2024 Amendment and continue on a month to month basis.

14) This 2025 Amendment to the 1990 Hydropower Contract may be amended or modified by a written agreement signed by the Authority and the Company.

AGREED:

Rochester Gas and Electric Corporation

By: _____
Name: Andrea VanLuling
Title: Controller
Date: _____

By: _____
Name: Patricia Nilsen
Title: Chief Executive Officer
Date: _____

Power Authority of the State of New York

ACCEPTED:

By: _____
Name: John R. Koelmel
Title: Chairman
Date: _____

NEW YORK POWER AUTHORITY

VIDEOCONFERENCE

Public Hearing: Proposed Hydropower Contract Extensions for the sale of Peaking Power to IOUs - National Grid, NYSEG, and RG&E,

September 15, 2025

2:00 p.m. - 6:00 p.m.

NYPA APPEARANCES:

FELISA HOCHHEISER (Page 2.)

RYAN GRIECO (Page 5.)

FELISA HOCHHEISER: Good afternoon. This is a public hearing required by law and authorized by the New York Power Authority's Board of Trustees on a proposed form of contract for the sale of hydropower to Niagara Mohawk Power Corporation doing business as National Grid, New York State Electric and Gas Corporation, NYSEG, and Rochester Gas and Electric Corporation, RGE.

My name is Felisa Hochheiser, and I'm the Authority's Deputy Corporate Secretary.

New York State Public Authorities Law, Section 1009 sets forth procedures for executing certain contracts negotiated by the Authority. First, prior to the hearing, it requires that notice of the hearing be provided. Therefore, a notice was sent to: The Governor, the Speaker of the Assembly, the Chair of the Senate Finance Committee, the Chair of the Assembly Ways and Means Committee, the Senate Minority Leader, the Ranking Minority Leader of the Assembly Ways and Means, the President Pro Tempore, and Majority Leader, and the Assistant Secretary for Energy.

In addition, notices appeared once a week, for the four weeks leading up to this hearing, in the following newspapers: Niagara Gazette,

Buffalo News, Buffalo Business First, Niagara County Tribune Sentinel-Lewiston, Albany Times Union, and the Dunkirk Observer.

The public was also given access to the proposed contracts on the Authority's website during the 30-day period prior to today's hearing.

After the hearing, the public will be given access to the hearing transcript, once it is completed, at www.nypa.gov.

The next step in the process set forth in Section 1009, will be for the NYPA Trustees to reconsider the proposed contract in light of public comments.

Once the Trustees have completed their final review, the contracts will be forwarded to the Governor for her consideration and approval.

If you plan to make an oral statement at this hearing, I ask that you please indicate so on the sign-in sheet.

Also, if you have a written statement, you can mail or email the Corporate Secretary at: 123 Main Street, 9-B, as in boy, White Plains, New York 10601, or email at secretarys.office@nypa.gov. That's S-E-C-R-E-T-A-R-Y-S, dot, office@nypa.gov.

Written statements may be of any length and will appear in the record of the hearing in addition to oral statements. The record of the hearing will remain open for additional comments up to and until close of business, Tuesday, September 16, 2025.

At this point, I would like to introduce Ryan Grieco, Key Account Executive. Thank you.

Mr. Grieco?

RYAN GRIECO: Thank you, Ms. Hochheiser. Good afternoon. My name is Ryan Grieco, and I'm Key Account Executive within NYPA's Customer Solutions Department. I'm here today to present a summary of the proposed contract extensions for Niagara Mohawk Power Corporation, doing business as National Grid, New York State Electric and Gas Corporation, or NYSEG, and Rochester Gas and Electric Corporation, also known as RG&E, that would amend existing contracts between the Authority and each of the utilities to provide for the continued sale of firm peaking hydropower allocations.

At their July 29th, 2025, meeting, the NYPA Trustees approved an extension of National Grid's 175 megawatt, NYSEG's 150 megawatt, and RG&E's 35

megawatt allocations for one year, as well as approved the form of the proposed contract extensions.

The Trustees also provided authorization for the public hearing, in accordance with the Public Authorities Law, PAL 1009, on the proposed form of contract extensions with National Grid, NYSEG, and RG&E.

Regarding the three proposed contract extensions of firm peaking hydropower to Niagara Mohawk Power Corporation, doing business as National Grid, New York State Electric and Gas Corporation, NYSEG, and Rochester Gas and Electric Corporation, RG&E, in accordance with the hydropower contracts signed with the utilities in 1990, and subject to contract extensions.

The utilities have purchased both firm power and firm peaking power from the St. Lawrence-FDR and Niagara Power Projects.

The utilities have purchased such power at the Authority's cost-based preference power hydropower rates, the benefits of which have been passed on to the utilities' residential and small farm customers, also referred to as their rural and domestic, or R&D consumers, without markup,

through the retail service rates provided by the utilities.

Chapter 60, Part CC, of the Laws of 2011, created the Recharge New York Power Program. This statute authorized the Authority to use the firm hydropower previously allocated to the utilities for the RNY Program, see PAL 1005(13-A).

Effective August 1, 2011, the Authority withdrew the firm power allocations from the utilities in accordance with the withdrawal provisions of the 1990 hydro contracts and the new law, and terminated the firm power allocations of 189 megawatt for Niagara Mohawk Power Corporation, d/b/a National Grid, 167 megawatt for NYSEG, and 99 megawatt for RG&E, but continued to sell the firm peaking power to the utilities in the following amounts: National Grid, 175 megawatt; NYSEG, 150 megawatt; and RG&E, 35 megawatt.

National Grid did not extend its 1990 Hydro Contract initially in 2020, but in 2022 signed an agreement with the Authority to recommence electric service under the 1990 Service Agreement for 175 megawatt firm peaking power until expiration of the agreement on December 31st, 2023.

In 2020, NYSEG and RG&E extended their agreements for three-year terms, expiring along with National Grid's at the end of 2023.

In 2023, the Authority extended the peaking power allocations and terms of each of the 1990 hydro contracts for a one-year term, providing for the sale of the peaking power through December 31st, 2024.

In 2024, the Authority extended the peaking power allocations and terms for an additional one-year period, providing for the sale of peaking power through December 31st, 2025.

The proposed 2025 utility contract extensions continue the sale of 360 megawatt of firm peaking hydroelectric to the utilities, which consists of 175 megawatt for National Grid, 150 megawatt for NYSEG, and 35 megawatt for RG&E.

These peaking power allocations would continue to allow NYPA to pass on the benefits of firm peaking power to the utilities' R&D customers.

The utilities have agreed to an extension of the 1990 hydro contracts, with NYPA having the right to terminate each contract upon 30 days' notice. The contracts provide for a one-year

extension through December 31st, 2026.

In addition, because the current extensions are scheduled to expire on December 31st, 2025, the Authority has agreed to execute contract extensions on a month-to-month basis, pending completion of the public hearing process and gubernatorial approval.

Some pertinent provisions of the proposed contracts include direct billing of all hydropower supply charges and all New York Independent System Operator, Inc., NYISO charges and taxes, as well as the supply of substitute energy, in the case of an unanticipated hydropower curtailment.

Transmission and delivery service for the allocations will be provided by National Grid, NYSEG, and RG&E in accordance with the utilities' Public Service Commission-approved delivery service tariffs.

As Ms. Hochheiser stated earlier, the Authority will accept your comments on the proposed contracts until the close of business on Tuesday, September 16th, 2025.

I will now turn the hearing back to Ms. Hochheiser. Thank you.

FELISA HOCHHEISER: Thank you, Mr. Grieco.

Has anyone signed in to speak?

RYAN GRIECO: No.

FELISA HOCHHEISER: Since no one has signed up to speak at the hearing, we will recess and reconvene as speakers arrive.

RYAN GRIECO: Thank you.

(Brief recess.)

FELISA HOCHHEISER: It is now 6:00 p.m.

As I previously stated, the record of the hearing will remain open for additional comments up to and until close of business, Tuesday, September 16th, 2025.

The September 15th, 2025, Public Hearing on the Proposed Sale of Hydropower to Niagara Mohawk Power Corporation, doing business as National Grid, New York State Electric and Gas Corporation, NYSEG, and Rochester Gas and Electric Corporation, RG&E, is now officially closed.

Thank you, and good night.

(Thereupon, at 6:00 p.m., the meeting was adjourned.)

C E R T I F I C A T E

I, Jackie Mentecky, Court Stenographer, certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

Dated this 16th day of September, 2025.

/s/ Jackie Mentecky

_____
Jackie Mentecky, Court Stenographer

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **September 23, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT & CHIEF EXECUTIVE OFFICER**

Subject: **Contracts for the Sale of Hydropower - Final Approval and Transmittal to the Governor**

SUMMARY

The Trustees are requested to:

1. Approve the final contracts for the sale of 2,080 kilowatts ("kW") of Expansion Power ("EP") to Deckorators, Inc. ("Deckorators"), 630 kW of EP to Food Nerd Inc. ("Food Nerd"), and 1,290 kW of EP to Polaris Cold Storage Corporation ("Polaris") (collectively, the "Contracts"). Copies of the Contracts, together with the applicable service tariff, Service Tariff No. WNY-2 ("ST WNY-2"), are attached as Exhibits "A", "B" and "C".
2. Authorize transmittal of the Contracts to the Governor for review and request authorization for the New York Power Authority ("Authority") to execute the Contracts pursuant to Public Authorities Law ("PAL") §1009.

BACKGROUND

Under PAL §1005(13), the Authority may allocate and sell, or resell, 250 megawatts ("MW") of EP and 445 MW of Replacement Power ("RP") (collectively, "WNY Hydropower") to businesses within 30 miles of the Niagara Power Project. The statute further requires that the amount of EP allocated to businesses in Chautauqua County on January 1, 1987, must continue to be allocated to that county.

As required by PAL §1009, when the Authority reaches agreement with its co-party on a power sale contract, it must transmit the proposed contract to the Governor and other elected officials and hold a public hearing on the proposed contract. Notice of the hearing must be published at least once a week for a minimum of 30 days in each of six selected newspapers. Following the public hearing, the contract may be modified, if advisable.

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

DISCUSSION

At their meeting on May 20, 2025, the Trustees awarded the following EP allocations for 10-year terms:

2,080 kW EP allocation to Deckorators to support a proposed manufacturing facility in Lackawanna (Erie County) for its Surestone composite decking products. Deckorators' Supplemental Commitments include a minimum capital investment of at least $77,225,524 at the facility receiving the allocation and the creation of at least 50 new full-time jobs at the Lackawanna facility for the term of the allocation.

630 kW EP allocation to Food Nerd to support a proposed expansion at new manufacturing facilities in Clarence (Erie County) with end-to-end processing capabilities from raw ingredients to finished products for nutrient-rich, plant-based snack foods and meals. Food Nerd's Supplemental Commitments include a capital investment of at least $4,800,000 at its facilities receiving the allocation and creation of at least 11 new full-time jobs above a base employment level of 6 full-time jobs at the Clarence facilities for the term of the allocation.

1,290 kW EP allocation to Polaris to support a proposed expansion with the construction of a new cold-storage and micro-fulfillment facilities in Sanborn (Niagara County) designed to meet increasing demand for temperature-controlled storage and distribution in the region. Polaris's Supplemental Commitments include a capital investment of at least $12,229,200 at its facilities receiving the allocation and the creation of at least 16 new full-time jobs at the Sanborn facilities for the term of the allocation.

The following is a summary of the pertinent provisions of the Contracts and ST WNY-2 related to the allocations:

- The term of the EP allocations is 10 years from the commencement of electric service, subject to termination or cancellation as provided in the Contracts.

- Transmission and delivery service will be provided by the customer's local utility in accordance with the utility's Public Service Commission-approved delivery service tariff.

- The Contracts provide for the direct billing of all production charges (*i.e.,* demand and energy), as well as charges of the New York Independent System Operator, Inc., plus applicable taxes or other required assessments, as set forth in ST WNY-2, previously approved by the Trustees.

- The customer must perform an energy audit at the facility receiving the allocation. The customer may satisfy this requirement through either a traditional physical audit or a virtual audit using the Authority's New York Energy Manager, which is expected to provide considerable savings for customers who select it.

- The Contracts provide for collection of a Zero Emission Credit Charge and a Renewable Energy Credit Charge to allow the Authority to recover costs it incurs to purchase Zero Emission Credits and Renewable Energy Credits attributable to each customer's load.

- The Authority retains the right to reduce or terminate the allocation if Supplemental Commitments are not met.

PUBLIC HEARING

In accordance with PAL §1009, a public hearing on the proposed Contracts for Deckorators, Food Nerd and Polaris was held on August 7, 2025, at 40 La Riviere Drive, Buffalo, NY 14202. No public comments were received. A copy of the official transcript of the public hearing, including any written submittals, is attached as Exhibit "D".

FISCAL INFORMATION

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

RECOMMENDATION

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

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

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That the contract for the sale of 2,080 kilowatts ("kW") of Expansion Power ("EP") to Deckorators, Inc., the contract for the sale of 630 kW of EP to Food Nerd Inc., and the contract for the sale of 1,290 kW of EP to Polaris Cold Storage Corporation (collectively, the "Contracts"), are in the public interest and hereby approved; and be it further

RESOLVED, That in accordance with Public Authorities Law §1009, the Contracts shall be submitted to the Governor for her review and to seek her authorization for the New York Power Authority ("Authority") to execute the Contracts, and copies of the Contracts, along with the record of the public hearing thereon, shall be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee; and be it further

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

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

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements,

certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

Exhibit A
September 23, 2025

POWER AUTHORITY

OF THE

STATE OF NEW YORK

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

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

Deckorators, Inc.

The POWER AUTHORITY OF THE STATE OF NEW YORK ("Authority"), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law ("PAL"), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power ("Agreement") with Deckorators, Inc. ("Customer") with offices and principal place of business at 300 Commerce Drive, Lackawanna, New York 14218. The Authority and the Customer are from time to time referred to in this Agreement as "Party" or collectively as "Parties" and agree as follows:

RECITALS

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

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

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

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

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

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

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

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

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

ARTICLE I
DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Facility" means the Customer's facilities as described in Schedule A to this Agreement.

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

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

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

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

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

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

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

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

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

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

"NYEM Agreement" means a written agreement between the Authority and the Customer providing for the Facility's enrollment and Customer's participation in NYEM.

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

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

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

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

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

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

"Project" means the Niagara Power Project, FERC Project No. 2216.

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

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

"Rolling Average" has the meaning set forth in Schedule B.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II
ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.

3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.

4. The Authority shall provide UCAP in amounts necessary to meet the Customer's NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).

6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.

7. The Contract Demand may not exceed the Allocation.

8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.

9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.

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

ARTICLE III
RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.

2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:

    a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or

    b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.

3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

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

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

ARTICLE IV
SUPPLEMENTAL COMMITMENTS

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.

2. [*Intentionally Left Blank*]

3. Special Provisions Relating to a New or Expanded Facility.

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

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

   b. Proposed New or Expanded Facility; Partial Performance.

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

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

c. Notice of Completion; Commencement of Electric Service.

(i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.

(ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

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

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

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

ARTICLE VI
SERVICE TARIFF; CONFLICTS

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

2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No.WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:

   a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;

   b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and

   c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.

2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.

3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

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

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

ARTICLE VIII
BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.

2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.

3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX
HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.

2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.

3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

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

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.

5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.

6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.

7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.

8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.

9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.

10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

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

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X
EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.

2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.

3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.

4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI
EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:

    a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

b. pursuant to any other process that the Authority establishes; or
c. with the Authority's written consent.

2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.

3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII
NOTICES

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

To: The Authority

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

To: The Customer

Deckorators, Inc.
300 Commerce Drive
Lackawanna, NY, 14218
Email: nhayes@ufpi.com
Facsimile:
Attention: Nathan Hayes

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.

3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

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

ARTICLE XIII
SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.

2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.

3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV
MISCELLANEOUS

1. Choice of Law

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

2. Venue

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

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

3. Previous Agreements; Modifications; and Interpretation

a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.

b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.

c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

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

5. Severability and Voidability

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

ARTICLE XV
EXECUTION

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

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

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

DECKORATORS, INC.

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Deckorators, Inc. **Type of Allocation**	**Allocation Amount (kW)**	**Facility Address**	**Trustee Approval Date**	**Allocation Expiration Date**
EP	2,080 kW	300 Commerce Drive Lackawanna, NY, 14218	May 20, 2025	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER COMMITMENTS

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

   a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the "Base Employment Level"). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer's Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, "Base Level Employees"). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.

   b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.

   c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority's discretion.

2. Capital Investment Commitments

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

3. Power Utilization

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

4. Energy Efficiency and Conservation Program

a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.

b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term ("NYEM Participation") in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.

c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.

d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

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

2. Capital Investments

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

3. Power Usage

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

4. Energy Efficiency and Conservation Program

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

5. Facility Access

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

ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

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

2. Capital Investment Commitment

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

3. Power Utilization Level

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

4. Additional Compliance Action

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

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction. Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 50 full-time, permanent employees ("Base Employment Level") at the Customer's Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)

    a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility ("Rolling Average") shall total not less than **N/A** (the "Annual Capital Investment Commitment"). For purposes of this provision, "Rolling Average" means the three-year average comprised of (1) the total amount of capital investments ("Annual CI Expenditures") made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.

    b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.

    c. If the Customer's Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)

    a. The Customer shall make a minimum capital investment of $77,225,524 to construct, furnish and/or expand the Facility ("Expansion Project Capital Investment Commitment"). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	**EXPENDITURE**
Land/Building Acquisition	$15,653,312
Machinery & Equipment Purchases	$52,500,000
Infrastructure Costs	$ 9,072,212
Total Minimum Expansion Project Capital Investment Commitment:	**$77,225,524**

Total Expansion Project Capital Investment Commitment:

b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than May 20, 2028 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.

2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order ("Affected LSEs") to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE's proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the "ZEC Purchase Obligation"). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year ("ZEC Program Year").

3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.

4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer's EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

    a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

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

b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the "EP and RP Programs ZEC Costs"). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).

c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer's actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer's annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority's inability to collect a ZEC Charge from any other Authority customer.

5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.

6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

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

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

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

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

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

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

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

"Load Serving Entity" has the meaning provided in the CES Order.

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

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

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

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

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

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

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

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

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

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

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

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.

2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the "Annual REC Percentage Target") for the purpose of ultimately meeting the RES.

3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer's EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.

b. The Authority will, for each month of each calendar year, calculate the total costs ("Total Monthly REC Costs") that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month ("Total Monthly EP-RP Load"). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.

c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer's share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer's total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:

   i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority's inability to collect the Monthly REC Charge from other Authority customers; and

   ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA's published REC price for the REC Program Year.

4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.

5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer's Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority's bills

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

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").

2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.

POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

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

Service Tariff No. WNY-2

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Schedule of Rates for Firm Power Service

I. Applicability

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

II. Abbreviations and Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

III. Monthly Rates and Charges

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

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

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

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

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

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

C. Monthly Base Rates Exclude Delivery Service Charges

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

D. Minimum Monthly Charge

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

E. Estimated Billing

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

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

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

- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

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

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

- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

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

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

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

F. Adjustments to Charges

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

G. Billing Period

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

H. Billing Demand

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

I. Billing Energy

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

J. Contract Demand

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

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.

2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

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

D. Adjustment of Rates

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

E. Billing Methodology

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

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing ("LFS") in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer's local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.

2. Billing Demand –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer's local electric utility, during each Billing Period recorded on the Customer's meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.

3. Billing Energy –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer's meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.

4. With regard to LFS methodology calculations:

    a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer's Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
    b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer's metered load will be supplied by Firm Energy.
    c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer's metered load to be supplied by Firm Energy is as follows:
        i. <u>For Customer with hourly billing:</u> the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
        ii. <u>For Customer with monthly billing:</u> the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
    d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

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

a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and

b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and

c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

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

3. NYISO Transmission and Related Charges

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

A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;

B. Marginal losses;

C. The New York Power Authority Transmission Adjustment Charge ("NTAC");

D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;

E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

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

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

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

4. Taxes Defined

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

5. Substitute Energy

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

6. Payment Information

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

7. Billing Disputes

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

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10^{th}) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.

2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.

3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.

4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.

5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.

6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

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

H. Adjustment of Charges – Distribution Losses

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

I. Conflicts

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

V. Annual Adjustment Factor

A. Adjustment of Rates

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

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

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

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

2. Annual Adjustment Factor Computation Guide

   Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.

   Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.

   Step 3: Commencing RY 2014, modifications to the AAF will be subject to ±5% Collar, as described below.

   a) When the AAF falls outside the ±5% Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the ±5% Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the ±5% Collar.

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

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

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

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.

4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

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

STEP 1

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

- Index 1 - Producer Price Index, Industrial Power

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

- Index 2 – EIA Industrial Rate

State	Revenues ($000s)	Sales (MWh)	Avg. Rate (cents/kWh)
Measuring Year (2012)			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	155,903	2,173,679	
TOTAL	13,434,511	215,442,827	**6.24**
Measuring Year -1 (2011)			
CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	152,785	2,130,205	
TOTAL	13,016,880	209,059,931	**6.23**
Ratio of MY/MY-1			**1.00**

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

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

STEP 2

Determine AAF by Summing the Weighted Indices

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

STEP 3

Apply Collar of ±5.0% to Determine the Maximum/Minimum AAF.

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

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

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

Exhibit B
September 23, 2025

POWER AUTHORITY

OF THE

STATE OF NEW YORK

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

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

Food Nerd Inc.

The POWER AUTHORITY OF THE STATE OF NEW YORK ("Authority"), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law ("PAL"), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power ("Agreement") with Food Nerd Inc. ("Customer") with offices and principal place of business at 11342 Main Street, Clarence, New York 14031. The Authority and the Customer are from time to time referred to in this Agreement as "Party" or collectively as "Parties" and agree as follows:

RECITALS

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

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

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

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

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

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

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

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

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

ARTICLE I
DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Facility" means the Customer's facilities as described in Schedule A to this Agreement.

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

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

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

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

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

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

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

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

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

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

"NYEM Agreement" means a written agreement between the Authority and the Customer providing for the Facility's enrollment and Customer's participation in NYEM.

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

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

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

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

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

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

"Project" means the Niagara Power Project, FERC Project No. 2216.

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

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

"Rolling Average" has the meaning set forth in Schedule B.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II
ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.

3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.

4. The Authority shall provide UCAP in amounts necessary to meet the Customer's NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).

6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.

7. The Contract Demand may not exceed the Allocation.

8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.

9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.

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

ARTICLE III
RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.

2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:

    a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or

    b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.

3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

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

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

ARTICLE IV
SUPPLEMENTAL COMMITMENTS

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.

2. [*Intentionally Left Blank*]

3. Special Provisions Relating to a New or Expanded Facility.

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

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

   b. Proposed New or Expanded Facility; Partial Performance.

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

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

c. Notice of Completion; Commencement of Electric Service.

(i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.

(ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

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

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

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

ARTICLE VI
SERVICE TARIFF; CONFLICTS

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

2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No.WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:

   a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;

   b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and

   c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.

2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.

3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

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

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

ARTICLE VIII
BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.

2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.

3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX
HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.

2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.

3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

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

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.

5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.

6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.

7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.

8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.

9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.

10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

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

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X
EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.

2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.

3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.

4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI
EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:

    a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

b. pursuant to any other process that the Authority establishes; or
c. with the Authority's written consent.

2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.

3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII
NOTICES

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

To: The Authority

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

To: The Customer

Food Nerd Inc.
11342 Main Street
Clarence, NY, 14031
Email: ilser@foodnerdinc.com
Facsimile:
Attention: Ilser Adiguzel

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.

3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

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

ARTICLE XIII
SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.

2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.

3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV
MISCELLANEOUS

1. Choice of Law

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

2. Venue

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

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

3. Previous Agreements; Modifications; and Interpretation

a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.

b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.

c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

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

5. Severability and Voidability

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

ARTICLE XV
EXECUTION

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

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

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

FOOD NERD INC.

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Food Nerd Inc. **Type of Allocation**	**Allocation Amount (kW)**	**Facility Address**	**Trustee Approval Date**	**Allocation Expiration Date**
EP	630 kW	11342 Main Street Clarence, NY, 14031	May 20, 2025	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER COMMITMENTS

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

   a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the "Base Employment Level"). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer's Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, "Base Level Employees"). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.

   b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.

   c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority's discretion.

2. Capital Investment Commitments

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

3. Power Utilization

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

4. Energy Efficiency and Conservation Program

a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.

b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term ("NYEM Participation") in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.

c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.

d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

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

2. Capital Investments

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

3. Power Usage

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

4. Energy Efficiency and Conservation Program

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

5. Facility Access

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

ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

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

2. Capital Investment Commitment

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

3. Power Utilization Level

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

4. Additional Compliance Action

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

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction. Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

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

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)

    a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility ("Rolling Average") shall total not less than **N/A** (the "Annual Capital Investment Commitment"). For purposes of this provision, "Rolling Average" means the three-year average comprised of (1) the total amount of capital investments ("Annual CI Expenditures") made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.

    b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.

    c. If the Customer's Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)

    a. The Customer shall make a minimum capital investment of $4,800,000 to construct, furnish and/or expand the Facility ("Expansion Project Capital Investment Commitment"). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	**EXPENDITURE**
Machinery & Equipment Purchases	$2,600,000
Facility Buildout Costs	$2,200,000
Total Minimum Expansion Project Capital Investment Commitment:	**$4,800,000**

Total Expansion Project Capital Investment Commitment:

b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than May 20, 2028 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.

2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order ("Affected LSEs") to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE's proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the "ZEC Purchase Obligation"). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year ("ZEC Program Year").

3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.

4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer's EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

    a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

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

b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the "EP and RP Programs ZEC Costs"). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).

c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer's actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer's annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority's inability to collect a ZEC Charge from any other Authority customer.

5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.

6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

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

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

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

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

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

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

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

"Load Serving Entity" has the meaning provided in the CES Order.

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

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

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

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

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

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

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

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

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

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

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

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.

2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the "Annual REC Percentage Target") for the purpose of ultimately meeting the RES.

3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer's EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.

b. The Authority will, for each month of each calendar year, calculate the total costs ("Total Monthly REC Costs") that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month ("Total Monthly EP-RP Load"). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.

c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer's share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer's total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:

   i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority's inability to collect the Monthly REC Charge from other Authority customers; and

   ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA's published REC price for the REC Program Year.

4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.

5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer's Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority's bills

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

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").

2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.

POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

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

Service Tariff No. WNY-2

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Schedule of Rates for Firm Power Service

I. Applicability

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

II. Abbreviations and Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

III. Monthly Rates and Charges

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

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

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

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

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

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

C. Monthly Base Rates Exclude Delivery Service Charges

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

D. Minimum Monthly Charge

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

E. Estimated Billing

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

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

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

- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

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

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

- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

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

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

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

F. Adjustments to Charges

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

G. Billing Period

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

H. Billing Demand

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

I. Billing Energy

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

J. Contract Demand

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

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.

2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

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

D. Adjustment of Rates

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

E. Billing Methodology

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

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing ("LFS") in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer's local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.

2. Billing Demand –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer's local electric utility, during each Billing Period recorded on the Customer's meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.

3. Billing Energy –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer's meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.

4. With regard to LFS methodology calculations:

    a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer's Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
    b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer's metered load will be supplied by Firm Energy.
    c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer's metered load to be supplied by Firm Energy is as follows:
        i. <u>For Customer with hourly billing:</u> the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
        ii. <u>For Customer with monthly billing:</u> the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
    d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

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

a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and

b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and

c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

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

3. NYISO Transmission and Related Charges

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

A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;

B. Marginal losses;

C. The New York Power Authority Transmission Adjustment Charge ("NTAC");

D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;

E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

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

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

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

4. Taxes Defined

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

5. Substitute Energy

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

6. Payment Information

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

7. Billing Disputes

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

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10^{th}) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.

2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.

3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.

4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.

5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.

6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

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

H. Adjustment of Charges – Distribution Losses

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

I. Conflicts

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

V. Annual Adjustment Factor

A. Adjustment of Rates

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

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

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

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

2. Annual Adjustment Factor Computation Guide

   Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.

   Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.

   Step 3: Commencing RY 2014, modifications to the AAF will be subject to ±5% Collar, as described below.

   a) When the AAF falls outside the ±5% Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the ±5% Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the ±5% Collar.

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

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

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

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.

4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

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

STEP 1

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

- Index 1 - Producer Price Index, Industrial Power

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

- Index 2 – EIA Industrial Rate

State	Revenues ($000s)	Sales (MWh)	Avg. Rate (cents/kWh)
Measuring Year (2012)			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	155,903	2,173,679	
TOTAL	13,434,511	215,442,827	**6.24**
Measuring Year -1 (2011)			
CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	152,785	2,130,205	
TOTAL	13,016,880	209,059,931	**6.23**
Ratio of MY/MY-1			**1.00**

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

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

STEP 2

Determine AAF by Summing the Weighted Indices

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

STEP 3

Apply Collar of ±5.0% to Determine the Maximum/Minimum AAF.

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

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

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

Exhibit C
September 23, 2025

POWER AUTHORITY

OF THE

STATE OF NEW YORK

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

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

Polaris Cold Storage Corporation

The POWER AUTHORITY OF THE STATE OF NEW YORK ("Authority"), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law ("PAL"), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power ("Agreement") with Polaris Cold Storage Corporation ("Customer") with offices and principal place of business at 6410 Inducon Drive West, Sanborn, NY 14132. The Authority and the Customer are from time to time referred to in this Agreement as "Party" or collectively as "Parties" and agree as follows:

RECITALS

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

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

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

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

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

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

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

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

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

ARTICLE I
DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Facility" means the Customer's facilities as described in Schedule A to this Agreement.

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

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

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

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

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

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

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

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

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

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

"NYEM Agreement" means a written agreement between the Authority and the Customer providing for the Facility's enrollment and Customer's participation in NYEM.

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

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

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

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

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

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

"Project" means the Niagara Power Project, FERC Project No. 2216.

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

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

"Rolling Average" has the meaning set forth in Schedule B.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II
ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.

3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.

4. The Authority shall provide UCAP in amounts necessary to meet the Customer's NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).

6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.

7. The Contract Demand may not exceed the Allocation.

8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.

9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.

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

ARTICLE III
RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.

2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:

    a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or

    b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.

3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

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

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

ARTICLE IV
SUPPLEMENTAL COMMITMENTS

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.

2. [*Intentionally Left Blank*]

3. Special Provisions Relating to a New or Expanded Facility.

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

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

   b. Proposed New or Expanded Facility; Partial Performance.

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

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

c. Notice of Completion; Commencement of Electric Service.

(i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.

(ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

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

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

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

ARTICLE VI
SERVICE TARIFF; CONFLICTS

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

2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No.WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:

   a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;

   b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and

   c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.

2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.

3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

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

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

ARTICLE VIII
BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.

2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.

3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX
HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.

2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.

3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

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

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.

5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.

6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.

7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.

8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.

9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.

10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

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

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X
EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.

2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.

3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.

4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI
EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:

    a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

b. pursuant to any other process that the Authority establishes; or
c. with the Authority's written consent.

2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.

3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII
NOTICES

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

To: The Authority

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

To: The Customer

Polaris Cold Storage Corporation
6410 Inducon Drive West
Sanborn, NY, 14132
Email: gmulvey@mulveyconstruction.com
Facsimile:
Attention: Greg Mulvey

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.

3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

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

ARTICLE XIII
SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.

2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.

3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV
MISCELLANEOUS

1. Choice of Law

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

2. Venue

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

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

3. Previous Agreements; Modifications; and Interpretation

a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.

b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.

c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

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

5. Severability and Voidability

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

ARTICLE XV
EXECUTION

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

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

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

POLARIS COLD STORAGE CORPORATION

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Polaris Cold Storage Corporation **Type of Allocation**	**Allocation Amount (kW)**	**Facility Address**	**Trustee Approval Date**	**Allocation Expiration Date**
EP	1,290 kW	6410 Inducon Drive West Sanborn, NY, 14132	May 20, 2025	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER COMMITMENTS

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

   a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the "Base Employment Level"). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer's Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, "Base Level Employees"). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.

   b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.

   c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority's discretion.

2. Capital Investment Commitments

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

3. Power Utilization

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

4. Energy Efficiency and Conservation Program

a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.

b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term ("NYEM Participation") in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.

c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.

d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

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

2. Capital Investments

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

3. Power Usage

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

4. Energy Efficiency and Conservation Program

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

5. Facility Access

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

ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

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

2. Capital Investment Commitment

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

3. Power Utilization Level

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

4. Additional Compliance Action

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

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction. Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 16 full-time, permanent employees ("Base Employment Level") at the Customer's Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)

    a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility ("Rolling Average") shall total not less than **N/A** (the "Annual Capital Investment Commitment"). For purposes of this provision, "Rolling Average" means the three-year average comprised of (1) the total amount of capital investments ("Annual CI Expenditures") made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.

    b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.

    c. If the Customer's Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)

    a. The Customer shall make a minimum capital investment of $12,229,200 to construct, furnish and/or expand the Facility ("Expansion Project Capital Investment Commitment"). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	**EXPENDITURE**
Land Purchase & Building Construction	$ 7,985,608
Equipment Purchases	$ 4,143,592
Furnishing Costs	$ 100,000
Total Minimum Expansion Project Capital Investment Commitment:	**$ 12,229,200**

Total Expansion Project Capital Investment Commitment:

b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than May 20, 2028 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.

2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order ("Affected LSEs") to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE's proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the "ZEC Purchase Obligation"). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year ("ZEC Program Year").

3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.

4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer's EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

    a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

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

b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the "EP and RP Programs ZEC Costs"). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).

c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer's actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer's annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority's inability to collect a ZEC Charge from any other Authority customer.

5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.

6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

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

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

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

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

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

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

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

"Load Serving Entity" has the meaning provided in the CES Order.

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

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

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

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

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

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

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

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

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

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

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

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.

2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the "Annual REC Percentage Target") for the purpose of ultimately meeting the RES.

3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer's EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.

b. The Authority will, for each month of each calendar year, calculate the total costs ("Total Monthly REC Costs") that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month ("Total Monthly EP-RP Load"). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.

c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer's share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer's total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:

   i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority's inability to collect the Monthly REC Charge from other Authority customers; and

   ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA's published REC price for the REC Program Year.

4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.

5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer's Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority's bills

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

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").

2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.

POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

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

Service Tariff No. WNY-2

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Schedule of Rates for Firm Power Service

I. Applicability

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

II. Abbreviations and Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

III. Monthly Rates and Charges

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

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

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

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

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

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

C. Monthly Base Rates Exclude Delivery Service Charges

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

D. Minimum Monthly Charge

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

E. Estimated Billing

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

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

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

- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

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

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

- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

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

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

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

F. Adjustments to Charges

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

G. Billing Period

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

H. Billing Demand

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

I. Billing Energy

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

J. Contract Demand

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

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.

2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

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

D. Adjustment of Rates

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

E. Billing Methodology

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

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing ("LFS") in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer's local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.

2. Billing Demand –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer's local electric utility, during each Billing Period recorded on the Customer's meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.

3. Billing Energy –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer's meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.

4. With regard to LFS methodology calculations:

    a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer's Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
    b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer's metered load will be supplied by Firm Energy.
    c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer's metered load to be supplied by Firm Energy is as follows:
        i. <u>For Customer with hourly billing:</u> the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
        ii. <u>For Customer with monthly billing:</u> the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
    d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

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

a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and

b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and

c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

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

3. NYISO Transmission and Related Charges

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

A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;

B. Marginal losses;

C. The New York Power Authority Transmission Adjustment Charge ("NTAC");

D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;

E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

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

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

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

4. Taxes Defined

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

5. Substitute Energy

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

6. Payment Information

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

7. Billing Disputes

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

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10^{th}) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.

2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.

3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.

4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.

5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.

6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

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

H. Adjustment of Charges – Distribution Losses

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

I. Conflicts

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

V. Annual Adjustment Factor

A. Adjustment of Rates

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

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

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

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

2. Annual Adjustment Factor Computation Guide

   Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.

   Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.

   Step 3: Commencing RY 2014, modifications to the AAF will be subject to ±5% Collar, as described below.

   a) When the AAF falls outside the ±5% Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the ±5% Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the ±5% Collar.

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

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

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

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.

4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

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

STEP 1

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

- Index 1 - Producer Price Index, Industrial Power

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

- Index 2 – EIA Industrial Rate

State	Revenues ($000s)	Sales (MWh)	Avg. Rate (cents/kWh)
Measuring Year (2012)			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	155,903	2,173,679	
TOTAL	13,434,511	215,442,827	**6.24**
Measuring Year -1 (2011)			
CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	152,785	2,130,205	
TOTAL	13,016,880	209,059,931	**6.23**
Ratio of MY/MY-1			**1.00**

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

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

STEP 2

Determine AAF by Summing the Weighted Indices

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

STEP 3

Apply Collar of ±5.0% to Determine the Maximum/Minimum AAF.

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

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

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

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **September 23, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT & CHIEF EXECUTIVE OFFICER**

Subject: **Contract for the Sale of Preservation Power to Alcoa USA Corp - Final Approval and Transmittal to the Governor**

SUMMARY

The Trustees are requested to:

1. Approve the final contract for the sale of 240 megawatts ("MW") of Preservation Power ("PP") to Alcoa USA Corp. ("Alcoa") ("Contract"). A copy of the Contract, along with the applicable service tariff, Service Tariff No. AL-2 ("ST AL-2"), is attached as Exhibit "A".

2. Authorize transmittal of the Contract to the Governor for her review and requested authorization for the Authority to execute the Contract pursuant to Public Authorities Law ("PAL") §1009.

BACKGROUND

Under PAL §1005(13), the Authority may allocate and sell directly or by sale for resale, 490 MW of PP to businesses located in Jefferson, Franklin and St. Lawrence counties, applying the same allocation criteria that pertain to the allocations of Replacement Power and Expansion Power.

As required by PAL §1009, when the Authority has reached agreement with its co-party on a power sale contract, it is required to transmit the proposed contract to the Governor and other elected officials and hold a public hearing on the proposed contract. At least 30 days' notice of the hearing must be given by publication once each week during such period in each of six selected newspapers. Following the public hearing, the contract may be modified, as necessary, and will be submitted for final approval by the Board of Trustees.

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

DISCUSSION

Alcoa is the world's oldest continuously operating smelter, having produced aluminum for more than 120 years. Alcoa signed its first agreement with the Authority in 1955 and became one of NYPA's first customers when power generation began at the St. Lawrence-FDR Power Project in 1957. Over the years, Alcoa and the Authority have entered into a number of agreements. The current allocation and agreement were effectuated in February 2020 and expires on March 31, 2026.

At their meeting on July 29, 2025, the Trustees approved a 240 MW allocation of PP to Alcoa for an initial term of ten years, with an option for Alcoa to extend the term for two additional five-year periods if specific capital investment and employment commitments are met. The approval is based on Alcoa's commitment to maintain at least 500 full-time jobs, an increase of 50 jobs from the current 450 job target in the current contract, and to make a capital investment of at least $30,000,000 ($3,000,000/year over 10 years) at the facility that will use the PP allocation. If Alcoa elects the first five-year extension, it will be required to invest $85 million for the 15-year term, If Alcoa elects the second five-year extension, it will be required to invest $145 million over the 20-year term.

The following is a summary of some of the pertinent provisions of the Contract and ST AL-2 related to the allocations:

- The term of the PP allocation is 10 years from the commencement of electric service, subject to termination/cancellation as provided for in the Contract and subject to a potential extension of up to 10 more years.

- The Alcoa Allocation would be sold to Alcoa under a direct sale arrangement.

- ST AL-2 provides for a Monthly Energy Rate calculated with a formula tied to aluminum prices. There will be no price ceiling on the Monthly Energy Rate applicable in any given month. However, the Monthly Energy Rate will never be lower than the overall Preference Power rates charged by the Authority to its qualifying customers.

- The Contract provides for the direct billing of all production charges (*i.e.,* demand and energy), as well as all New York Independent System Operator, Inc. charges, plus taxes or any other required assessments, as set forth in ST AL-2, previously approved by the Trustees.

- The customer must perform an energy audit at the facility receiving the allocation. The customer would have the option to satisfy the audit requirement through either a traditional physical audit or a virtual audit using the Authority's New York Energy Manager, which is expected to provide considerable savings for customers who select it.

- The Contract provides for a Monthly CES Charge, including, but not limited to, the cost of Zero Emission Credits and Tier 1 Renewable Energy Credits that the Authority incurs attributable to the load served under the Contract. The cost of all CES Charges associated with Alcoa's load will be passed through to Alcoa.

- The Authority would have the right to reduce or terminate the allocation if Supplemental Commitments are not met.

PUBLIC HEARING

In accordance with PAL § 1009, a public hearing on the proposed Contracts for Alcoa was held on September 9, 2025, at the Authority's Downtown Massena Office, located at 2 Water Street, Massena, NY 13662. Three written comments were submitted: two from the St. Lawrence County Industrial Development Agency and one from the Village of Gouverneur. All comments supported the proposed contract, calling it "vital" and "essential" for the local community. A copy of the official transcript of the public hearing including any written submittals is attached as Exhibit "B".

FISCAL INFORMATION

The Proposed Contract will have no fiscal impact related to rates under ST AL-2 because the base rates are not changing.

RECOMMENDATION

The Senior Vice President – Customer Solutions recommends that the Trustees approve the Contract and authorize the transmittal of the Contract to the Governor for her review and to seek her authorization for the Authority to execute the Contract pursuant to PAL §1009.

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

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That the contract for the sale of 240 megawatts of Preservation Power to Alcoa USA Corp, ("Contract") is in the public interest and hereby approved, and in accordance with Public Authorities Law § 1009, the Contract shall be submitted to the Governor for her review and to seek her authorization for the Authority to execute the Contract, and copies of the Contract, along with the record of the public hearing thereon, shall be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee; and be it further

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

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

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

Exhibit A
September 23, 2025

POWER AUTHORITY OF THE STATE OF NEW YORK

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

AGREEMENT FOR THE SALE OF FIRM HYDROELECTRIC POWER AND ENERGY FROM THE ST. LAWRENCE-FDR POWER PROJECT TO ALCOA USA CORP.

(Service Tariff No. AL-2 – Electric Service Tariff for Alcoa USA Corp. Firm Hydroelectric Power Service)

POWER AUTHORITY OF THE STATE OF NEW YORK

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

AGREEMENT FOR THE SALE OF FIRM HYDROELECTRIC POWER AND ENERGY FROM THE ST. LAWRENCE-FDR POWER PROJECT TO ALCOA USA CORP.

The Power Authority of the State Of New York ("Authority"), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law ("PAL"), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Firm Hydroelectric Power and Energy From the St. Lawrence-FDR Power Project to Alcoa USA Corp. ("Agreement") with Alcoa USA Corp. ("Alcoa" or "Customer"), having offices and a principal place of business at 201 Isabella Street, Pittsburgh, PA 15212. The Authority and the Customer are from time to time referred to in this Agreement as "Party" or collectively as "Parties" and agree as follows:

WHEREAS, the Authority and Alcoa, in or around February 2020, entered into a contract entitled "Agreement for the Sale of Firm Hydroelectric Power and Energy from the St. Lawrence-FDR Power Project to Alcoa USA Corp." (the "2020 Agreement"), which agreement is scheduled to expire on March 31, 2026;

WHEREAS, as its meeting on September 23, 2025, the Board of Trustees of the Authority awarded Alcoa an extension of its Preservation Power Allocation for a Base Term running from April 1, 2026 through March 31, 2036, and for such Extended Term(s) permitted under this Agreement, for use at the Customer's Facility as defined in this Agreement;

WHEREAS, the Parties seek to enter into a new agreement effective April 1, 2026, to supply the Customer with Firm Hydroelectric Power and Energy from the Authority's St. Lawrence-FDR Project for use by the Customer at its Facility;

WHEREAS, the Parties have reached an agreement on the terms and conditions for a new contract providing for the sale of the Firm Hydroelectric Power and Energy;

WHEREAS, Electric Service to be provided to the Customer shall be subject to the rates and other terms and conditions as provided for in this Agreement and Service Tariff No. AL-2; and

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

NOW THEREFORE, the Parties hereto agree as follows:

I. Definitions

"2020 Agreement" has the meaning provided for in the Recitals to this Agreement.

"Agreement" means this Agreement entitled "Agreement for the Sale of Firm Hydroelectric Power and Energy From the St. Lawrence-FDR Power Project To Alcoa USA Corp."

"Adverse Production Condition" means a condition relating to the level, flow, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, that causes the Authority to take responsive action that has the effect of preventing the Project from producing a sufficient amount of Firm Hydroelectric Power and Energy caused by (1) a decision or directive of the ILO-SLRB, (2) an order of the IJC, (3) a hydrologic or hydraulic condition, or (4) a Project Production Limitation.

"Allocation" means the amount of Preservation Power awarded to the Customer as specified in Schedule A.

"Base Term" means the period from April 1, 2026 through March 31, 2036.

"Contract Demand" means the amount of Preservation Power the Authority sells to the Customer as determined in accordance with the provisions of this Agreement.

"Effective Date" has the meaning provided in Section VIII.

"Electric Service" means Firm Hydroelectric Power and Energy sold to Customer in accordance with this Agreement, the Service Tariff and the Rules.

"Expiration Date" has the meaning provided in Section VIII.

"Extended Term(s)" mean the two five-year periods that Customer has the option to exercise pursuant to the terms of Appendix to Schedule B.

"Facility" means the Customer's West Plant facility located in Massena, New York.

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

"FERC License" means the license issued by FERC to Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act.

"Firm Energy" means firm energy (kWh) associated with Firm Power.

"Firm Hydroelectric Power and Energy" is Firm Power and associated Firm Energy from the Project supplied to the Customer in accordance with the Agreement, the Service Tariff and the Rules.

"Firm Power" means capacity (kW) that is intended to be always available from the Project subject to the terms and conditions provided for in this Agreement, the Service Tariff and/or the Rules.

"Force Majeure" has the meaning set forth in Section XIV of this Agreement.

"Hydropower Curtailment" means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to an Adverse Production Condition.

"International Joint Commission" or **"IJC"** refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the 1909 Boundary Waters Treaty and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects, including making determinations regarding uses of the waters of the St. Lawrence River for domestic, environmental and navigation purposes in preference over uses of water for power generation purposes.

"International Lake Ontario-St. Lawrence River Board" or **"ILO-SLRB"** means the board that was established by the IJC in its 2016 Order of Approval, whose primary duty is to ensure that outflows from Lake Ontario meet the requirements of the IJC's Order implementing Plan 2014, as amended from time to time.

"Load Serving Entity" or **"LSE"** means an entity authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply energy, capacity and/or ancillary services to the Customer in compliance with the rules, tariffs, manuals and procedures of the NYISO.

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

"NYEM Agreement" means a written agreement between the Authority and the Customer providing for the Facility's enrollment and Customer's participation in NYEM.

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

"NYISO" means the New York Independent System Operator, Inc. or any successor organization responsible for the transmission and the reliable supply of electricity in the State of New York.

"NYISO Charges" has the meaning provided for in the Service Tariff.

"NYISO Tariffs" means the tariffs of the NYISO, including the NYISO Open Access Transmission Tariff and the Market Administration and Control Area Services Tariff, as such tariffs are amended and in effect from time to time.

"Physical Energy Audit" or **"Audit"** means a physical evaluation of the energy efficiency of portions of the Facility that does not include the aluminum smelting pots in a manner consistent with applicable industry standards that include at a minimum the following elements: (a) an assessment of the Facility's energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility's index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

"Planned Hydropower Curtailment" means a Hydropower Curtailment made in response to an anticipated or forecasted Adverse Production Condition.

"Preservation Power" or "**PP**" means Firm Power and associated Firm Energy from the Project that the Authority may award and sell to qualifying businesses pursuant to PAL § 1005(13).

"Project" means Authority's St. Lawrence-FDR Power Project, FERC Project No. 2000.

"Project Production Limitation" means (1) a mechanical failure, malfunction, or other limitation at the Project, or (2) a reduction in the Project's capacity to produce hydroelectric power and energy made by the Authority in response to an anticipated a mechanical failure, malfunction, or Project maintenance.

"Rules" are the provisions of Authority's Rules and Regulations for Power Service (Part 454 of Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York) as they are modified from time to time.

"Schedule A" refers the Schedule A entitled "Preservation Power Allocation(s)" which is attached to and made part of this Agreement.

"Schedule B" refers to the Schedule B entitled "Employment, Capital Investment and Other Commitments" which, along with its attachments/appendices, is attached to and made part of this Agreement.

"Schedule C" refers to the Schedule C entitled "Clean Energy Standard Charge**"** which is attached to and made part of this Agreement.

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

"Substitute Energy" means energy that the Authority supplies to the Customer for the purpose of replacing Firm Energy that is not supplied to the Customer due to an Adverse Production Condition.

"Taxes" has the meaning provided for in the Service Tariff.

"Term" means the Base Term and any Extended Term(s) duly exercised under the Appendix to Schedule B of this Agreement.

"Transmission Service Charge" or "TSC" means the "NYPA Transmission Service Charge", authorized under the NYISO Open Access Transmission Tariff and applicable to deliveries of Electric Service to Customer.

"Unforced Capacity" or "UCAP" means the total electric capacity required to be provided by NYPA as LSE to serve the Customer's electric load in the wholesale markets, pursuant to the NYISO Tariffs, Rules and Regulations.

"Unplanned Hydropower Curtailment" means a Hydropower Curtailment made in response to Adverse Production Condition that the Authority did not anticipate or forecast.

Other capitalized terms herein that are not otherwise defined in this Agreement or in its attachments and schedules shall have the meaning set forth in the Service Tariff or the Rules.

II. Electric Service to be Provided

A. Allocation and Contract Demand. The Authority will supply to Alcoa two hundred forty thousand (240,000) kW of Firm Hydroelectric Power and Energy from the Project (*i.e.*, the "Allocation"), branded in statute as Preservation Power, for the Base Term and any Extended Term(s) provided for in the Appendix to Schedule B, for use at the Facility identified in Schedule A. The Contract Demand is the amount of PP the Authority sells to Alcoa and shall equal the Allocation amount.

B. Voltage and Delivery Points. Voltage and delivery points shall be at 115,000 Volts at the points of interconnection of Customer's transmission lines to the Barnhart Island Switchyard of the Authority at the Facility in Massena, New York, or at such other points and voltages as agreed between Customer and the Authority.

C. Reduction of Contract Demand. The Contract Demand may be reduced by Authority if the amount of Firm Hydroelectric Power and Energy available for sale from the Project is reduced as required to comply with any unstayed ruling, order or decision of any regulatory or judicial body of competent jurisdiction, provided that the Authority will exercise due diligence in monitoring activities that may result in such a ruling, order or decision and provide notice to Customer of such activities. Any such reduction in the Contract Demand made by the Authority shall be in proportion to the overall reduction in the aggregate contract demands of hydroelectric customers sold by the Authority from the Project.

D. Facilities Relocation. The Authority and Customer shall cooperate in any relocation or installation of transformers or other related facilities servicing Facility that either Party reasonably deems necessary or desirable. The costs of any such relocation or installation shall be the responsibility of Customer, except in cases where Authority seeks the relocation or installation; provided however, that Authority will, if requested by Customer, consider in good faith whether its other customers receive any substantial benefit from such relocation or installation. If NYPA determines that such a substantial benefit exists, the Parties shall negotiate in good faith regarding an alternative funding arrangement, provided, however, the Authority shall not be obligated to agree to an alternative funding arrangement.

E. Incremental Demand. The Authority will act as the LSE for the Customer's entire electric supply at the Facility. Any time the Customer exceeds the Allocation described in Schedule A, the Authority shall supply Customer with energy that the Authority purchases from the wholesale power market on behalf of Customer. When this occurs, NYPA will apply the load factor share billing methodology described in Service Tariff AL-2. Notwithstanding the prior provisions of this Section II.E, Customer during the Term hereof shall retain the option to apply for additional allocations of Preservation Power subject to availability and pursuant to the PAL and Rules. If granted, the terms and conditions for the allocation shall be negotiated by the Parties and memorialized in a separate agreement.

III. Employment, Capital Investment and Other Commitments

The Customer shall be subject to the "Employment, Capital Investment and Other Commitments" set forth in Schedule B. As more particularly set forth in Schedule B, the Authority's obligation to provide Electric Service under this Agreement may be reduced or terminated altogether in the event of Customer's non-compliance with the commitments provided for in Schedule B. The Employment, Capital Investment and Other Commitments are in addition to other Customer commitments and obligations provided in this Agreement and the Service Tariff.

IV. Service Tariff; Conflicts

A. A copy of the Service Tariff and the Rules in effect as of the Effective Date, subject to change from time to time, are attached to this Agreement as Exhibits 1 and 2, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of the Service Tariff. As further provided for in this Agreement, the Service Tariff is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein provided, however, that any such revisions to the Service Tariff may not impose new or additional charges upon Customer beyond those categories of costs expressly authorized in this Agreement and the Service Tariff in effect as of the Effective Date of this Agreement. For purposes of clarification, the formula for calculating the Monthly Energy Rate set forth in the Service Tariff attached hereto shall not change during the Term hereof.

B. Except as provided in Section V.D. of the Agreement, the Authority shall provide a minimum thirty (30) days prior written notice to Customer of any proposed change in the Rules or Service Tariff, but in no event shall the Authority provide less notice than that provided to similarly affected customers within New York State.

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

V. Rates; Other Charges; Authority Bond Covenant

A. Firm Hydroelectric Power and Energy associated with the Allocation shall be sold to Customer hereunder at rates set forth in the Service Tariff. For purposes of clarity, the Parties acknowledge that the TSC will no longer be part of the rate and will be a stand-alone charge on the invoice the Customer receives from the Authority. The rates and any applicable Minimum Monthly Capacity Charge, as defined in the Service Tariff, paid by Customer shall account for the UCAP necessary to meet Customer's NYISO UCAP requirements.

B. Customer shall compensate the Authority for all transmission costs the Authority incurs as provided for in the Service Tariff. The Customer understands that delivery of the Allocation will be made over transmission facilities under the control of the NYISO, including those owned by Customer or its affiliates. Unless Customer provides the Authority with sixty (60) days written notice, the Authority will act as the LSE with respect to the NYISO or arrange for another entity to do so on its behalf. Customer agrees and understands that it shall reimburse the Authority at cost, without mark-up, for all NYISO charges incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariffs, whether or not such charges are transmission-related. Such charges shall be in addition to the Monthly Energy Rate provided for in the Service Tariff.

C. To the extent the Authority incurs any Taxes, assessments, other charges or costs authorized by law or regulation and imposed by third parties that are applicable to the Allocation, other than any charges authorized under Sections V.A and V.B or associated with the Clean Energy Standard as addressed in Schedule C and Section V.E of this Agreement, the Customer agrees to compensate Authority for its proportionate share of such charges incurred as set forth in the Service Tariff. Such charges and costs shall be in addition to the charges and costs recovered through the rates provided for in the Service Tariff.

D. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates shall be subject to increase by Authority at any time upon thirty (30) days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy charges pursuant to this provision. Any rate increase to Customer under this subsection shall be on a non-discriminatory basis as compared to other Authority customers after giving consideration to the factors set forth in the first sentence of this subsection. With respect to any such increase, the Authority shall forward to the Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which the Authority will obtain the total of increased revenues and the basis upon which the Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as the Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

E. In addition to all other fees, assessments and other charges provided for in the Agreement, the Service Tariff, and the Rules, the Customer shall be responsible for payment of the Clean Energy Standard Charges described in Schedule C, provided that the Authority recognizes that the Customer is an economic development customer that is served by renewable power directly from the St. Lawrence-FDR Power Project, and further provided that the Parties shall cooperate to implement said charges in the most cost-effective way for the Customer to the extent practicable.

VI. Hydropower Curtailments; Substitute Energy

A. In the event of an Adverse Production Condition, the Authority will have the right in its discretion to implement a Hydropower Curtailment to the Customer. The Authority will implement Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project such that when an Anticipated Curtailment is called, it shall be based on the NYPA's monthly hydro shortfall forecast. The Authority will exercise due diligence in monitoring activities that may result in an Adverse Production Condition and provide Customer notice pursuant to Section VI.B.

B. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer as soon as practical after the Authority becomes aware of the need for an Unplanned Hydropower Curtailment.

C. The Authority will supply Substitute Energy to the Customer to replace the hydroelectricity that would otherwise have been supplied but for the Planned Hydropower Curtailment or Unplanned Hydropower Curtailment. For each kilowatt-hour of Substitute Energy supplied by the Authority, in lieu of paying the rates provided for in Section V.A of this Agreement and the Service Tariff, the Customer shall pay the Authority directly for: (a) the market cost of the Substitute Energy; and (b) all costs, including but not

limited to any NYISO Charges and Taxes, the Authority incurs in connection with the provision of Substitute Energy. Billing and payment for Substitute Energy shall be governed by the Billing and Payments provision of Section 454.6 of the Rules and shall apply directly to the Substitute Energy service supplied to the Customer. Except as provided for in this Section VI, all other provisions of the Agreement shall remain in full force and effect when Substitute Energy is being supplied.

D. In the event of a curtailment of Firm Hydropower and Energy pursuant to this Section VI, the Authority shall provide Substitute Energy during the curtailment but is under no obligation to make up the supply and will not make up the supply to the Customer in later Billing Periods for any curtailed Firm Hydropower and Energy that was not delivered to the Customer due to such curtailment. During periods when Substitute Energy is provided, billing for Firm Power and Energy shall be adjusted downward to reflect the amounts actually delivered (for example, in a single hour, if 40 MWs of Substitute Energy is supplied and the Customer demand remains at 240 MWs, 200 MWs would be billed under Section V.A and 40 MWs would be billed under Section VI.C).

VII. Billing and Billing Methodology

Billing and the billing methodology shall be implemented in accordance with the Service Tariff.

VIII. Base Term; Termination of Electric Service; and Early Termination

Electric Service under the Agreement shall commence effective April 1, 2026 (“Effective Date”) and continue for the Base Term through and including March 31, 2036 (the “Expiration Date”). The Term of this Agreement shall expire at the end of the Base Term unless extended by Customer pursuant to the terms set forth in the Appendix to Schedule B, in which case the Expiration Date shall be at the end of the first or second Extended Term(s), as the case may be. Customer shall provide at least thirty (30) days written notice prior to the expiration of the Base Term or the first Extended Term of its intent to extend the Agreement. Electric Service may be cancelled, reduced, modified, suspended, or terminated prior to the Expiration Date as follows:

A. The Authority may cancel or terminate Electric Service under this Agreement pursuant to Part 454 of the Rules upon notice specified in such provision.

B. The Authority may reduce or terminate Electric Service in accordance with the provisions of Schedule B upon Customer’s failure to comply with the requirements of that Schedule and its Appendix.

C. The Authority may modify Electric Service under this Agreement in a manner that is consistent with any reduction to the Allocation made for any reason authorized by this Agreement, the Service Tariff, or the Rules.

D. The Authority may cancel Electric Service, or modify the quantities of power and energy associated with the Allocation and adjust Electric Service accordingly, under this Agreement in order to comply with any unstayed ruling, order or decision of any regulatory or judicial body of competent jurisdiction, including any licensing or re-licensing order or orders of the FERC or its successor agency.

E. The Customer may, for any reason, terminate this Agreement or reduce or terminate Electric Service under this Agreement at any time on not less than sixty (60) days advance written notice to Authority, provided that such right of reduction or termination shall not impact Customer’s rights regarding

termination or reduction of Electric Service due to Force Majeure or breach of this Agreement by Authority.

IX. Notification

All Notices pertaining to non-payment or other default under the Agreement or reductions in the Allocation shall be sent via overnight mail and email to the addresses below. All other communications involving the administration of this Agreement shall be addressed by either email or overnight mail as follows:

To: Authority

Vice President – Economic Development & Key Account Management
Power Authority of the State of New York
123 Main Street
White Plains, NY 10601

To: Customer

Alcoa USA Corp.
Attention: Vice President -- Energy 201 Isabella Street
Pittsburgh, PA 15212
With a copy to:

Alcoa USA Corp.
Attention: General Counsel
201 Isabella St.
Pittsburgh, PA 15212

Notices issued pursuant to this Article shall be sent via email to the following addresses:

To Authority: contractdocs@nypa.gov
To Customer: Olivier.Charest@alcoa.com and alcoalegalnotices@alcoa.com

X. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License for the St. Lawrence-FDR Project.

XI. Successors and Assigns, No Resale of Allocation, No Third Party Beneficiaries

This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto. Subject to acceptance of all provisions of this Agreement by any successor or assignee, any assignment of this Agreement by Customer shall only be to another entity that will utilize the Allocation for the same purposes and same location as such Allocation is utilized by Customer. If Customer is unable to or does not use any portion of its Allocation for any period of time, then any such unused Firm Hydroelectric Power and Energy (and all rights attendant thereto) shall be

subject to Service Tariff provisions, including Minimum Monthly Capacity Charge, and shall revert to Authority for its exclusive use until utilized by Customer, and Customer shall have no right to sell, transfer, assign, monetize or otherwise use such unutilized power and energy. This Agreement shall not be construed to give any rights to any person who is not a Party to this Agreement.

XII. Supplementary Provision

Notwithstanding any provision of this Agreement, Section 454.2(c) of the Rules is inapplicable to this Agreement.

XIII. Previous Agreements and Communications

This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale, transmission and delivery of the Allocation and supersedes all prior agreements and all previous communications between the Parties hereto, either oral or written, with reference to said Allocation. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.

XIV. Force Majeure

A. Events of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement (the "Claiming Party"), the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure during the Force Majeure Event. Failure to perform in whole or in part because of the occurrence of an event of Force Majeure shall not constitute a default hereunder or subject a Party to liability for any resulting loss or damage. The Parties agree to use their respective reasonable efforts to cure any event of Force Majeure to the extent that it is reasonably possible to do so, it being understood that no Party shall be required to make any concession or grant any demand or request in order to bring to an end any strike, lockout or other industrial disturbance where such course is deemed inadvisable in its sole discretion. Upon the occurrence of an event of Force Majeure, the Claiming Party shall promptly notify the non-Claiming Party of such events and shall specify in reasonable detail the facts constituting such events of Force Majeure.

B. "Force Majeure" Definition. "Force Majeure" means labor strikes, lockouts or other labor troubles, shortage of labor, transportation, raw materials, energy sources, or failure of usual means of supply; fire; flood; war, declared or undeclared; insurrection; riots, acts of God or the public enemy; accidents to or breakdown or mechanical failure of machinery or equipment caused by an event of Force Majeure; "uncontrollable forces" as defined in Section 454.3(c) of the Rules; or any other cause whatsoever whether or not of any nature of character mentioned above which is beyond the reasonable control of the affected Party and which affects the performance by the affected Party of the whole or part of its obligations under this Agreement. For the avoidance of doubt, Force Majeure shall not include (i) increased costs of performance or decline in revenues, including price disruption or deterioration in Customer's sale markets; (ii) Customer's inability economically to use the Allocation; (iii) defaults or non-performance by contractors or suppliers unless caused by Force Majeure; or (iv) unavailability of

financing. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by NYISO unless such curtailment is due to a Force Majeure event.

C. Customer Rights. In the event Customer is required to interrupt, suspend or limit production at the Facility as a result of Force Majeure, the Authority may suspend or reduce scheduled Electric Service, as appropriate. The Authority shall reinstate Electric Service hereunder upon the conclusion of the Force Majeure Event.

XV. Communications and Coordination

The Parties agree to use reasonable efforts to coordinate the timing and content of any public communications regarding this Agreement and the transactions contemplated hereby, provided that each Party shall be free to make any communication required by any applicable law, governmental regulations, stock exchange rules, subpoena or other written demand made in accordance with applicable law or as required in connection with any legal proceedings.

XVI. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof.

Notwithstanding the preceding paragraph, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

XVII. Counterparts

This Agreement may be executed in any number of counterparts, each of which will be an original, with the same effect as if the signatures thereto were upon the same instrument.

XVIII. Effectiveness of Agreement

This Agreement shall become effective upon execution by the Parties.

AGREED:

ALCOA USA CORP.

BY: _____

Title: _____

Date: _____

(Seal)

Attest by: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

BY: _____

Title: _____

Date: _____

(Seal)
Attest by: _____

SCHEDULE A
PRESERVATION POWER ALLOCATION(S)

Customer: Alcoa USA Corp. **Type of Allocation**	**Allocation Amount (kW)**	**Facility**	**Trustee Approval Date**	**Allocation Expiration Date**
Preservation Power (Applies Base Term)	240,000	West Plant, as defined in the Agreement	September 23, 2025	March 31, 2036
Preservation Power (Would Apply to First Extended Term)	240,000	West Plant, as defined in the Agreement	September 23, 2025	March 31, 2041
Preservation Power – Would Apply to Second Extended Term)	240,000	West Plant, as defined in the Agreement	September 23, 2025	March 31, 2046

SCHEDULE B

EMPLOYMENT, CAPITAL INVESTMENT AND OTHER COMMITMENTS

SECTION I. CUSTOMER COMMITMENTS

1. West Plant Operations: Customer will continue smelter operations at the Facility during the term of the Allocation.

2. Employment Commitments:

   a. The Customer shall create and maintain the employment level at the Facility set forth in the Appendix to this Schedule B (the "Base Employment Level") for the Base Term of the Allocation and any authorized Extended Term(s). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer or its affiliates at the Facility, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility (collectively, "Base Level Employees"). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at the Facility shall be counted as one Base Level Employee.

   b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for bona fide economic or management reasons.

   c. The Authority will consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies at the Facility, or for other appropriate reasons as determined by the Authority. Any such change shall be within the Authority's discretion.

3. Capital Investment Commitments

   The Customer shall make the Annual Capital Investment Commitments in accordance with the terms specified in the Appendix to this Schedule B.

4. Power Utilization

   For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Contract Demand (as such term is described in the Service Tariff) provided that a failure to do so may result in a reduction in the Allocation in accordance with the provisions of Schedule B. If only part of the Allocation is being utilized pursuant to a takedown schedule or other written agreement between the Customer and the Authority, then the Customer shall utilize such entire part of the Allocation.

5. Energy Efficiency and Conservation Program

a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in New York Energy Manager ("NYEM") in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article. The program shall be applicable only to energy use at the Facility that is not utilized in the aluminum smelting pots.

b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term ("NYEM Participation") in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.

c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after of the Effective Date of this Agreement, at its own expense.

d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

SECTION II. RECORDKEEPING AND REPORTING

1. Employment

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

2. Capital Investments

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

3. Power Utilization

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

SECTION III. COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitments

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

3. Power Utilization Level

If the average of the Customer's six (6) highest Peak Demands (as such term is described in the Service Tariff) in any calendar year is less than 90% of the Customer's Contract Demand in such calendar year, for reasons other than Force Majeure, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule B. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Peak Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, the Service Tariff and the Rules, the Authority may suspend Electric Service to the Customer if the Customer fails to comply with the recordkeeping and reporting requirements contained in Section II of this Schedule B and fails to cure such non-compliance within thirty (30) days following written notice of such non-compliance received from the Authority.

5. Notice of Intent to Reduce Contract Demand

Before implementing any reduction, the Authority will consider the Customer's scheduled or unscheduled maintenance, technological advances, including production improvements, facility upgrade periods, and the business cycle, and any other relevant factors offered by the Customer. In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant

to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer written notice of the approved reduction following Trustee approval. The Customer will be provided with sixty (60) days to present to the Authority a proposed plan with actionable milestones to cure the compliance deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand after the Authority's response to the Customer's proposed plan. The Authority will suspend such reduction and restore Customer's Contract Demand within a reasonable time upon Customer's successful cure of the deficiency.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

During the course of each calendar year during the Base Term of this Agreement (a "Reporting Year"), the Customer shall employ at least 500 full-time employees ("Base Employment Level") at the Facility, subject to the 90% compliance threshold as further detailed in Sections I.2 and III of Schedule B. Subject to the terms hereof, the Customer shall maintain the Base Employment Level for the Base Term of the Allocation and any Extended Term(s) authorized herein.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)

   a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility ("Rolling Average") shall total not less than $3 million (the "Annual Capital Investment Commitment"). For purposes of this provision, "Rolling Average" means the three-year average comprised of (1) the total amount of capital investments ("Annual CI Expenditures") made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years. The first Reporting Year for the Annual Capital Investment Commitment shall be calendar year 2027, and such initial report shall consider the Rolling Average for the period 2025-2027. In total, the Customer is required to invest at least $30 million for the Base Term of the Agreement.

   b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.

   c. If the Customer's Rolling Average is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

   d. The Customer shall have the option, at its sole discretion, to extend the Agreement for two separate five-year terms (Extended Term(s)) if specified capital investment requirements are met. The table below states the capital investments that Customer shall make to exercise the option for Extended Term(s):

      i. The Customer is required to invest at least $70,000,000 in accordance with the amounts and terms set forth in the following table by the end of 2035 in order for the first Extended Term to be offered.

      ii. Customer is required to invest at least $130,000,000 in accordance with the amounts and terms set forth in the following table by the end of 2040 in order for the second Extended Term to be offered.

Term	Calendar Years	Capital investment commitment	Additional capital investment needed to trigger extensions	Total capital investment needed to trigger extensions
Base Term Annual Rolling Average	2026	$ 3,000,000		
	2027	$ 3,000,000		
	2028	$ 3,000,000		
	2029	$ 3,000,000		
	2030	$ 3,000,000		
	2031	$ 3,000,000		
	2032	$ 3,000,000		
	2033	$ 3,000,000		
	2034	$ 3,000,000		
	2035	$ 3,000,000		
Base Term Cumulative under Agreement	2025-2035	$ 30,000,000	$ 40,000,000	$ 70,000,000
First Extended Term (if applicable) Annual Rolling Average	2036	$ 3,000,000		
	2037	$ 3,000,000		
	2038	$ 3,000,000		
	2039	$ 3,000,000		
	2040	$ 3,000,000		
Base Term + First Extended Term (if applicable) Cumulative under Agreement	2025-2040	$ 45,000,000	$ 85,000,000	$ 130,000,000
Second Extended Term (if applicable) Annual Rolling Average	2041	$ 3,000,000		
	2042	$ 3,000,000		
	2043	$ 3,000,000		
	2044	$ 3,000,000		
	2045	$ 3,000,000		
Notes: Capital invested in 2025 counts towards (i) meeting 2025 CI commitment in 2020 Agreement (ii) the $70M target to unlock First Extended Term and (iii) the $130M target to unlock Second Extended Term. Given the $2M Rolling Average CI commitment in the 2020 Agreement, Alcoa would therefore need to invest $38M over calendar years 2025-2035 over and above its CI Commitment from the 2020 Agreement and the Agreement to trigger the First Extended Term, and to invest $45M more over calendar years 2025-2040 to trigger the Second Extended Term.				

SCHEDULE C

CLEAN ENERGY STANDARD CHARGE

I. DEFINITIONS

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

"Alternative Compliance Payment" means a form of payment of money by an LSE that is authorized by the State in law, regulation, or Regulatory Order as a mechanism for an LSE to satisfy an Annual LSE Obligation.

"Annual LSE Obligation" means the annual obligation of an LSE to purchase Credits or undertake other compliance measures that are authorized in law, regulation, or Regulatory Order for a State Energy Standard.

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

"Clean Energy Compliance Measures" is a collective reference to Zero Emission Credit Requirement Compliance Measures, Renewable Energy Standard Compliance Measures, Offshore Wind Energy Standard Compliance Measures, Energy Storage Program Compliance Measures, and any other compliance measures that an LSE is authorized by law, regulation or Regulatory Order to undertake in order to meet an Annual LSE Obligation.

"Clean Energy Standard" or "CES" means the Clean Energy Standard adopted by the State, as may be amended from time to time.

"Credit" means a certificate or other claim to the environmental attributes associated with energy produced by or from qualifying resources that typically represents proof that one megawatt-hour (1 MWh, or 1000 kilowatt-hours) of qualifying electricity was generated and delivered to the power grid, provided that, in the case of an ISC, the ISC represents one MWh of energy storage capacity that is operational and available on a given day. A Credit includes but is not limited to a ZEC, REC, ISC, and OREC.

"Energy Storage Order" means the Order of the Public Service Commission, entitled "Order Establishing Updated Energy Storage Goal and Deployment Policy," in Case No. 18-E-0130, and includes all subsequent orders amending, clarifying and/or implementing the Energy Storage Order.

"Energy Storage Program Compliance Measures" means the purchase of ISCs from NYSERDA, the Authority's procurement of ISCs or energy storage capacity by Self-Supply; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Energy Storage Program.

"Energy Storage Program" means the Energy Storage Program as set forth in the Energy Storage Order.

"Index Storage Credit" or "ISC" refers to a qualifying Index Storage Credit as authorized by the State in law, regulation, or Regulatory Order.

"Load Serving Entity" has the meaning provided in the CES Order and generally refers to a utility or other entity that supplies load (electricity) to a consumer of electricity.

"Clean Energy Standard Charge" means the monthly charge to the Customer established in this Schedule C.

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

"Offshore Wind Energy Credit" or "OREC" refers to a qualifying Offshore Wind Energy Credit as authorized by the State in law, regulation, or Regulatory Order.

"Offshore Wind Energy Standard" means the Offshore Wind Energy Standard adopted by the State as may be amended from time to time.

"Offshore Wind Energy Standard Compliance Measures" means the purchase of ORECs from NYSERDA; the Authority's procurement of ORECs by Self-Supply; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Offshore Wind Energy Standard.

"Public Service Commission" or "PSC" means the New York State Public Service Commission.

"Regulatory Order" means an order issued by a regulatory agency or authority of the State of New York, and includes orders issued by the PSC. Regulatory Order includes, by way of example only, the CES Order and any other order of the PSC that establishes, supplements, modifies, or clarifies standards, requirements, obligations, or procedures for implementation of the State Energy Plan or a State Energy Standard, including the CES.

"Renewable Energy Credit" or "REC" refers to a qualifying renewable energy credit as authorized by the State in law, regulation, or Regulatory Order, including but not limited to Tier 1 and Tier 4 of the Clean Energy Standard.

"Renewable Energy Standard" or "RES" means the Renewable Energy Standard adopted by the State as may be amended from time to time.

"Renewable Energy Standard Compliance Measures" means the purchase of RECs from NYSERDA; the Authority's procurement of RECs by Self-Supply; Alternative Compliance Payments to NYSERDA; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Renewable Energy Standard.

"Self-Supplied Credit Charge" means a supplemental per-Credit charge or adder that the Authority adds to the cost of any Credit that it procures by Self-Supply for the purpose of: (1) enabling the Authority to recover administrative costs that it incurs in connection with the Self-Supply of Credits; and (2) managing risk in the cost of Credits over the term of any contract that serves as a source of Credits for Self-Supply, including but not limited to mitigating the extent of fluctuations in the cost of Credits that the Authority procures through Self-Supply.

"Self-Supplied Credit Cost" means the annual average per-Credit cost (including any applicable Self-Supplied Credit Charge) that the Authority establishes pursuant to Section II.3.b of Schedule C for any Credit that it procures by Self-Supply for the purpose of complying with any Annual LSE Obligation applicable to a State Energy Standard.

"Self-Supply" means the Authority's procurement of Credits from a source other than NYSERDA.

"State" means the State of New York.

"State Energy Plan" or "SEP" means the 2015 New York State Energy Plan as amended from time to time.

"State Energy Standard" refers to any standard or requirement that is adopted by the State in law, regulation, or Regulatory Order for the purpose of implementing State energy and environmental goals or policies, including goals and policies set forth in the State Energy Plan, that applies to the Authority, or with which the Authority determines it will comply. For purposes of this Agreement, State Energy Standard includes the Clean Energy Standard, Renewable Energy Standard, Zero Emission Credit Requirement, Offshore Wind Energy Standard, the Energy Storage Program including Energy Storage Program Compliance Measures, and any other standard or requirement adopted by the State in law, regulation, or Regulatory Order, in effect at the time of execution of this Agreement, or that is adopted after the execution of this Agreement and in effect during all or a portion of the term of this Agreement, that applies to the Authority, or with which the Authority determines it will comply.

"Total Monthly PP Load" has the meaning provided in Section II.3.c of this Schedule C.

"Total Monthly CE Compliance Costs" has the meaning provided in Section II.3.c of this Schedule C.

"Zero Emission Credit" or "ZEC" refers to a Zero Emission Credit as authorized by the State in law, regulation, or Regulatory Order.

"Zero Emission Credit Requirement Compliance Measures" means the purchase of ZECs from NYSERDA and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Zero Emission Credit Requirement.

"Zero Emission Credit Requirement" means the Zero Emission Credit Requirement adopted by the State as may be amended from time to time.

II. CLEAN ENERGY STANDARD CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of the Service Tariff, or the Rules, the Customer shall be subject to a Clean Energy Standard Charge as provided for in this Schedule C and consistent with Section V.E of the Agreement. The Clean Energy Standard Charge is in addition to all other charges, fees and assessments provided in the Agreement, the Service Tariff and the Rules provided that: (i) the monthly REC component of the Charge shall not include any costs associated with the Authority's inability to recover REC charges from other Authority customers; and (ii) the effective monthly per-MWh REC component, (exclusive of all other charges, fees and assessments) averaged over the REC Program Year shall not exceed NYSERDA's then-applicable published REC price for that REC Program Year. By accepting Electric Service under the Agreement, the Customer agrees to pay the Clean Energy Standard Charge.

2. The Clean Energy Standard Charge is part of a compliance program ("Compliance Program") that the Authority has adopted for the purpose of administering the Preservation Power program in a manner that is consistent with the State Energy Plan, the CES, and other applicable State Energy Standards. Pursuant to the Compliance Program, the Authority will support State Energy Standards, including the preservation of at risk nuclear zero emission attributes, and the development of renewable energy resources and energy storage projects, to serve its Preservation Power program customers, through the implementation of various Clean Energy Compliance Measures that the Authority in its discretion determines are appropriate to enable the Authority to meet Annual LSE Obligations that have been established for each State Energy Standard that applies to the Authority, or with which the Authority determines it will comply. The purpose of the Clean Energy Standard Charge is to enable the Authority to recover costs and other charges as described herein that the Authority incurs for implementing Clean Energy Compliance Measures.

3. The Clean Energy Standard Charge will be determined and assessed consistent with Section V.E of the Agreement and imposed as follows:

   a. The Authority will, each calendar year, implement such Clean Energy Compliance Measures as the Authority determines in its discretion to be appropriate to meet the Annual LSE Obligation established for each State Energy Standard with respect to the load that the Authority serves under the PP program. The specific Clean Energy Compliance Measures that the Authority determines to use, and the amount or extent of each Clean Energy Compliance Measure taken in any calendar year to meet each Annual LSE Obligation shall be within the Authority's sole discretion.

   b. The Authority will, for each calendar year, establish a Self-Supplied Credit Cost for any Credits that it procures through Self-Supply that it will use to meet the applicable Annual LSE Obligation for each State Energy Standard for the calendar year. The Authority may, in its discretion, for any quarter in any calendar year, revise any such Self-Supplied Credit Cost established pursuant to this Section II.3.b for the purpose of addressing unanticipated circumstances that impact or that the Authority reasonably believes could impact the Authority's costs and risk exposure regarding Self-Supply. Any Self-Supplied Credit Cost so revised shall apply prospectively. The Authority will endeavor to obtain Self-Supply Credits when the Self-Supplied Credit Charge provides savings from what NYSERDA credits would otherwise cost.

   c. The Authority will, for each month of each calendar year in which it incurs costs for Clean Energy Compliance Measures, calculate the total costs that the Authority has incurred or estimates that it will incur for implementing the Clean Energy Compliance Measures ("Total Monthly CE Compliance Costs") for the purpose of meeting each Annual LSE Obligation for the total PP kilowatt-hour load delivered to PP customers for such month ("Total Monthly PP Load"). The Authority may calculate Total Monthly CE Compliance Costs on the basis of forecasts of the Total Monthly PP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly PP Load that the Authority served for the month.

   d. Each month, the Authority will calculate a Clean Energy Standard Charge applicable to the Customer. The Clean Energy Standard Charge will represent the Customer's share of the Total Monthly CE Compliance Costs assigned to the Total Monthly PP Load assessed as the proportion of the Customer's total kilowatt-hour load served by the Authority for such month to the Total Monthly PP Load served by the Authority for such month.

4. The Authority may, in its discretion, include separate line items under the Clean Energy Standard Charge on the monthly bills for Electric Service as provided for in the Agreement or bill the Customer for the Clean Energy Standard Charge pursuant to another Authority-established procedure. In any case, the bill will indicate the amount of the Clean Energy Standard Charge that is attributable to compliance with each Annual LSE Obligation.

5. The Authority will, at the conclusion of each calendar year in which it assesses a Clean Energy Standard Charge, conduct a reconciliation process based on the actual costs it incurred for Clean Energy Compliance Measures taken (other than Credits procured through Self-Supply), and the actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Clean Energy Standard Charge during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority's bills for Electric Service under this Agreement or as provided for in any other procedure established by the Authority pursuant to Section II.4 of this Schedule C.

6. Nothing in this Schedule C shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff or the Rules.

7. Inclusion in this Agreement of a non-exhaustive list of examples that fall within the definition of Credits, Clean Energy Compliance Measures, or State Energy Standards shall not be interpreted to effect the use or non-use of such examples in other agreements of the Authority.

III. ALTERNATIVE CES COMPLIANCE PROGRAM

1. Nothing in this Schedule C shall be construed as preventing the Parties from entering into other written agreements for alternative arrangements to enable the Authority to meet any Annual LSE Obligation with respect to the Customer's allocation, including alternative compliance programs and cost allocation mechanisms, in lieu of the Clean Energy Standard Charge established in this Schedule C.

POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Electric Service Tariff for Alcoa USA Corp.
Firm Hydroelectric Power Service

Service Tariff No. AL-2

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Schedule of Rates for Firm Hydroelectric Power Service

I. Applicability

This Service Tariff is applicable to the sale of Firm Hydroelectric Power and Energy produced by the Authority's St. Lawrence-FDR Project to Alcoa USA Corp. ("Alcoa" or "Customer"), for the Base Term and any authorized Extended Term(s) as provided for in the Agreement.

II. Frequently Used Abbreviations and Terms

- kW — kilowatt(s)
- kWh — kilowatt-hour(s)
- MWh — megawatt-hour(s)
- NYISO — New York Independent System Operator, Inc. or any successor organization
- OATT — NYISO Open Access Transmission Tariff
- PAL — New York Public Authorities Law
- UCAP — Unforced Capacity

Agreement: The Agreement entitled "Agreement for the Sale of Firm Hydroelectric Power and Energy from the St. Lawrence-FDR Power Project to Alcoa USA Corp."

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

Base Term: This term has the meaning provided for in the Agreement.

Billing Energy: This term has the meaning provided for in Section III.F.1 of this Service Tariff.

Billing Period: Any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements.

Contract Demand: This term has the meaning provided for in the Agreement.

Electric Service: This term has the meaning provided for in the Agreement.

Extended Term(s): This term has the meaning provided for in the Agreement.

Firm Hydroelectric Power and Energy: This term has the meaning provided for in the Agreement.

Floor Energy Rate: This term has the meaning provided for in Section III.A.3 of this Service Tariff.

London Metal Exchange or **LME Price:** The LME Price to be used in the calculation of the Monthly Energy Rate for a particular month (M) shall be the Official London Metal Exchange Aluminum High Grade Cash Settlement daily average price for the prior month (M-1) (in $USD/tonne), as published by the London Metal Exchange.

Load Serving Entity or **LSE:** This term has the meaning provided for in the Agreement.

Load Factor: The consumption utilization rate of the customer's total load within each Billing Period. It is determined by dividing the total energy (kWh) consumed within the Billing Period, by the product of Peak Demand (kW) multiplied by the number of hours within the same Billing Period.

Load Factor Share: The methodology used to determine firm hydroelectric Billing Energy share of the total load as further described in Section III.F.1 of this Service Tariff.

Midwest Aluminum Premium: Midwest U.S. Premium price published by Platt's Metals Week. For purpose of clarity, the Midwest Aluminum Premium published by Platt's Metals Week will not be utilized when establishing the LME Price nor for any other purposes under this Tariff or the Agreement.

Minimum Monthly Capacity Charge: This term has the meaning provided for in Section III.D.1 of this Service Tariff.

Monthly Energy Rate: This term has the meaning provided for in Section III.A.1 of this Service Tariff.

NYISO Tariffs: This term has the meaning provided for in the Agreement.

Peak Demand: The highest coincident sixty (60) minute integrated demand of the total load measured during the Billing Period and expressed in kW.

Preference Power Rate: The cost-based rate as approved by the Authority's Board of Trustees and as modified from time to time by the Authority and charged to the Authority's Preference Power Customers that include public bodies, nonprofit cooperatives, municipalities and other political subdivisions of the State of New York that are entitled to preference power under the federal Niagara Redevelopment Act, and other public bodies that qualify for preference power under Section 1005(5) of the New York Public Authorities Law.

Project: This term has the meaning provided for in the Agreement.

Rules: This term has the meaning provided for in the Agreement.

Service Tariff: This service tariff, denominated as "Electric Service Tariff for Alcoa USA Corp. Firm Hydroelectric Power Service, Service Tariff No. AL-2," as amended from time to time by the Authority.

Substitute Energy: This term has the meaning provided for in the Agreement.

Taxes: This term has the meaning provided for in Section III.D.2 of this Service Tariff.

Term: This term has the meaning provided for in the Agreement.

Transmission Service Charge or **TSC:** This term has the meaning provided for in the Agreement.

Unforced Capacity or **UCAP:** This term has the meaning provided for in the Agreement.

Additional terms are defined in the text of this Service Tariff. Unless otherwise indicated, all other capitalized terms and abbreviations used but not defined in this Service Tariff shall have the meaning as set forth in the Agreement.

In the event that publication of any index price utilized in this Tariff, including the LME Price is discontinued or the methodology for determination thereof is substantially revised, the Parties will meet and discuss in good faith the amendment of the Service Tariff by substitution of an alternative index or other alternative means of determination of pricing most closely approximating their original intent.

III. Rates and Related Matters

A. Rates

1. Subject to the other provisions of this Service Tariff, the monthly energy rate in $/MWh that the Authority will charge to the Customer ("Monthly Energy Rate") shall be calculated using the LME Price according to the following formula:

$$\left(1.75 * \left(\frac{\text{LME Price}}{100}\right)\right) - 13.65$$

2. The Monthly Energy Rate will be calculated each month using the formula in Section III.A.1 based on the LME Price. However, in the event that such calculation yields a result which is lower than the Floor Energy Rate, then the Monthly Energy Rate for such month shall be the Floor Energy Rate as defined in Section III.A.3.

3. The floor energy rate ("Floor Energy Rate") shall be the Preference Power Rate in $/MWh, using a Load Factor of 98%. The Preference Power Rate for preference power customers is a cost-based rate, and no customer may pay less than this rate. Accordingly, the Floor Energy Rate may not be lower than the Preference Power Rate, at a 98% load factor, with charges rounded up to the nearest whole dollar.

4. There is no ceiling on the Monthly Energy Rate.

B. NYISO Transmission and Related Charges ("NYISO Charges")

1. The Customer shall compensate the Authority, without mark-up, for the following NYISO Charges assessed on the Authority for services provided by the NYISO pursuant to the NYISO Tariffs associated with providing Electric Service to the Customer:

a. Charges for OATT Rate Schedules 1 through 9 and any new ancillary services and/or rate schedules as incurred by the Authority in accordance with the NYISO Tariffs;

b. Transmission Usage Charges ("TUC") which are Marginal Losses and Congestion costs as provided for in the NYISO Tariffs;

c. The New York Power Authority "Transmission Adjustment Charge" or "NTAC" as provided for in the NYISO Tariffs;

d. NYISO wide uplift as provided for in the NYISO Tariffs;

e. All transmission costs incurred by the Authority with respect to providing Electric Service to the Customer, including such costs that are charged pursuant to the NYISO Tariffs. The Authority will charge the Customer for Transmission Service Charge ("TSC") as defined in the Agreement as a full pass-through cost;

f. All other charges, assessments, or other amounts associated with delivery of Firm Power and Energy sold to the Customer by the Authority that the Authority incurs under the provisions of the NYISO Tariffs; and

g. Any charges that the Authority incurs from the NYISO or third-party with respect to the provision of Electric Service to the Customer for facilities needed to maintain reliability and required by the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law.

2. The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, under Section III.B.1 are in addition to the Monthly Energy Rate and Clean Energy Standard Charge that are charged to the Customer in accordance with other provisions of the Agreement.

3. The method of billing NYISO Charges to the Customer will be at the Authority's sole discretion.

C. Transmission Charges

See Section III.B.1 above.

D. Other Charges

The Monthly Energy Rate does not reflect any of the charges discussed in this Section III.D (collectively, "Other Charges"). The Customer shall be responsible for payment of such Other Charges as a separate charge from the Monthly Energy Rate to the extent they apply to the Customer.

1. Minimum Monthly Capacity Charge

If in any given month the Customer's monthly Peak Demand (kW) is less than the UCAP, the Customer shall be subject to a minimum monthly capacity charge equal to the difference between the Customer's monthly Peak Demand (kW) and the UCAP as expressed by the NYISO for the applicable month, times the applicable NYISO locational capacity spot auction market rate ("Minimum Monthly Capacity Charge").

Such Minimum Monthly Capacity Charge shall be in addition to all other charges provided for in this Service Tariff, including but not limited to, charges included in the Monthly Energy Rate and NYISO Charges as provided for in this Service Tariff.

2. Taxes

The Authority will charge and collect from the Customer all local, state and federal taxes, assessments or other charges mandated by local, state or federal agencies or authorities that are levied on the Authority and that the Authority is required to collect from the Customer ("Taxes") if and to the extent such Taxes are not recovered by the Authority pursuant to another provision of this Service Tariff.

3. Curtailments and Substitute Energy

Firm Power and Energy is subject to curtailment as provided for in the Agreement. The Authority shall provide Substitute Energy to the Customer, and the Customer shall pay the Authority for Substitute Energy, in accordance with the terms of the Agreement.

E. New Charges

The Customer shall be responsible for payment of any and all new third-party charges required by laws or regulations and incurred by the Authority and attributable to its provision of Electric Service to the Customer, including but not limited to, charges and costs incurred for supplying Firm Hydroelectric Power and Energy, any new NYISO Charges as may be defined and applied in any NYISO Tariffs, NYISO-related agreements and NYISO procedures from time to time (collectively, "New Charges"). The Authority, in its sole discretion, may bill the Customer for such New Charges. The method of such billing will be at the Authority's sole discretion.

F. Billing and Billing Methodology

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

1. Billing Energy

The kilowatt-hours (kWh) charged by the Authority to the Customer will be based on the Load Factor Share of the total number of kilowatt-hours recorded on the Authority's revenue grade meters for the Billing Period as follows.

- If the Peak Demand is higher than the Contract Demand in a given month, the Billing Energy shall be equal to the product of the Contract Demand multiplied by the Load Factor and number of hours in the Billing Period.
- If the Peak Demand is less than the Contract Demand, the Billing Energy shall be equal to the total number of kilowatt-hours recorded on the Authority's revenue grade meters for the Billing Period.

2. Scheduling and Settlements of Load

Each hour the Authority will schedule the Customer's load for the full Contract Demand. Any scheduled hydro energy that the Customer does not consume is sold by NYPA into the NYISO wholesale market as balancing energy and therefore shall not be reflected on the Customer's bill. The Customer is encouraged to voluntarily provide an hourly load schedule each month to the Authority. The Customer is required to provide any planned or unplanned outage information to the Authority in a timely manner as follows: the Customer shall provide a minimum of three (3) business days' notice to the Authority when planned load reductions greater than five (5%) percent of the Contract Demand are to occur in excess of a one-hour interval. The Customer is required to provide any unplanned outage information in excess of a one-hour interval to the Authority within no less than three (3) business days of the occurrence. The Authority and Customer shall cooperate in scheduling loads to account for the Customer's participation in any NYISO demand energy response ("DER") programs to the extent applicable for any behind the meter impacts on the LSE load.

3. Market Purchases

If in any given hour during a Billing Period the Customer's load requirements exceed the Customer's Contract Demand (reported by the NYISO as balancing energy purchase transactions), the Authority shall bill Customer for such purchases without mark-up as set forth in the Agreement. Any costs NYPA incurs with respect to market purchases under Section III.B shall be passed through to the Customer without mark-up.

4. Estimated Billing

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

For the purpose of calculating an Estimated Bill, the Billing Energy used in the rate charge calculation shall be equal to the Contract Demand (kW) amount as defined in the Agreement at ninety-eight (98) percent load factor for that Billing Period.

If data indicating the Customer's actual usage for any Billing Period in which an Estimated Bill was rendered subsequently becomes available to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill in accordance with Section III.G.1 of this Service Tariff and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Authority's discretion to render Estimated Bills is not intended to limit the Authority's rights under the Agreement or otherwise regarding metering arrangements.

G. Adjustments to Charges

1. Billing Adjustments

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

2. Power Factor

For service provided under this and any other Service Tariff or agreement Customer shall maintain not less than ninety-seven and one-half percent (97.5%) power factor at the point of delivery. The Customer's Peak Demand under this Service Tariff will be increased one-half percent (1/2%) for each one-half percent (1/2%) by which the average power factor at which energy is supplied during such Billing Period is less than ninety-seven and one-half percent (97.5%). Average power factor will be computed to the nearest one-half percent (1/2%) according to the following formula:

$$Average\ Power\ Factor = \frac{kWh}{\sqrt{kWh^2 + kvar\ h^2}}$$

The data used in the above formula shall be obtained from meters which are ratcheted to prevent reverse registration.

3. Adjustment for Transformer Losses

If delivery is made at a transmission voltage but metered on the low-voltage side of Customer's substation, the meter readings will be increased by two percent (2%) to compensate for transformer losses; provided, however, that this percentage may be reduced to reflect improvements in loss rates should new transformers be put in use at Customer's plants.

H. Adjustment of Rates

The rates provided for in this Service Tariff may be revised from time to time as expressly provided for in the Agreement and this Service Tariff.

IV. General Provisions

A. Character of Service

Alternating current; 60 hertz, three-phase.

B. Firm Power Service

Firm Hydroelectric Power and Energy under this Service Tariff are hydropower and associated energy intended to be available at all times except for limitations provided in the Agreement, the Rules and this Service Tariff.

C. Availability of Energy

The Authority shall provide to the Customer in any Billing Period Firm Hydroelectric Power and Energy up to the Allocation, subject to the limitations provided for in the Agreement, the Rules and this Service Tariff.

D. Delivery

For the purpose of this Service Tariff, power shall be deemed to be offered when the Authority is able to supply power and NYISO transmits it to its designated points of interconnection with the Customer's transmission agent(s). If, despite such offer, there is a failure of delivery by the Customer or the transmission agents(s), such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

E. Electrical Fluctuations

The power and energy taken hereunder shall not be used in such a manner as to cause unusual fluctuations or disturbances on Authority's systems, facilities and assets. Customer shall provide, at its expense, suitable apparatus which will reasonably limit such fluctuations. In the event that unreasonable fluctuations or disturbances, including without limitation harmonic currents resulting in actionable interference with communications systems or in harmonic resonance of now existing facilities, are caused by Customer's facilities, Authority shall immediately notify Customer of the circumstances and Authority shall then have the right to discontinue the delivery of power and energy under this contract upon thirty (30) days' prior written notice until conditions causing such fluctuations or disturbances are corrected by Customer. Despite such discontinuance of service Customer shall be obligated to pay the amounts due for Electrical Service under this Service Tariff.

F. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the twentieth (20^{th}) calendar day of the month for charges due for the previous Billing Period. Bills will reflect the amounts due and owing, and are subject to adjustment as provided for in the Agreement, this Service Tariff and the Rules. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority shall render bills to the Customer electronically.

2. Payment of bills by the Customer shall be due and payable by the Customer by the first day of the following month of the date the Authority renders the bill. Payment of bills by the Customer shall be paid through the means as directed on the bill.

3. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due, an interest charge of two percent (2%) of the amount unpaid will be added thereto as liquidated damages. Thereafter, as further liquidated damages, an additional interest charge of one and one-half percent (1.5%) of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.

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

5. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money, or provide an irrevocable standby letter of credit, which may be presented for draw at a location in New York State, issued for benefit of the Authority by a bank having a Standard and Poor's long-term issuer rating of "A" or better, or an equivalent rating by Moody's, or Fitch's, and acceptable to the Authority in its reasonable discretion, in either case in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit or standby letter of credit will be deemed security for the payment of unpaid bills. The failure or refusal of the Customer to provide the deposit or standby letter of credit within thirty (30) days of a request made by the Authority consistent with this paragraph will be grounds for the Authority in its sole discretion to suspend Electric Service to the Customer or terminate the Agreement and the Allocation.

G. Conflicts

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

EXHIBIT 2
RULES

N.Y. Comp. Codes R. & Regs. tit. 21
Chapter X. Power Authority of the State of New York

Part 454. Power Service

Section 454.1. Definitions Section
Section 454.2. Sale of Authority Power Section
Section 454.3. Liability, Limitations and Conditions of Service Section
Section 454.4. Metering Section
Section 454.5. Cooperation of Contracting Parties Section
Section 454.6. Billings and Payments Section
Section 454.7. Cancellation for Violation by Customer Section
Section 454.8. Waivers Section
Section 454.9. Notices Section
Section 454.10. Transfer of Interest in Contract by Customer Section
Section 454.11. Resale of Electric Power and Energy Section
Section 454.12. Modification or Merger of Rates

21 NYCRR 454.1
Section 454.1. Definitions

The following definitions shall apply for all the purposes of this Part and of the service tariff and applications for electric service pertaining thereto:

(a) **Authority** is Power Authority of the State of New York.

(b) **Customer** is an individual, firm, partnership, corporation, association, rural electric cooperative corporation, municipality, or governmental body receiving electric service from authority.

(c) **Electric service** is availability of any type of power and energy for customer in accordance with this Part, accepted applications for electric service, applicable service tariffs and other contract documents.

(d) **Application for electric service** is a written request for the furnishing of electric service to customers by authority on a form prescribed by authority.

(e) **Service tariff** is a schedule establishing rates and other conditions for sale of electric service.

(f) **Firm power and energy** are power and associated energy which are intended to be available at all times except for limitations provided in this Part, in a service tariff, in an accepted application for electric service, or other contract documents.

(g) **Peaking power and energy** are firm power and energy intended for use primarily in customer's peak load periods and limited as to the energy to be supplied.

(h) **Firm storage power and energy** are power and associated energy produced with water stored in an authority pumped-storage facility or power and energy supplied in lieu thereof, to be available as provided in a service tariff, or other contract documents.

(i) **Nonfirm storage power and energy** are power and associated energy produced with water stored in an authority pumped-storage facility of intermittent or temporary availability the supply of which will be limited as provided in a service tariff or in other contract documents.

(j) **Pumping power and energy** are power and associated energy supplied by customer or by authority for use in pumping water into an authority pumped-storage facility.

(k) **Interruptible hydro power and energy** are power and associated energy from authority's St. Lawrence or Niagara project which are normally available continuously for substantial periods of time but subject to interruption for extended periods because of decreased water flow.

(l) **Replacement power** is Niagara project firm power made available by authority to Niagara Mohawk Power Corporation pursuant to Public Law 85-159 to replace power formerly produced by Niagara Mohawk Power Corporation in its Adams and Schoelkopf plants, sales of which are subject to approval by authority.

(m) **Expansion power** is firm power supplied from the Niagara project or substituted from other sources to utility customers for resale to industrial consumers which authority shall individually designate for use in the expansion of their operations, the amounts of each allocation to such consumers to be determined by authority.

(n) **Priority customers** are:

(1) exempt persons as defined in 26 U.S.C. 103(c)(3); and

(2) entities entitled to preference under 16 U.S.C. 836(b)(1). **High load factor manufacturers** as defined in subdivision (o) of this section are priority customers to the extent provided in sections 1001 and 1005 of the Power Authority Act as amended (title 1, article 5 of the Public Authorities Law).

(o) **High load factor manufacturer** is an industrial establishment which normally utilizes a minimum electric demand of 5,000 kilowatts and which will normally utilize energy at the rate of approximately 540 kilowatt-hours per month for each kilowatt of demand and of which the cost of electricity normally represents at least 7 1/2 percent of its total product value.

(p) **Billing period** shall be the calendar month except as otherwise specified in a service tariff or other contract document.

(q) **Contract demand** is the maximum amount of power which authority is obligated to supply under an accepted application for electric service or service tariff or other contract document.

(r) **System capability** is capacity available to authority from its own generating sources and from firm power purchases from others.

(s) **Unsupported firm power and energy** are power and associated energy normally supplied only to customers operating electric utility distribution systems, the customer to be responsible for providing substitute power and energy in the event of interruptions or reduction in authority supply.

(t) **Withdrawable power and energy** are power and associated energy not currently required for service to priority customers and subject to withdrawal for such service.

(u) **Supporting energy** is energy purchased by authority for use when it is unable to meet contractual commitments because of lack of availability of necessary power and energy from its system capability.

(v) **Reserve power** is that part of the authority's system capability which is reserved from sale for the purpose of assuring authority's ability to meet its contractual commitments for firm power and energy in conjunction with interconnected utility systems as contemplated by 26 U.S.C. 103(c)(3).

(w) **Reserve energy** is energy associated with reserve power and normally sold on an immediately withdrawable basis to utilities which contract to provide supporting energy to authority.

(x) **Residual power and energy** are power and associated energy available on a temporary basis from authority generating sources or purchases in excess of authority requirements.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.2
Section 454.2. Sale of authority power

(a) *Applications for authority power.* Applications for authority power pursuant to an appropriate service tariff or other contract document will be entertained by authority at any time, and insofar as they meet the qualifications established for the class of power to be marketed, will be considered individually as received, provided that authority may consider two or more applications at one time without reference to order of application.

(b) *Process and approval of applications.* Applications are subject to public hearings and other procedural requirements pursuant to section 1009 of the Public Authorities Law, as amended from time to time.

(c) *Power in excess of contractual requirements.* Power and energy in excess of authority's contractual requirements and not needed for any other authority purposes will be made available to authority customers from time to time under the provisions of applicable service tariffs or other contract documents.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.3
Section 454.3. Liability, limitations and conditions of service

(a) Authority will endeavor at all times to provide a regular and uninterrupted supply of service, or such other character of service as specified in the application for electric service, the applicable service tariff, or other contract documents, but in case the supply of service shall be interrupted, or irregular or defective or fail from interruptions or reductions as such terms are described in subdivisions (b) and (c) of this section, or through ordinary negligence of employees, servants or agents, authority will not be liable therefor.

(b) *Continuity of electric service to be furnished.*

(1) The electric service, except as otherwise specified in the application for electric service, the applicable service tariff or other contract documents will be furnished continuously except:

(i) for interruptions or reductions due to uncontrollable forces, as defined in this section;

(ii) for temporary interruptions or reductions which, in the opinion of the authority, are required for power system protection or for providing temporary emergency assistance to interconnecting systems; and

(iii) for temporary interruptions or reductions, which, in the opinion of authority, are necessary or desirable for the purpose of maintenance, repairs, replacements, installation of equipment, or investigation and inspection.

Authority, except in case of emergency as determined by it, will give the customer reasonable advance notice of such temporary interruptions or reductions and will exercise due diligence to remove the cause thereof.

(2) The authority operates its generating and transmission facilities as a system and to the extent it determines feasible will utilize power and energy produced at any of its generating plants or purchased from others to satisfy its obligations to any of its customers. This provision shall not be construed to require the authority to utilize such power and energy referred to in the preceding sentence to avoid interruptions of service of the types referred to in paragraph (1) of this subdivision unless the customer agrees to pay the difference between the rate charged for the power and energy interrupted and the rate charged by authority for the charges incurred by authority, including any transmission.

(c) *Uncontrollable forces.* Neither customer nor authority shall be considered to be in default in respect to any obligation under any accepted application for electric service, service tariff, or other contract

document, if prevented from fulfilling such obligation by reason of uncontrollable forces, the term being deemed to mean any cause beyond the control of the party affected, including but not limited to failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, strike and sabotage or restraint by court or public authority, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid. The party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

(d) *Service beyond authority obligation.* Customer may from time to time, in the absence of objection by authority, take power under any service tariff or other contract document at rates of power delivery greater than the contract demand in effect for such service or take energy in amounts greater than the amounts which authority is obligated to supply, but such greater takings shall not be deemed to establish in customer any right thereto and customer shall cease such greater takings whenever and for the periods of time requested by authority.

(e) *Transmission by authority over the facilities of others.* Where authority transmits power and energy to customer over the facilities of others, the obligation of authority to furnish the power and energy shall be subject to and contingent on the existence of an arrangement granting authority the right to use such facilities. The power and energy will be provided at the voltage available and under the conditions which exist from time to time on the system or systems over whose facilities the power and energy are transmitted. The points on the customer's system to which the power and energy are to be transmitted shall be agreed upon by customer and authority. Authority will endeavor to inform customer from to time to time of any significant changes contemplated on a system over which transmission is made if not authority's, and the added costs to customer resulting from such changes, but the costs of any changes made necessary in customer's system because of changes or conditions on such system shall not be a charge against or a liability of authority, provided, that if customer, because of changes or conditions on a system over which transmission is made if not authority's, is subjected to the necessity of making changes on its system at its own expense in order to continue receiving service, or if the electric service requirements of customer, to the extent that authority is obligated or determines that it can become obligated to furnish such requirements, are not being met, or if authority advises customer that such requirements cannot be met, because of an insufficiency of transmission capacity available to authority under its transmission arrangement in the facilities of others over which power and energy are supplied, then customer may terminate service as provided in the applicable service tariff or other contract documents.

(f) *Delivery and service over the facilities of others.* Where delivery of power and energy (as distinguished from transmission) is carried out through the systems of others, the utility which makes delivery will receive the power and energy from the authority at connecting points agreed upon by authority and the utility. The utility will use its system to make delivery in the same manner it uses such system to make delivery to its own customers. It will also provide service in connection with such delivery as mutually agreed upon by the utility and the authority. The obligation of authority to furnish power and energy shall be subject to and contingent on the existence of an arrangement between authority and the utility. The power and energy will be provided to customer at the voltage available and under the conditions which exist from time to time on the system from whose facilities the power and energy are delivered. Authority will endeavor to inform customer from time to time of any significant changes contemplated on the system from which delivery is made, but the costs of any changes made

necessary in customer's system, because of changes or conditions on that system, shall not be a charge against or a liability of authority. However, if changes are necessitated in the utility's system for the benefit of the authority's customers, it will be done at the customer's expense or a compensating increase in the rate charged by the utility for delivery, and service will be made as provided for under the terms of authority's agreement with the utility providing delivery and service. If customer, because of changes or conditions in the system from which delivery is made, is subjected to the necessity of making changes in its facilities at its own expense in order to continue receiving delivery and service, or if the electric service requirements of customer to the extent that authority is obligated, or determines that it can become obligated to furnish such requirements

are not being met, or if authority advised customer that such requirements cannot be met because of an insufficiency of system capacity of the utility providing delivery and service to authority under its arrangement with the utility, then customer may terminate or obtain modification of its agreement with authority.

(g) *Applicable laws, licenses and directives.* All applicable provisions of licenses, permits, approvals or orders issued to the authority by any State or Federal agency and all applicable provisions of Federal and State statutes, including Federal Power Act, Atomic Energy Act, National Environmental Policy Act, Federal Water Pollution Control Act and Power Authority Act of the State of New York (title 1 of article 5 of the Public Authorities Law, chapter 772 of the Laws of 1931, all as amended shall be deemed to be incorporated in and made a part of this Part.

Credits

Sec. filed June 24, 1976; amds. filed: Sept. 1, 1981; May 4, 1982 eff. May 4, 1982.

21 NYCRR 454.4
Section 454.4. Metering

(a) *Transmission metering.* Unless otherwise specified in the applicable service tariff or other contract documents, the total electric power and energy delivered to customer will be measured alone or in conjunction with deliveries to others by metering equipment to be furnished and maintained by authority. The meter or meters shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested or adjusted, and representatives of customer shall be afforded reasonable opportunity to be present upon such occasions. The meter or meters shall be tested at least once each year by authority and at any reasonable time upon request therefor by either authority or customer. Any metering equipment found to be defective or inaccurate shall be repaired and readjusted or replaced. Should any meter fail to register, the electric power and energy delivered during the period of failure to register shall, for billing purposes, be estimated by authority from the best information available.

(b) *Delivery and service metering.*

(1) Where delivery and service (as distinguished from transmission) are carried out through the systems of others and by the personnel of others, the total electric power and energy, including reactive power and energy where authority deems appropriate, transmitted or delivered to a customer (as distinguished from transmitted over the facilities of others) will be measured by metering equipment and measuring devices to be furnished and maintained by either authority or the utility providing delivery and service. Seals on meters, meter equipment and associated equipment shall be broken only upon occasions when the meters and measuring devices are to be inspected, tested, or adjusted. No person, except a duly authorized and identified representative of authority or the utility providing delivery and service, shall be permitted to break or replace a seal or to alter or change a meter of its connections or location, except when wiring changes are being made by customer following receipt of appropriate specifications of authority or the utility providing delivery and service as to service supply. In such case, a qualified electrician may break the meter seal and remove and remount a meter when authorized to do so by authority and/or by the utility providing delivery and service, whichever seals such meter. Meters owned by the authority or the utility providing delivery and service shall be tested by authority or such utility providing delivery and service as mutually determined by them.

(2) Should any meter fail to register for any period of time, or if the actual power and energy usage cannot be measured because of inability to read a meter or other measuring device, the electric power and energy delivered during such period shall, for billing purposes, be estimated by authority from the best information available, and customer billed accordingly.

(3) Except as provided in this section, customer shall not permit access by anyone, except authorized representatives of authority or the utility providing delivery and service, to the meter equipment or any other property of authority or the utility providing delivery and service, and shall not interfere or permit interference with such equipment. Customer shall be responsible for their safekeeping on his premises. Duly authorized representatives of authority and the utility providing delivery and service shall have the

right to access to the premises of customer and to all appropriate property of authority or the utility providing delivery and service to all reasonable times for the purpose of reading and testing meters, inspecting equipment used in connection with its service, repairing, readjusting, or replacing defective or inaccurate meters, metering the demand, ascertaining and counting the connected load of customer's installation, removing its property, or any other purpose.

(c) *Meters errors.* If any of the meter tests provided for in this section discloses that the error of any meter or meters exceeds two percent correction based upon the inaccuracy found shall be made of the records of electric service furnished since the beginning of the monthly billing period immediately preceding the billing period during which the test was made; provided, that no correction shall be made for a longer period than such inaccuracy may be determined by authority to have existed. Any correction in billing resulting from such correction in meter records shall be made in the next monthly bill rendered by authority to customer, and such correction when made shall constitute full adjustment of any claim between customer and authority arising out of such inaccuracy of meters.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.5
Section 454.5. Cooperation of contracting parties

(a) *Mutual assistance.* If, in the maintenance of their respective power systems and/or electrical equipment and the utilization thereof for the purposes of the service provided by authority, it becomes necessary by reason of any emergency or extraordinary condition for either authority or customer to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, together with an amount not to exceed 10 percent of such costs for administration and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Nothing in this subdivision shall be construed to require the furnishing of personnel in the case of a strike, lockout or other labor dispute.

(b) *License to the customer.* Authority by acceptance of an application for electric service or as provided in other contract documents will grant customer a license to construct, install, operate, maintain, replace or repair, either or all, upon property of authority at locations designated by authority under the administrative control and jurisdiction of authority such facilities as in the opinion of authority are necessary or desirable for the purposes of the service authority is to provide customer. Such license shall remain in effect during the term of service and shall expire coincidentally therewith. Any facilities so installed by customer pursuant to this subdivision shall be and remain the property of customer notwithstanding that the same may have been affixed to the premises. Unless otherwise specified in the application for electric service, the applicable service tariff, or other contract documents, if upon expiration of the license authority desires to acquire such facilities, it may do so at a price equal to the original cost less depreciation provided it gives written notice within 20 days of its intention to so acquire such property. If the authority does not acquire such facilities customer shall have a reasonable time after the expiration of such license or licenses in which to remove its facilities so installed.

(c) *License to the authority.* Customer upon authority's acceptance of customer's application for electric service or as provided in other contract documents will grant to authority a license to construct, install, operate, maintain, replace or repair, either or all, upon the property of customer such facilities as in the opinion of authority or the utility providing delivery and service are necessary or desirable for the service authority is to provide customer. The license or licenses shall be and remain in effect during the term of service, and shall expire coincidentally therewith. Any facilities so installed by authority pursuant to such license or licenses shall be and remain the property of authority, notwithstanding that the same may have been affixed to the premises. Unless otherwise specified in the application for electric service, the applicable service tariff, or other contract documents, if upon expiration of the license customer desires to acquire such facilities, it may do so at a price equal to the original cost less depreciation provided it gives written notice within 20 days of its intention to so acquire such property. If the customer does not acquire such facilities authority shall have a reasonable time after the expiration of such license in which to remove its facilities so installed.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.6
Section 454.6. Billings and payments

(a) *Billings.* Except as otherwise provided in the accepted application for electric service, the applicable service tariff or other contract documents, authority will submit bills to customer on or before the 10th business day of each billing period for electric service furnished during the preceding billing period, and payments will be due and payable by customer on the first day of the billing period immediately succeeding the date each bill is submitted. For the purposes of the preceding sentence, the term *business day* shall mean a day other than a Saturday, Sunday, or banking holiday in the State of New York.

(b) *Nonpayment of bills.* Except as otherwise provided in the accepted application for electric service the applicable service tariff or other contract documents if customer fails to pay any bill when due an interest charge of two percent of the amount unpaid shall be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding billing period until the amount due, including interest, is paid in full. Authority shall have the right upon not less than 15 days' advance written notice to discontinue furnishing electric service to customer for nonpayment of bills and to refuse to resume same so long as any part of the amount due remains unpaid. In the case of contracts with electric corporations entered into on or after May 1, 1974, failure to make prompt and timely payments of all bills rendered by authority for electric service shall be grounds for immediate termination pursuant to section 1005(e) of Public Authorities Law. Such discontinuance of electric service will not relieve customer of liability for any minimum charge during the time electric service is so discontinued. The rights given in this subdivision to authority shall be in addition to all other remedies available to authority, either at law or in equity, for the breach of any of the provisions of this subdivision.

(c) *Adjustment for fractional billing period.* For a fractional part of a billing period at the beginning or end of service, and for fractional periods due to withdrawals or other changes in the agreed upon amount of service the demand or capacity charge and the portion of the minimum charge based on demand or capacity or minimum amount of energy to be billed shall each be proportionately adjusted in the ratio that the number of hours that electric service is furnished to customer in such fractional billing period bears to the total number of hours in the billing period involved.

(d) *Adjustments for curtailment (interruptions or reductions) of service.*

(1) Unless otherwise specified in the applicable service tariff or application for electric service or other contract documents, if for the reasons specified in subdivisions (a) and (b) of section 454.3 of this Part conditions on the power system of authority (which system, for purpose of adjustments hereunder, shall include transmission and delivery facilities, if any, utilized but not owned by authority) require the delivery of electric service to be interrupted or reduced below the contract demand or other maximum rate of delivery in effect for the affected type of service, or below the rate of delivery required by customer at the time of such reduction, whichever is the lesser, for a period or periods of one hour or longer in duration, each customer shall receive a credit against the capacity charge and the minimum

charge for the billing period representing a fraction of the total capacity charge and of the minimum charge determined by the ratio of (i) the sum of the hours in which the rate of delivery was reduced to zero plus the total of the fractional hours of partially reduced service (the fraction for each hour being the ratio of the reduction in rate of delivery below that scheduled by customer to customer's contract demand) to (ii) the number of hours in the billing period.

(2) Customer shall be limited in its remedy for such interruptions or reductions to the relief granted by this subdivision.

Credits

Sec. filed June 24, 1976; amds. filed: June 3, 1980; Sept. 1, 1981; May 4, 1982; May 28, 1999 eff. May 28, 1999. Amended (a).

21 NYCRR 454.7
Section 454.7. Cancellation for violation by customer

Authority may cancel and terminate service under any service tariff upon violation of the terms of service as set forth in this Part, in the service tariff, in the accepted application for electric service, or in other contract documents, provided, that authority shall not exercise its option to cancel unless written notice and statement of any violation shall have been given customer and customer afforded a period of at least 60 days in which to cure such violation.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.8
Section 454.8. Waivers

Any waiver at any time by either customer or authority of its rights with respect to a default or any other matter arising in connection with service to customer shall not be deemed to be a waiver with respect to any subsequent default or matter.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.9
Section 454.9. Notices

Except where otherwise specifically provided, any notice, demand or request required or authorized by this Part, by the applicable service tariff or by the accepted application for electric service shall be deemed properly given if mailed by certified mail, postage prepaid to office of secretary of authority at the address of authority, and to the official signing for customer at the address of customer shown on the application for electric service or other contract document unless another person has been designated to receive such notice, demand or request. The designation of the person to be notified or the address of such person may be changed at any time by similar notice.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.10
Section 454.10. Transfer of interest in contract by customer

No voluntary transfer of service by customer or of the rights of customer under its accepted application for electric service or other contract document shall be made without the written approval of authority, provided, that any successor to or assignee of the rights of the customer, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of this Part, the applicable service tariff or other contractual arrangements between customer and authority to the same extent as though such successor or assignee were the original customer, and provided further, that the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfer within the meaning of this section.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.11
Section 454.11. Resale of electric power and energy

Unless otherwise provided in the applicable service tariff, or other contract documents, customer shall not sell any of the electric power and energy delivered to it under this Part, except to such purchaser(s) and upon such terms and at such rates as the authority shall approve.

Credits

Sec. filed June 24, 1976; amd. filed Sept. 1, 1981 eff. Sept. 1, 1981.

21 NYCRR 454.12
Section 454.12. Modification or merger of rates

The rates provided for in each service tariff or other contract documents shall be subject to modification from time to time by the authority pursuant to the provisions of the Power Authority Act or any other applicable statutes. The authority may merge rates for power and energy made available from some or all of its facilities.

Credits

Sec. filed June 24, 1976.

NEW YORK POWER AUTHORITY

VIDEOCONFERENCE

Proposed Contract for the Sale

Of Preservation Power to Alcoa USA Corp.

September 9, 2025

2:00 p.m. - 6:00 p.m.

NYPA APPEARANCES:

FELISA HOCHHEISER (Page 2.)

PATRICIA WILSON (Page 4.)

FELISA HOCHHEISER: Good afternoon. This is a public hearing required by law and authorized by the New York State Power Authority's Board of Trustees on a proposed form of contract for the sale of hydropower to Alcoa USA Corp.

My name is Felisa Hochheiser, and I'm the Authority's Deputy Corporate Secretary.

New York State Public Authorities Law, Section 1009, sets forth procedures for executing certain contracts negotiated by the Authority. First, prior to the hearing, it requires that notice of the hearing be provided. Therefore, a notice was sent to the Governor, the Speaker of the Assembly, the Chair of the Senate Finance Committee, the Chair of the Assembly Ways and Means Committee, the Senate Minority Leader, the Ranking Minority Leader of Assembly Ways and Means, the President Pro Tempore and Majority Leader, Assistant Secretary for Energy.

In addition, notices appeared once a week, for the four weeks leading up to this hearing, in the following newspapers: Albany Times Union, Massena Daily Courier, Buffalo News, Plattsburgh Press Republican, Syracuse Post Standard, and Watertown Daily Times.

The public was also given access to the proposed contracts on the Authority's website during the 30-day period prior to today's hearing.

After the hearing, the public will be given access to the hearing transcript, once it is completed, at www.nypa.gov.

The next step in the process set forth in Section 1009 will be for the NYPA Trustees to reconsider the proposed contract in light of public comments. Once the Trustees have completed their final review, the contracts will be forwarded to the Governor for her consideration and approval.

If you plan to make an oral statement at this hearing, I ask that you please indicate so on the sign-in sheet.

Also, if you have a written statement, you can mail or email the Corporate Secretary at: 123 Main Street, 9-B, as in boy, White Plains, New York 10601, or you can send an email to secretarys.office@nypa.gov. That's S-E-C-R-E-T-A-R-Y-S dot office@nypa.gov.

Written statements may be of any length and will appear in the record of the hearing in addition to oral statements.

The record of the hearing will remain open for additional comments up to and until close of business, Wednesday, September 10th, 2025.

At this point, I would like to introduce Patricia Wilson, Senior Program Manager of Economic Development, who will provide additional details on the proposed customer contracts.

Thank you. Ms. Wilson?

PATRICIA WILSON: Thank you, Ms. Hochheiser.

Good afternoon. My name is Patricia Wilson, Senior Program Manager of Economic Development, within NYPA's Customer Solutions Department.

I'm here today to present a summary of the proposed contract for Alcoa USA Corp. Regarding the proposed contract, under Public Authorities Law, Section 1005(13), the Authority may allocate and sell directly or by sale-for-resale, 490 megawatts of preservation power to businesses located in Jefferson, Franklin, and St. Lawrence counties.

At their July 29th, 2025, meeting, NYPA Trustees approved a 240-megawatt allocation of preservation power to Alcoa for an initial term of

10 years, with an option for Alcoa to extend the term for two additional five-year periods if specific capital investment and employment commitments are met.

That approval is based on Alcoa's commitment to maintain at least 500 full-time jobs, an increase of 50 jobs from the current 450 job target in the current contract, and to make a capital investment of at least $30 million, or a 3-million per year over 10 years, at the facility that will use the preservation power allocation.

If Alcoa elects to take the first five-year extension, it will be required to invest 85 million for the 15-year term. And, if Alcoa elects to take the second five-year extension, it will be required to invest 145 million over the 20-year term at the facility that will use the preservation power allocation.

The Trustees also provided authorization for a public hearing, in accordance with Public Authorities Law, Section 1009, on a proposed form of contract with Alcoa that would, along with Authority Service Tariff Number AL-2, apply to the sale of preservation power to Alcoa.

The Alcoa plant located in Massena is the

oldest continually operating smelter in the world, first opening in 1902. Alcoa signed their first agreement with the Authority in 1955 and became one of NYPA's first customers when power started to be generated at the St. Lawrence-FDR Power Project in 1957.

Both parties recognize the value of this long-standing relationship, dating back nearly 70 years.

In late 2023, the Authority and Alcoa commenced discussions of an extension of Alcoa's hydropower allocation.

On March 21st, 2025, the Authority and Alcoa reached an agreement on a term sheet to extend the allocation for 10 years and provide for two five-year extensions, if certain capital investment and employment commitments are met.

The Authority and Alcoa have now reached an agreement pursuant to which the Authority would sell the Allocation of 240 megawatts to Alcoa under the Proposed Contract, including Service Tariff Number AL-2.

The following is a summary of pertinent provisions in the proposed contract and Service Tariff Number AL-2: The contract provides for the

direct billing of all hydropower supply charges and all New York Independent System Operator Inc. charges and taxes.

The contract includes customer-agreed-upon commitments with respect to employment, capital investment, and power utilization.

Under the contract, the Authority may reduce or terminate the allocation if employment, capital investment, or power utilization are not met.

Relatedly, the contract includes an annual job reporting requirement and a job compliance threshold of 90 percent.

Should the company's average annual employment fall below the compliance threshold of 90 percent of the employment commitment, the Authority may reduce the amount of the allocation.

Service Tariff Number AL-2 provides for a monthly energy rate calculated with a formula tied to aluminum prices. There will be no price ceiling on the monthly energy rate applicable in any given month; however, the monthly energy rate will never be lower than the overall preference power rates charged by the Authority to its qualifying customers.

The contract requires the company to participate in an energy efficiency program or perform energy audits at its facilities.

To address non-payment risks that could result from the direct billing arrangement, the contract includes commercially reasonable provisions concerning the Authority's ability to require deposits in the event of the customer's failure to make payment for any two monthly bills.

These contract provisions are consistent with other Authority direct-sale contracts, including the Recharge New York sales contracts.

The Contract provides for monthly clean energy standard charges, including but not limited to, the cost of zero emission credits and renewable energy credits that the Authority incurs attributable to the load served under the contract.

The cost of all clean energy standard charges associated with Alcoa's load will be passed through to Alcoa.

As Ms. Hochheiser stated earlier, the Authority will accept your comments on the proposed contract until the close of business on Wednesday, September 10th, 2025.

I will now turn the meeting back to Ms. Hochheiser.

FELISA HOCHHEISER: Thank you, Ms. Wilson.

Have any speakers signed up to speak?

PATRICIA WILSON: We have none.

FELISA HOCHHEISER: Very good.

Since no one has signed up to speak at the hearing, we will recess and reconvene as speakers arrive. Thank you.

(Brief recess.)

FELISA HOCHHEISER: It is now 6:00 p.m.

As I previously stated, the record of the hearing will remain open for additional comments up and until the close of business, Wednesday, September 10, 2025.

The September 9, 2025, Public Hearing on the proposed sale of hydropower to Alcoa USA Corp. is now officially closed.

Thank you, and good night.

(End of the meeting.)

C E R T I F I C A T E

I, Jackie Mentecky, Court Stenographer, certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

Dated this 10th day of September, 2025.

/s/ Jackie Mentecky

_____
Jackie Mentecky, Court Stenographer

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Ernest J. LaBaff Industrial Building – 19 Commerce Lane, Suite 1 – Canton, New York 13617
Phone: (315) 379-9306 / TDD: 711 – Fax: (315) 386-2573 – www.SLCIDA.com

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Patrick J. Kelly
St. Lawrence County
Industrial Development
Agency

*

CHIEF FINANCIAL OFFICER
Kimberly A. Gilbert
St. Lawrence County
Industrial Development
Agency

September 10, 2025

New York Power Authority
Downtown Massena Office
2 Water Street
The Mercantile Building, Lower Level
Massena, NY 13662

Re: Public Hearing Written Statement
For Inclusion in the Record of the September 10, 2025 Public Hearing:
Proposed Contract for the sale of Preservation Power to Alcoa USA Corp.

To Whom It May Concern:

Please accept this letter written in support of the Direct Sale Contract of hydropower to Alcoa, Inc. as part of New York State's efforts to assist in retaining and creating Alcoa jobs in Massena

As I'm sure you are aware, Alcoa has been a cornerstone of the local and regional manufacturing economy for over 120 years. In addition to the company's contributions to the regional economy through their employment, wages and taxes, they have supported our local colleges, their employees are actively involved in our local communities, and their Foundation has supported programs throughout the region.

To highlight the importance of this project, I would like to point out that one of the goals within the St. Lawrence County Comprehensive Economic Development Strategy ("CEDS") is to "**Identify, retain, and expand employers and startups within the County by prioritizing activities that assist in ensuring viability through more profitable operations.**"

One of the specifically listed objectives of this goal is to steps of this to **"Support "primary" industries, i.e., enterprises that sell significant percentages of their products and services to customers largely located outside the County."** Alcoa is an outstanding example of a primary industry firm in our county and the long-term support that NYPA can provide through a hydropower allocation to Alcoa at the Massena smelter is exactly the kind of activity that we are seeking to encourage through our Development Strategy.

This institution is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410. Or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay)

The St. Lawrence County Industrial Development Agency commends and thanks the Power Authority for its aggressive and substantial efforts to assist in the retention of Alcoa's Massena operations. The Agency has also been fortunate to work with the Power Authority on a number of local and regional economic development initiatives. By supporting our existing industries, including through this proposed power contract with Alcoa, and by assisting in the creation of strategies to build future industries and stronger local communities, the New York Power Authority is clearly demonstrating a commitment and partnership in improving the quality of life and economic condition of St. Lawrence County and the North Country.

Thank you for your consideration of these comments.

Sincerely,

Patrick J. Kelly
Chief Executive Officer

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Ernest J. LaBaff Industrial Building • 19 Commerce Lane, Suite 1 • Canton, New York 13617
Phone: (315) 379-9000 / TDD: 711 • Fax: (315) 386-2373 • www.SLCIDA.com

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Canton Area

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CHIEF EXECUTIVE OFFICER
Patrick J. Kelly
St. Lawrence County
Industrial Development
Agency

*

CHIEF FINANCIAL OFFICER
Kimberly A. Gilbert
St. Lawrence County
Industrial Development
Agency

August 5, 2025

New York Power Authority
Downtown Massena Office
2 Water Street
The Mercantile Building, Lower Level
Massena, NY 13662

Re: **Written Statement For Inclusion in the Record of the Public Hearing: Direct Sale Contract for the sale of hydropower to Alcoa, Inc.**

To Whom It May Concern:

We are extremely pleased that the Power Authority worked so hard to successfully put a long-term power package together to support the smelting operations at the Massena West Plant. The United Steelworkers Local 420-A, the greater Massena community, Alcoa's management and all of our local, state and federal officials and agencies have worked hard together over the years to support and preserve this facility, and each and every one of these stakeholders should be proud and thankful for this agreement.

By making this agreement happen, the Power Authority and New York State have once again shown their support and belief in the North Country. We appreciate that support and know that this plant wouldn't be open without it.

As Secretary of the St. Lawrence County Industrial Development Agency and President Emeritus of the Aluminum Brick & Glass Workers International Union, I can tell you without hesitation that Alcoa is absolutely essential to the economic well being of the North Country. By retaining hundreds of jobs for the hardworking men and women at Alcoa, you are supporting hundreds of families that make up the backbone of Massena and the surrounding communities in the North Country. These families support our schools, our stores, our hospitals and every other sector of our local economy. By keeping Alcoa in operation in Massena you have done much more than preserving 500 local jobs, you are supporting hundreds more throughout this region.

We strongly support the Direct Sale Contract for the sale of hydropower to Alcoa. Thank you for your assistance.

Thank you.

Sincerely,

Ernest J. LaBaff
Secretary

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VILLAGE OF GOUVERNEUR

33 CLINTON STREET ~ GOUVERNEUR NY 13642 ~ ST. LAWRENCE COUNTY
PHONE 315-287-1720 ~ FAX 315-287-3011
NYS HEARING IMPAIRED RELAY 1-800-662-1220

September 10, 2025

New York Power Authority
123 Main Street
White Plains, NY 10601

Subject: Support for the Alcoa Power Contract

I am writing to express my strong support for the Alcoa Power Contract currently under consideration., I believe this contract represents a vital opportunity to foster substantial growth and stability for our region.

The Alcoa Power Contract will support economic prosperity and workforce empowerment. The agreement promises to secure the continued operation of Alcoa's facilities, which are essential to our local economy. By ensuring a reliable and affordable power supply, this contract will enable Alcoa to maintain its competitive edge, safeguard existing jobs, and potentially create new employment opportunities for local workers.

Alcoa's presence in our community has historically provided numerous high-quality jobs, contributing to the economic well-being of countless families. The proposed power contract will help sustain these jobs and support the livelihoods of workers who are integral to the success of our regional economy. Furthermore, the stability offered by this agreement will attract additional investments, spurring further economic activity and growth.

In addition to job preservation and creation, the Alcoa Power Contract will have positive ripple effects across various sectors, including local businesses that supply goods and services to Alcoa's operations. This economic multiplier effect will stimulate further development, enhance local spending, and contribute to the overall vitality of our community.

Moreover, the contract's focus on affordable and reliable power aligns with broader efforts to modernize our energy infrastructure. This forward-thinking approach not only supports the immediate needs of Alcoa but also lays the foundation for long-term economic resilience and sustainability.

I urge the New York Power Authority to approve the Alcoa Power Contract and to continue prioritizing initiatives that promote economic development and local labor. By supporting this contract, you will be making a significant investment in the future of our community and the well-being of its residents.

Thank you for your attention to this important matter and for your dedication to serving the energy needs of our state.

Respectfully,

Ronald P. McDougall

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **September 23, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **Transfer of ReCharge New York Power Allocations**

SUMMARY

The Trustees are requested to approve the transfer of the Recharge New York ("RNY") Power allocation awarded by the New York Power Authority ("Authority"):

1. Transfer of a 180 kilowatt ("kW") RNY Power allocation awarded to Hebeler LLC ("Hebeler"), for use at its facility located at 2000 Military Road, Tonawanda, NY 14150, to CPEG Buffalo LLC ("CPEG"), to address organizational changes.

Transfers of RNY Power are subject to review and approval of the Economic Development Power Allocation Board ("EDPAB"). At its September 23, 2025 meeting, EDPAB approved the transfer of this RNY Power allocation.

DISCUSSION

The following discussion describes the facts relating to the recommended transfer:

1) Hebeler LLC

Hebeler was awarded a 180 kW allocation of RNY Power for use at its facility located in Tonawanda, NY. This facility manufactures custom-engineered industrial equipment for power generation, food, beverage, chemical and pharmaceutical industries, in addition to selling parts and providing service for certain equipment.

On November 19, 2024, Hebeler's assets were purchased by CPEG. CPEG plans to make no changes to the business operations previously conducted at the Tonawanda facility.

Hebeler and CPEG request that the 180 kW RNY Power allocation be transferred from Hebeler to CPEG. CPEG has indicated it will honor all terms and commitments previously made by Hebeler under the Agreement for the Sale of Recharge New York and Energy with the Authority covering the allocation.

The Trustees have previously approved transfers of RNY power allocations in similar circumstances.

RECOMMENDATION

Staff recommends that the Trustees approve the transfer discussed above, subject to the following conditions: (1) no material reductions in the base employment level or capital investment commitments associated with the allocation to be transferred; and (2) the transfer shall be addressed in contract documents containing such terms and conditions as the Authority deems necessary to effectuate the transfer.

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

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the transfer of a 180 kilowatt ("kW") allocation of Recharge New York ("RNY") Power awarded to Hebeler LLC, for use at its facility located at 2000 Military Road, Tonawanda, New York 14150, to CPEG Buffalo LLC, as described in the foregoing memorandum of the President and Chief Executive Officer ("Memorandum") be, and hereby is, approved, subject to (1) such terms and conditions set forth in the foregoing Memorandum, and (2) such terms and conditions as may be required by the New York Power Authority ("Authority") in contract documents prepared by the Authority to effectuate the transfer; and be it further

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

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **September 23, 2025**

To: **Board of Trustees**

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **Recommendation for the Award of Fund Benefits from the Western New York Economic Development Fund by the Western New York Power Proceeds Allocation Board**

SUMMARY

The Trustees are requested to: (1) accept the recommendation of the Western New York Power Proceeds Allocation Board (the "Allocation Board" or "WNYPPAB") and make an award of Fund Benefits from the Western New York Economic Development Fund to Ralph Wilson Park Conservancy, Inc. ("Conservancy"), Shea's O'Connell Preservation Guild Ltd.("Shea's") and Buffalo Society of Natural Sciences ("Museum")., as more fully described in Exhibits "A", "A-1", "A-2" and "A-3", in the amounts indicated on the Exhibits and for the reasons discussed below and in the Exhibits; and (2) authorize the other actions described herein with respect to such applicants and the recommended award.

BACKGROUND

1. Western New York Power Proceeds Allocation Act

The Western New York Power Proceeds Allocation Act (the "Act") was signed into law on March 30, 2012. The Act provides for the creation, by the Authority, of the Western New York Economic Development Fund. The Fund consists of the aggregate excess revenues received by the Authority from the sale of Expansion Power ("EP") and Replacement Power ("RP") produced at the Niagara Power Project that were sold in the wholesale energy market in excess of what revenues would have been received had such energy been sold on a firm basis to an eligible EP or RP customer under the applicable tariff or contract.

Under the Act, an "eligible applicant" is a private business, including a not-for-profit corporation. "Eligible projects" is defined to mean "economic development projects by eligible applicants that are physically located within the State of New York within a thirty-mile radius of the Niagara power project located in Lewiston, New York that will support the growth of business in the state and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments." Eligible projects include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant for fund benefits; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York State; support for tourism and marketing and advertising efforts for western New York State tourism and business; and energy-related public relations.

Eligible projects do not include public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses, as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

Fund Benefits have been provided to successful eligible applicants in the form of grants. Generally, Fund Benefits are disbursed as reimbursement for expenses incurred by an Eligible Applicant for an Eligible Project. Occasionally, Fund Benefits may be disbursed in advance for proposed eligible expenditures to be incurred by the Eligible Applicant for an Eligible Project, when NYPA determines this approach is appropriate. In such cases, NYPA must have authorized the approach in advance, and proposed expenses must be appropriately documented.

At least 15 percent of Fund Benefits must be dedicated to eligible projects which are "energy-related projects, programs and services," which is defined to include: energy efficiency projects and services; clean energy technology projects and services; and high performance and sustainable building programs and services, and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.

Allocations of Fund Benefits may only be made based on the amount of money that has been deposited into the Fund. No award may encumber future funds that have been received but not deposited in the Fund.

2. Western New York Power Proceeds Allocation Board

Under the Act, the Allocation Board is charged with soliciting applications for Fund Benefits, reviewing applications, making eligibility determinations, and evaluating the merits of applications for Fund Benefits. The Allocation Board uses the criteria applicable to EP, RP and PP, and for revitalization of industry as provided in Public Authorities Law §1005. Additionally, the Allocation Board is authorized to consider the extent to which an award of Fund Benefits is consistent with the strategies and priorities of the Regional Economic Development Council having responsibility for the region in which an eligible project is proposed. A copy of these criteria (collectively, "Program Criteria"), adapted from the Allocation Board's "Procedures for the Review of Applications for Fund Benefits," is attached as Exhibit "B."

The Allocation Board met on March 4, 2013, and, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. At that time, the Allocation Board defined "retail business" to mean a business that is primarily engaged in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services.

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by the Authority, and the Act authorizes the Authority to award Fund Benefits to an applicant upon a recommendation of the Allocation Board. Upon a showing of good cause, the Authority has discretion as to whether to adopt the Allocation Board's recommendation, or to award benefits in a different amount or on different terms and conditions than proposed by the Allocation Board. In addition, the Authority is authorized to

include within the contract covering an award ("Award Contract") such other terms and conditions the Authority deems appropriate.

3. Application Process

To provide for the efficient review of applications and disbursement of Fund Benefits, the Allocation Board established a schedule of dates through the end of 2025 during which the Allocation Board would consider applications. At this time, applications are being accepted on a rolling basis. In addition, the application process has been promoted through a media release and with assistance from state and local entities, including the Western New York and Finger Lakes Regional Economic Development Councils, the Empire State Development Corporation, and other local and regional economic development organizations within the State. A webpage was created that is hosted on WWW.NYPA.GOV/WNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by NYPA.

DISCUSSION

At its August 5, 2025 meeting, the Allocation Board considered applications from the Conservancy, Shea's and the Museum.

As detailed in Exhibit "A-1", the Conservancy seeks funds to support construction of a 10,000 square foot multi-use facility that will augment the $200 million redevelopment of Buffalo's 100-acre LaSalle Park (now the Ralph Wilson Park). The proposed building will provide operations, administrative, security and programming team offices, storage, public restrooms, and a maintenance facility from where the Conservancy will manage the park. To ensure that it remains clean, safe, and welcoming year-round, grounds and maintenance equipment will be purchased, and a park signage system will be installed as part of the project. The Conservancy would spend approximately $11.7 million to complete its project.

As detailed in Exhibit "A-2", Shea's seeks funds to support construction of a 24,100 square foot expansion of the Buffalo Theatre, at 646 Main Street that will provide patrons with elevators, 60 new restrooms, expanded lobbies, a covered drop off area and outdoor patio. The expansion addresses essential accessibility and capacity issues, supports growing attendance, and strengthens the theatre's position as a dynamic, inclusive hub for the performing arts in Buffalo. Shea's would spend approximately $29.8 million to complete its project.

As detailed in Exhibit "A-3", the Museum seeks funds to create an exhibit focused on the Science of Sport. This interactive display will explore scientific principles such as wellness, physics and psychology as they relate to various sports, aiming to engage visitors of all ages with the often-overlooked scientific elements in athletics, sports health, technology, and fandom culture. Key features and interactive experiences include a "Shout" Chamber, Media Desk, and Design-Your-Own Mascot Display. The Museum would spend approximately $2.8 million to complete its project.

The Allocation Board staff analyzed the applications and made an award recommendation to the Allocation Board based on eligibility requirements and Program Criteria. A copy of the recommendation memorandum provided to the Allocation Board for the projects is attached as Exhibits "A-1", "A-2" and "A-3". The applications have also been made available to the Trustees for review.

The Allocation Board has recommended that the applicants receive Fund Benefit awards in the amounts indicated on Exhibits “A”, “A-1”, “A-2” and “A-3”. Given the nascent stage of the proposed projects, it was not practical to recommend the terms and conditions that would be applicable to the award and memorialized in an Award Contract between the Authority and a successful applicant.

If an applicant receives a Fund Benefit award, it is anticipated that Authority staff will negotiate final terms and conditions with the successful applicant after receiving more detailed information concerning the project and proposed schedules. An Award Contract may include scheduled payments tied to commitment milestones, such as employment creation and retention. In addition, staff anticipates that an Award Contract will include provisions for periodic audits of the successful applicant to determine contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursements if the applicant fails to maintain agreed-upon commitments, such as, among other things, employment levels or project milestone due dates.

RECOMMENDATION

The Senior Vice President, Clean Energy Solutions, recommends that:

(1) the Trustees accept the recommendation of the Allocation Board and make an award of Fund Benefits to the Conservancy, Shea’s and the Museum in the amount identified in Exhibits “A”, “A-1”, “A-2” and “A-3”, conditioned upon an agreement to be negotiated with the applicant on the final terms and conditions applicable to the award. Such terms will be included in an Award Contract approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or such official’s designee, as to form;

(2) the Executive Vice President and Chief Operating Officer, or such official’s designee, be authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the award; and

(3) the Senior Vice President for Customer Solutions, or such official’s designee, be authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibits “A”, “A-1”, “A-2” and “A-3” subject to the foregoing conditions.

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

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

WHEREAS, The Western New York Power Proceeds Allocation Board (“Allocation Board”) has recommended that the Authority make an award of Fund Benefits from the Western New York Economic Development Fund to Ralph Wilson Park Conservancy, Inc. (“Conservancy”), Shea’s O’Connell Preservation Guild Ltd.(“Shea’s”) and Buffalo Society of Natural Sciences (“Museum”), for the reasons set forth in the accompanying Memorandum of the President and Chief Executive Officer ("Memorandum") and the other information referred to therein;

NOW THEREFORE BE IT RESOLVED, that the Authority hereby accepts the recommendation of the Allocation Board and authorizes award of Fund Benefits to the Conservancy, Shea’s and the Museum in the amounts recommended in the attached Memorandum, for the reasons set forth in the attached Memorandum and other information referred to therein, conditioned upon agreements between the Authority and the Conservancy, Shea’s and the Museum, on the final terms and conditions that would be applicable to the awards, as set forth in a written award contract (“Award Contract”) between the Authority and the applicants, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or such official’s designee, as to form; and be it further

RESOLVED, That the Executive Vice President and Chief Operating Officer, or such official’s designee, is authorized to negotiate with the applicant concerning such final terms and conditions applicable to the award; and be it further

RESOLVED, That the Senior Vice President for Customer Solutions, or such official's designee, is authorized to execute, on behalf of the Authority, an Award Contract for the award, subject to the forgoing conditions; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Senior Vice President for Customer Solutions, and any other officer of the Authority, are each hereby authorized to take any and all actions, and to execute and deliver any and all agreements, certificates and other documents, on behalf of the Authority, as may be necessary or appropriate to effectuate the foregoing resolutions.

Exhibit "A"
8/5/2025

Applications for Proceeds and Fund Recommendations

Line	Business	City	County	Economic Development Region	Project Description	Project Type	Recommended Award Amount	Total Project Cost	Jobs Retained	Jobs Created
1	Ralph Wilson Park Conservancy, Inc.	Buffalo	Erie	Western NY	Ops and Maint. Bldg. Const.	Downtown Investment	$2,334,434	$11,672,171	0	0
2	Shea's O'Connell Preservation Guild Ltd.	Buffalo	Erie	Western NY	Expansion	Tourism	$7,500,000	$29,790,780	0	0
3	Buffalo Society of Natural Sciences	Buffalo	Erie	Western NY	New Exhibit	Tourism	$562,322	$2,811,612	0	0
						Total:	**$10,396,756**	**$44,274,563**	**-**	**-**

Total Jobs Created & Retained: **-**

NEW YORK STATE | Western NY Power Proceeds Allocation Board

KATHY HOCHUL
Governor

ANTHONY J. COLUCCI III
Chairman

Western New York Economic Development Fund Recommendation Memo
Exhibit A-1

Applicant Name:	Ralph Wilson Park Conservancy, Inc. ("Applicant", "Conservancy")	REDC Region:	Western New York
Project Type:	Downtown Investment	County:	Erie
Industry:	Not-for-profit	Locality:	Buffalo
Amount Requested:	$2,334,434	Start Date:	10/01/2025
		Finish Date:	3/20/2028

RECOMMENDED OFFER

Recommended Total Award:	$2,334,434
Total Project Cost:	$11,672,171
% of Project Cost Recommended:	20%

PROJECT BUDGET (Proposed by Applicant)

Use of funds	Amount	Source of Funds	Amount
Hard Costs	$6,812,331	WNYEDF	$2,334,434
Signage & Furniture	$1,811,273	RWP Conservancy Fund	$2,000,000
Soft costs, Inc. contingency	$1,158,567	M&T Foundation	$500,000
Machinery + Equipment	$1,115,000	DD Wilson Activation Fund	$300,000
Land Acquisition	$500,000	Private Funders	$5,537,737
Infrastructure costs	$275,000	Mother Cabrini	$1,000,000
Total:	**$11,672,171**	**Total:**	**$11,672,171**

REGIONAL IMPACT MEASUREMENTS

Job Commitments:	The Funding Track under which the application was submitted does not require job-related commitments
Average Salary of Jobs:	N/A
Indirect Jobs Created:	N/A
Other Impact:	N/A

PROJECT DESCRIPTION (Adapted from Application)

The Ralph Wilson Park Conservancy, a nonprofit organization created to work in partnership with the City of Buffalo to operate, maintain, and promote the use of Ralph Wilson Park, a 100-acre park formerly known as LaSalle Park, is advancing to the next phase of redevelopment.

This community-led, $200 million+ redevelopment aims to create a vibrant and inclusive space for all. Phase 1 of the project, set to be completed by summer 2026, includes the construction of a new pedestrian bridge, sports fields, shoreline and inlet reconstruction, and walking and bike paths. Phase

2, expected to be complete by early 2028, will feature additional shoreline enhancements, a dog park, a kayak launch, and a large play garden.

While the City of Buffalo will oversee the park's redevelopment and retain ownership, the Conservancy will assume responsibility for park operations, maintenance, and programming upon the park's completion. To achieve this, the Conservancy will construct a 10,000-square-foot multi-use facility that includes offices, storage, public restrooms, and a maintenance facility; install park and facility furnishings, signage, and acquire essential maintenance equipment to ensure high-quality park operations.

The facility will serve as a permanent home for the Conservancy's operations, maintenance, and security teams, administration and programming team and a comfort station for park visitors. To ensure the park remains clean, safe, and welcoming year-round, final grounds and maintenance equipment will be purchased for use by the Applicant, and a park signage system will be installed.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS

BASIS FOR RECOMMENDATION

Several aspects of this project support recommending a Fund Benefits award:

- Closes a critical funding gap, ensuring essential components like maintenance equipment, a dedicated facility, and park-wide signage are fully implemented.
- Generates significant economic impact by attracting thousands of visitors annually to downtown Buffalo, benefiting local businesses and increasing private investment. It also provides equitable access to high-quality public space for Buffalo's Lower West Side community.
- Ensures sustainable upkeep of the park without relying solely on the city; thereby making the project critical for the Conservancy's operation.
- Aligns with the 2024 WNY REDC Smart Growth strategies, which aim to revitalize the region, attract skilled workers, and encourage private investment in community anchors, waterfronts, and tourism assets.

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the Applicant for a portion of the costs associated with machinery and equipment for the new facility, as well as signage and furniture for the facility and the park. It is anticipated that: (1) funds will be disbursed in arrears upon completion of the project; and (2) reimbursement will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA, verifying that the Applicant has incurred eligible expenses of approximately $11.7 million; and (3) other terms and conditions, including annual commitments, will be specified in the Fund Benefits Agreement.

Western New York Economic Development Fund Recommendation Memo
Exhibit A-2

Applicant Name:	Shea's O'Connell Preservation Guild Ltd. ("Shea's", "Applicant")	REDC Region:	Western New York
Project Type:	Tourism	County:	Erie County
Industry:	Not for Profit	Locality:	Buffalo
Amount Requested:	$7,500,000	Start Date:	11/01/2025
		Finish Date:	12/31/2027

RECOMMENDED OFFER

Recommended Total Award:	$7,500,000
Total Project Cost:	$29,790,780
% of Project Cost Recommended:	25%

PROJECT BUDGET (Proposed by Applicant)

Use of funds	Amount	Source of Funds	Amount
Hard Costs	$23,943,000	WNYEDF	$7,500,000
Soft costs, Inc. contingency	$4,642,050	NYSCA Large Capital Grant	$5,000,000
Other- National Grid Service Fees	$657,750	Shea's Self-Funding	$3,000,000
Furniture, Fixtures + Equipment	$547,980	ESD	$1,000,000
		Erie County	$750,000
		Shea's Spotlight Committee	$200,000
		SAM Grant	$125,000
		Lead Gift One	$4,000,000
		Corporate Sponsor	$2,017,220
		Foundation Support	$2,000,000
		Private Donor Campaign	$1,898,560
		Lead Gift Two	$1,300,000
		Unidentified Sources	$1,000,000
Total:	**$29,790,780**	**Total:**	**$29,790,780**

REGIONAL IMPACT MEASUREMENTS

Job Commitments:	The Funding Track under which the application was submitted does not require job-related commitments.
Average Salary of Jobs:	N/A
Indirect Jobs Created:	N/A
Other Impact:	N/A

PROJECT DESCRIPTION (Adapted from Application)

Shea's O'Connell Preservation Guild, Ltd. is a not-for-profit, organization incorporated in 1926 for the purpose of restoring and maintaining Shea's Performing Arts Center in Buffalo, New York.

Elevate Shea's is a transformative capital project designed to modernize and expand Shea's Buffalo Theatre (the "Theater"), at 646 Main Street, one of Western New York's premier cultural landmarks. At the core of this project lies a commitment to enhance the patron experience while preserving the historic integrity of this venue. It features a 24,100 sq. ft. vertical expansion that will include the installation of three large-capacity, high-speed elevators to provide universal access to all seating levels and address long-standing accessibility challenges at the Theatre. Public lobbies and gathering spaces will be significantly expanded to ease congestion and improve flow throughout the facility.

Timed to coincide with the Theater's Centennial celebration in 2026, this transformative four-story expansion will ensure that the Theater remains accessible, welcoming, and competitive in the future, solidifying its role as a cultural anchor in Buffalo.

Key upgrades include:

- Three high-speed elevators to ensure barrier-free access to all levels for patrons with mobility needs.
- Over 60 new restrooms that will significantly reduce wait times and improve comfort, especially during large events.
- Expanded lobbies and circulation areas to create a more relaxed and welcoming environment before, during, and after performances.
- Modern digital signage to streamline wayfinding and real-time communication with guests.
- A covered drop-off area to provide safer, weather-protected access for all guests, especially in inclement conditions.
- An outdoor patio that extends the theater experience beyond the building itself.

This expansion addresses essential accessibility and capacity issues, supports growing attendance, and strengthens the Theater's position as a dynamic, inclusive hub for the performing arts in Buffalo.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

NYSCA Large Capital Grant	$5,000,00		
ESD	$1,000,000		
Erie County	$750,00		
SAM (Sen. Sean Ryan)	$125,000		

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS

BASIS FOR RECOMMENDATION

Several aspects of this project support a recommendation in favor of a Fund Benefits award:

- Generates more than $10 million in additional annual economic activity, increases average per-capita spending and dwell time, and benefits downtown Buffalo's hotels, restaurants, and small businesses.
- Enhances accessibility with high-speed elevators, expanded lobbies, and additional restrooms to make Shea's more welcoming to older adults, families, and individuals with disabilities, broadening its audience reach.
- Strengthens Buffalo's position as a destination for arts-based tourism for patrons located across the Northeast and Ontario.
- Supports growth in theatre operations and local service-sector employment, contributing to Buffalo's broader economy.
- Aligns with the 2023 WNY REDC strategies and priorities, emphasizing tourism due to its significant role in the regional economy.

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the Applicant for a portion of the costs associated with the construction of a 24,100 sq. ft. addition. It is anticipated that: (1) funds will be disbursed in arrears upon completion of the project; and (2) reimbursement will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying that the Applicant has incurred eligible expenses of approximately $29.8 million; and (3) other terms and conditions including annual commitments, will be specified in the Fund Benefits Agreement.

NEW YORK STATE | Western NY Power Proceeds Allocation Board

KATHY HOCHUL
Governor

ANTHONY J. COLUCCI III
Chairman

Western New York Economic Development Fund Recommendation Memo
Exhibit A-3

Applicant Name:	Buffalo Society of Natural Sciences ("Museum", "Applicant")	REDC Region:	Western New York
Project Type:	Tourism	County:	Erie
Industry:	Not for Profit	Locality:	Buffalo
Amount Requested:	$562,322	Start Date:	10/1/2025
		Finish Date:	7/1/2026

RECOMMENDED OFFER

Recommended Total Award:	$562,322
Total Project Cost:	$2,811,612
% of Project Cost Recommended:	20%

PROJECT BUDGET (Proposed by Applicant)

Use of funds	Amount	Source of Funds	Amount
Exhibit Fab & Inst. Adm.	$1,805,001	WNYEDF	$562,322
Electrical, HVAC, Plumbing work	$437,137	Additional cash equity contribution	$562,322
Exhibit Design	$415,125	Public funds	$810,000
Soft Costs-Contingency	$25,000	Private Philanthropy	$245,000
FF&E-Jumbotron	$86,549	James H. Cummings Foundation	$25,000
FF&E- Benches for Exhibit Space	$3,500	Kenmore Rotary Club	$25,000
Arch. Design/Int. Bldg. Finishes	$39,300	Buffalo Common Council	$10,000
		Unidentified	$571,968
Total:	**$2,811,612**	**Total:**	**$2,811,612**

REGIONAL IMPACT MEASUREMENTS

Job Commitments:	The Funding Track under which the application was submitted does not require job-related commitments.
Average Salary of Jobs:	N/A
Indirect Jobs Created:	N/A
Other Impact:	N/A

PROJECT DESCRIPTION (Adapted from Application)

The Buffalo Society of Natural Sciences is a not-for-profit organization that inspires curiosity and fosters a deep appreciation for science and nature through immersive, educational experiences. The organization aims to create opportunities for lifelong learning and discovery that positively impacts the community.

The Applicant is developing a new exhibit focused on the science of sport, set to open in Fall 2026. This interactive exhibit will explore scientific principles such as wellness, physics and psychology as they relate to various sports, aiming to engage visitors of all ages with the often-overlooked scientific elements of athletics. The Buffalo Bills, Buffalo Sabres and Buffalo Bandits are partnering with the Applicant on the exhibit, which will include such interactive experiences as:

- "Shout" Chamber: Allows visitors to measure the decibel level of their cheers, exploring the physics of sound and the intensity of sports fandom.
- Media Desk: Offers guests the opportunity to translate and analyze sports statistics, highlighting the mathematical and analytical aspects of sports.
- Design-Your-Own Mascot Display: Encourages creativity and explores the cultural and design elements associated with sports teams.
- Built-for-Buffalo interactive: A custom-designed activity that explores concepts of arcs, accuracy, and momentum, paying homage to Buffalo Bills tailgating traditions.

The exhibit will not be limited to football and hockey but will also include adaptive sports to promote a broader understanding of athletic endeavors.

The exhibit aims to increase attendance, drive regional tourism, and expose youth to STEM professions, particularly in the sports industry. The Museum anticipates the project will draw a broader and more diverse audience—including non-traditional museum-goers—and facilitate repeat visits from neighboring markets.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
ESD	$550,000		
Senator Sean Ryan (via DASNY	$250,00		
City of Buffalo (via Councilmember Mitch Nowakowski	$10,000		

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED		
TYPE	**AMOUNT**	**STATUS**

BASIS FOR RECOMMENDATION

Several aspects of this project support recommending a Fund Benefits award:

- The Museum has a track record of boosting visitation after exhibit upgrades; a similar increase from the new exhibit could draw over 41,000 additional tourists in the first two years.
- The exhibit enhances regional tourism by appealing to families, youth sports travelers, professional sports fans, and business visitors. Its unique focus on sports science offers broad appeal.
- The venue is the only science museum located within an hour of Buffalo, and the Science Stadium will be the only sports-related science exhibit within several hours, making it a distinctive regional attraction.
- The exhibit leverages Western New York's strong sports culture and partnerships with local teams to increase tourist engagement and encourage longer, repeat visits.
- Increased visitation is expected to generate economic benefits through higher local spending on hospitality, retail, and services.
- By using sports to introduce STEM concepts, the exhibit supports youth engagement and long-term workforce development in STEM—an indirect form of economic development.
- The Museum's commitment to accessibility—through free admission and affordable memberships, increases participation among underrepresented and economically disadvantaged groups.
- The project aligns with the 2023 WNY REDC strategies, particularly its focus on tourism as a key economic driver.

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the Applicant for a portion of the costs associated with exhibit fabrication, installation and administration for the new exhibit. It is anticipated that: (1) funds will be disbursed in arrears upon completion of the project; and (2) reimbursement will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying that the Applicant has incurred eligible expenses of approximately $2.8 million; and (3) other terms and conditions including annual commitments, will be specified in the Fund Benefits Agreement.

Exhibit B

Criteria adapted from the Western NY Power Proceeds Allocation Board's "Procedures for the Review of Applications for Fund Benefits"

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.[1] The Western New York Regional Economic Development Council is responsible for Eligible Projects in Erie and Niagara Counties, and its Strategies & Priorities are to:

   - Promote "Smart Growth" by investing in areas where infrastructure already exists and achieves certain goals, such as: preserving historic buildings; reviving downtowns; reviving main streets; investing in existing neighborhoods; and investing in former industrial sites. A project consistent with Smart Growth will also focus on: enhancing walkability; enhancing multiple modes of transportation; connecting disadvantaged communities to employment clusters; spurring mixed-use private investment in existing communities and preserving/enhancing natural lands and or resources.
   - Promote workforce development by increasing diversity in the labor force, developing and cultivating workers with advancement potential, underemployed, unemployed and who belong to a special population; align education and skills training to the job market for current and future industry needs.
   - Foster entrepreneurship and new business formation and growth. Designing a plan that brings new technologies and/or products to the marketplace, increases new start ups in strategic industries and facilitates the commercialization of products that can lead to job growth in the region.
   - Increase the industry profile of agriculture in WNY by: creating better access to markets; creating new products, creating new more efficient processes, and creating strong regional brands; creating programs that promote careers in agriculture.
   - Utilize Western New York's proximity to Canadian and U.S. population centers to advance economic development in WNY. Bi-national projects will utilize cross-border

[1] As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

planning to create transportation and logistical infrastructure, improve operational relationships, and promote the attractiveness of WNY as a hub for global trade.

- Position the WNY region as a global energy hub through new sources of clean energy, energy efficiency and energy efficient transportation.
- Support growth of advanced manufacturing by making research more available to manufacturers to help them innovate.
- Spur growth in the health and life sciences industry through improved commercialization, recruiting high profile research talent and reducing the cost burden of healthcare while improving health outcomes.
- Expand the scope of higher education by increasing accessibility to Higher Education for communities that currently have limited access to educational opportunities; better aligning education with the industry needs and creating support structures for start-ups that will assist start-ups with commercialization, business planning, workforce preparation, and facilities, etc.
- Grow visitors and visitor spending by raising the profile of WNY as a national and international destination; connect multiple tourist destinations in WNY; improve the profile of the WNY Gateway to the United States.

For more information on the Western New York Regional Economic Development Council please go to https://regionalcouncils.ny.gov/western-new-york.

2. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.[2] The Finger Lakes Regional Economic Development Council which is responsible for Eligible Projects in Orleans and Genesee Counties Strategies & Priorities can be found at: https://regionalcouncils.ny.gov/finger-lakes.
3. The number of jobs that would be created as a result of an award of Fund Benefits.
4. The applicant's long term commitment to the region as evidenced the current and/or planned capital investment in applicant's facilities in the region.
5. The ratio of the number of jobs to be created to the amount of Fund Benefits requested.
6. The types of jobs that would be created, as measured by wage and benefit levels, security and stability of employment.
7. The amount of capital investment, including the type and cost of buildings, equipment and facilities, proposed to be constructed, enlarged or installed.

[2] As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects that are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

8. The extent to which an award of Fund Benefits would affect the overall productivity or competitiveness of the applicant and its existing employment.
9. The extent to which an award of Fund Benefits may result in a competitive disadvantage for other business in the State.
10. The growth potential of the applicant's facilities and the contribution of economic strength to the area in which the applicant's facilities are or would be located.
11. The extent of the applicant's willingness to satisfy affirmative action goals.
12. The extent to which an award of Fund Benefits is consistent with state, regional and local economic development strategies and priorities and supported by local units of government in the area in which the business is located.
13. The impact of an award of Fund Benefits on the operation of any other facilities of the applicant, and on other businesses within the region.
14. That the business is likely to close, partially close or relocate resulting in the loss of a substantial number of jobs.
15. That the applicant is an important employer in the community and efforts to revitalize the business are in long-term interests of both employers and the community.
16. That a reasonable prospect exists that the proposed award of Fund Benefits will enable the applicant to remain competitive and become profitable and preserve jobs for a substantial period of time.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **September 23, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT & CHIEF EXECUTIVE OFFICER**

Subject: **Extension of the Industrial Incentive Award to Pratt Paper (NY), Inc. and Economic Development Plan**

SUMMARY

The Trustees are requested to approve a one-year extension, from June 1, 2025, to May 31, 2026, of the term of the Industrial Incentive Award ("IIA") previously awarded to Pratt Paper (NY), Inc. ("Pratt") in the amount of up to $1 million in connection with its Staten Island operations. At its meeting held on September 23, 2025, the Economic Development Power Allocation Board ("EDPAB") approved an extension, through May 31, 2026, of the Economic Development Plan ("Plan") covering the use of net revenues produced by the sale of Expansion Power ("EP") to provide electric bill discounts in the form of an IIA to manufacturing companies located in New York State that are at identifiable risks of closure or relocation to another state. Such extension would accommodate an extended IIA to Pratt.

BACKGROUND

Public Authorities Law ("PAL") § 1005 (eighth unnumbered paragraph) directs the Authority to identify "net revenues" produced by the sale of EP and, further, to identify an amount of such net revenues that will be used solely for IIAs. The Authority is directed in Section 1005 to identify net revenues available for IIAs no less often than annually. Net revenues are defined by PAL § 1005 as any excess of revenues properly allocated to the sales of EP over costs and expenses properly allocated to such sales.

IIAs are to be made in conformance with an economic development plan covering all such "net revenues." The Authority submits a plan to EDPAB pursuant to Economic Development Law ("EDL") § 188, which also provides for EDPAB's approval of the plan upon its determination that such Plan is consistent with, among other things, the economic development criteria provided for in EDL §§ 184 and 185 that evaluate applications for certain power. A copy of EDL §§ 184 and 185 is attached as Exhibit "A."

At its October 26, 2009 meeting, EDPAB approved an Economic Development Plan ("Plan") that allows the use of net revenues from the sale of EP for the calendar years of 2008 up through and including 2016 to provide electric bill discounts to manufacturing companies located in New York State that are at identifiable risk of closing or relocating to another state.

At its May 21, 2013 meeting, the Trustees authorized an IIA to Pratt upon determining that Pratt had demonstrated it met the qualifying criteria for an IIA and after careful consideration of Pratt's business case. The Trustees approved an annual amount of up to $1 million per year for up to five (5) years.

At its September 27, 2016 meeting, the Trustees approved an extension of the Plan to May 31, 2018, and also authorized submission of such Plan to EDPAB to request its approval of the modified Plan to cover the remainder of the five-year term of the IIA to Pratt. At its December 12, 2016 meeting, EDPAB approved the extension of the Plan that allows the use of net revenues from the sale of EP to May 31, 2018. At its December 10, 2018 meeting EDPAB approved the extension of the Plan that allows the use of net revenues from the sale of EP to May 31, 2019.

Since this time, EDPAB has extended the Plan, and NYPA has approved the Plan's extension, annually, in one-year increments (June 1-May 31) from 2019 through 2025. Following these extensions, the NYPA Board of Trustees approved one-year extensions (June 1-May 31) from 2019 through 2025 of the term of the IIA awarded to Pratt in the amount of up to $1 million in connection with Pratt's Staten Island operations after finding that Pratt continued to satisfy the requirements for an IIA.

Pratt operates a paper mill, a corrugated box factory and a sorting facility in Staten Island within Consolidated Edison service territory. Manufacturing processes represent a substantial portion of Pratt's total electricity consumption, and energy costs are a primary consideration for the economic viability of the plant. Pratt's IIA, in the form of a cents per kWh price discount applied to a level of annual electric consumption, was approved subject to, among other appropriate terms and conditions:

- Reevaluation and reduction should Pratt's electric rates decline during the term of the IIA.
- The availability of EP net revenue funding for IIAs, which is in NYPA's sole discretion.
- Appropriate determination(s) by the Trustees that the funding of IIAs in any fiscal year will not have a significant impact on the Authority's finances.
- Approval of an extension of the plan by EDPAB beyond 2024 to the extent that an IIA to Pratt would extend beyond such year.
- A reduction in the amount of the IIA if Pratt does not meet agreed-upon job commitments (270 full time employees) at the Staten Island facility.
- An agreement providing for the IIA and which addresses these and other appropriate terms and conditions in a form satisfactory to the Authority.

At the completion of the extended term, a compliance review was performed on the terms and conditions of the Agreement. Pratt has been compliant for each annual term, most recently employing an average of 296 persons at its facility during the twelfth annual term ending May 31, 2025.

DISCUSSION

By letter application dated May 19, 2025, Pratt requested an extension of the IIA. Upon review of Pratt's current business case, staff determined that Pratt continues to meet the IIA requirements of being a manufacturing company at risk of closing or curtailing operations and continues to be negatively impacted by high electricity costs within Consolidated Edison service territory, as well as local environmental mandates, which, according to Pratt, threatens the economic viability of operations at its Staten Island facility.

Pratt also indicates it is anticipating electricity delivery price increases in the near term based upon review of the existing utility tariff. The company also cited both higher utility taxes and a recent rate case filing for significant increases in delivery costs of natural gas as making the Staten Island plant less competitive than its facilities in other states, further jeopardizing its successful operations in New York. Pratt indicates that additional expenses, including those related to compliance with a new requirement imposed by New York City relating to wastewater pre-treatment, are expected to further increase operating costs at the Staten Island facilities.

An extension of the IIA would support Pratt's ability to maintain its committed employment level of 270 jobs at its facility.

Accordingly, the Trustees are requested to approve a one-year extension, from June 1, 2025, to May 31, 2026, of the term of the IIA previously awarded to Pratt in the amount of up to $1 million in connection with its Staten Island operations.

FISCAL INFORMATION

IIA awards may only be paid out if sufficient net revenues are produced by the sale of EP. Given that such net revenues and associated awards are anticipated in each year's budget, extension of the Plan from June 1, 2025, through May 31, 2026, to accommodate an additional year of IIA benefits will not have a significant impact on the Authority's finances.

RECOMMENDATION

The Senior Vice President of Customer Solutions requests that the Trustees approve a one-year extension, from June 1, 2025, to May 31, 2026, of the term of the IIA previously awarded to Pratt in the amount of up to $1 million in connection with its Staten Island operations.

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

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That the Authority hereby approves an extension to the term of the Industrial Incentive Award previously awarded to Pratt Paper (NY), Inc. to May 31, 2026, as described in the foregoing memorandum of the President and Chief Executive Officer, contingent upon the Economic Development Power Allocation Board approval of the requested extension of the Plan; and be it further

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

Economic Development Law §§ 184 AND 185

§ 184. Criteria for eligibility for economic development power. Each application for an allocation of economic development power shall be evaluated under criteria adopted by the board. Such criteria shall address, but need not be limited to:

(a) the number of new jobs created as a result of an economic development power allocation;

(b) the applicant's long-term commitment to New York state, as evidenced by the applicant's current and/or planned capital investment in business facilities in New York state;

(c) the ratio of the number of jobs to be created to the amount of economic development power requested by the applicant;

(d) the types of jobs created, as measured by wage and benefit levels, security and stability of employment;

(e) the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed;

(f) the extent to which economic development power will affect the overall productivity or competitiveness of the applicant's business and its existing employment within the state;

(g) the extent to which an allocation of economic development power may result in a competitive disadvantage for other businesses in the state;

(h) the general economic conditions and economic distress in the area in which the applicant's business facility would be located and the extent to which economic development power could contribute to the alleviation of such distress;

(i) the growth potential of the business facility and the contribution of economic strength to the area in which the business facility is or would be located;

(j) the extent of the applicant's willingness to make jobs available to persons defined as eligible for services under the federal job training partnership act of nineteen hundred eighty-two and the extent of the applicant's willingness to satisfy affirmative action goals;

(k) the extent to which an allocation of economic development power is consistent with state, regional and local economic development strategies and priorities and supported by local units of government in the area in which the business is located; and

(l) the impact of the allocation on the operation of any other facilities of the applicant, on other businesses within the state, and upon other electric ratepayers.

§ 185. Revitalization programs. In addition to the criteria described in section one hundred eighty-four of this article and such other criteria as the board may by rule or regulation define, an economic development power allocation may be made to a business in serious, long-term distress that is not primarily caused by normal, short-term changes in the business cycle, when the applicant demonstrates to the satisfaction of the board:

(a) that the applicant has formulated and will implement a comprehensive business revitalization plan which is described in its application, and which:

(1) contains a detailed strategy for actions to be taken by the applicant to continue as a successful business, including, but not limited to, productivity and efficiency improvements, changes in operations, financing or management, measures to enhance labor and management cooperation and to improve the skills and performance of the work force at all levels, capital investment in new equipment and plant modernization, development of new markets and products, and such other actions as will enable the business to stabilize and sustain its operations;

(2) has been endorsed by the board of directors; and

(3) establishes a verifiable schedule for completion of proposed actions;

(b) that an allocation of economic development power will significantly contribute to the revitalization plan;

(c) that the business is likely to close, partially close or relocate out of state resulting in the loss of substantial numbers of jobs;

(d) that the business is an important employer in the community and efforts to revitalize the business are in the long-term interests of both employees and the community;

(e) that a reasonable prospect exists that the proposed revitalization plan will enable the business to remain competitive and become profitable and preserve jobs for a substantial period of time;

(f) that the applicant demonstrates cooperation with the local electricity distributor and other available sources of assistance to reduce energy costs to the maximum extent practicable, through conservation and load management; and

(g) that the allocation will not unduly affect the cost of electric service to customers of the local electricity distributor.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **September 23, 2025**

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

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **Procurement (Services) and Other Contracts –**
Business Units and Facilities –
Awards, Extensions and/or Additional Funding

SUMMARY

The New York Power Authority Trustees ("Trustees") and New York State Canal Corporation Board of Directors ("Board of Directors") are requested to approve, as applicable, the award and funding of the multiyear procurement (services) contracts in support of projects and programs for the Authority's and Canal Corporation's Business Units/Departments and Facilities. Detailed explanations of the recommended awards and extensions, including the nature of such services, the basis for the new awards if other than to the lowest-priced, lowest total cost of ownership or "best valued" bidders and the intended duration of such contracts, or the reasons for the extension and the projected expiration dates, are set forth in the discussion below.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority's and Canal Corporation's Guidelines for Procurement Contracts require Authority Trustee and Canal Board approval for procurement contracts involving services to be rendered for a period of more than one year.

The Authority's and Canal Corporation's Expenditure Authorization Procedures ("EAPs") require Trustee and Board approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts more than $10 million, as well as personal services contracts more than $10 million if low bidder or best value, or $1 million if sole-source, single-source, or other non-competitive awards.

The Authority's and Canal Corporation's EAPs also require Trustee and Board approval when the cumulative change order value of a personal services contract exceeds $500,000, or when the cumulative change order value of a non-personal services, construction, equipment purchase, or non-procurement contract exceeds the greater of $6 million or 25% of the originally approved contract amount.

DISCUSSION

Awards

The Trustees and Board are requested to approve the award and funding of the multi-year procurement (services) contracts, as applicable, where the EAPs require approval based upon contract value or the terms of the contracts will be more than one year. Except as noted, these contracts contain provisions allowing the Authority and Canal Corporation to terminate the services for the Authority's and Canal Corporation's convenience, without liability other than paying for acceptable services rendered to the effective date of

termination. Approval is also requested for funding all contracts. Except as noted, these contract awards do not obligate the Authority and Canal Corporation to a specific level of personnel resources or expenditures.

The issuance of multiyear contracts is recommended from both cost and efficiency standpoints. In many cases, reduced prices are negotiated for these long-term contracts. Since these services are typically required on a continuous basis, it is more efficient to award long-term contracts than to rebid these services annually.

Extensions

Although the firms identified have provided effective services, the issues or projects requiring these services have not been resolved or completed and the need exists for continuing these contracts. Trustee and Board approval is required, as applicable, because the terms of these contracts will exceed one year including the extension, the term of extension of these contracts will exceed one year and/or because the cumulative change-order limits will exceed the levels authorized by the EAPs in forthcoming change orders. The subject contracts contain provisions allowing the Authority and Canal Corporation to terminate the services at the Authority's and Canal Corporation convenience, without liability other than paying for acceptable services rendered to the effective date of termination. These contract extensions do not obligate the Authority and Canal Corporation to a specific level of personnel resources or expenditures.

Extension of the contracts identified is requested for one or more of the following reasons: (1) additional time is required to complete the current contractual work scope or additional services related to the original work scope; (2) to accommodate an Authority and Canal Corporation or external regulatory agency schedule change that has delayed, reprioritized or otherwise suspended required services; (3) the original consultant is uniquely qualified to perform services and/or continue its presence and rebidding would not be practical or (4) the contractor provides proprietary technology or specialized equipment, at reasonable negotiated rates, that the Authority and Canal Corporation needs to continue until a permanent system is put in place.

The following is a detailed summary of each recommended contract award and extension.

Authority Contract Awards in Support of Business Units/Departments and Facilities:

Legal Affairs - Human Resources

Due to the need to meet and maintain the Authority's project schedule, the proposed personal services contracts with the below vendors for Professional Coaching Services became effective August 4, 2025, with an interim award amount of $50,000. This interim award is subject to Trustee ratification, which is hereby requested, in accordance with the Authority's Guidelines for Procurement Contracts. This award is a five-year term for an aggregate amount of $650,000. The Authority is procuring professional consulting services in the form of executive and organizational coaching to support leadership development across the Authority. These coaching services are designed to enhance the personal effectiveness and professional growth of the Authority's employees at various levels, particularly during periods of strategic transformation and organizational change. The services will include a range of coaching formats such as One-on-one executive coaching, on-demand and transition coaching, Goup (pod-based) coaching, and Assessment-based debriefs. Assignments will be tailored based on individual or group needs and will vary in duration, typically ranging from 3 to 6 months. Coaching may be delivered virtually or in-person, depending on the preference of the participant and scope of engagement. The Request for Proposals Q25-7653RF was advertised in the New York State procurement newsletter and on the Authority's website. Sixty-four entities were invited to, or expressed interest

in, the Ariba event. Twenty-six proposals were received via Ariba and were evaluated. Staff recommends the award of seven contracts to the below vendors, which are technically and commercially qualified.

Vendor Name	Status
A.M.T.A.E. Solutions LLC	MBE
Eagle Hill Consulting, LLC	
Guidehouse Inc.	
Ignition Coaching	M/WBE
InnerVoice Vocal Studio	WBE
Nextgen People	
Slalom, Inc.	

Operations - Central Support Services

The proposed non-personal services contract with the below vendor would provide Drone UAS Deconfliction Project. This award is a five-year term for an amount of $3,403,500. The Authority is the nation’s largest state public power organization, with 16 generation facilities and more than 1,400 circuit miles of transmission lines. In an effort to enhance critical infrastructure security and align with the FAA’s proposed Beyond Visual Line of Sight (BVLOS) rulemaking (Part 108) and Unmanned Aerial Systems (UAS) Service Provider requirements (Part 146), the Authority is seeking a qualified vendor for the support and implementation of deconfliction systems at all facilities. The deconfliction mission of the program is to alert the Authority's operators that a UAS has entered a designated warning zone of specified radius. Detection may include multiple layers of sensors such as Remote ID, RF scanning, optical, and acoustics. This supports FAA’s emphasis on real-time situational awareness and conformance monitoring for BVLOS operations. As unauthorized UAS flights are detected, the system shall provide the Authority with real-time tracking of the drone path, pilot location, and overall airspace situational awareness to the operator or security teams. This aligns with proposed FAA Part 146 requirements for strategic deconfliction and integration with authorized service providers. Also, the program will actively identify drone signature, manufacturer, model, range, speed, and payload capabilities of the drone in the Authority's airspace. The system shall also provide the Authority's Security with the ability to label detected aircraft as “friendly” or “risk.” This directly supports FAA’s proposed data-sharing and operator accountability provisions for BVLOS operations. The Request for Proposals Q25-10367096GJ was advertised in the New York State procurement newsletter and on the Authority's website. Thirty-seven entities were invited to, or expressed interest in, the Ariba event. Five proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor, which is technically and commercially qualified.

Vendor Name	Status
Axon Enterprise, Inc.	

Operations - Project Delivery

The proposed IT hardware contracts with the below vendors would provide EVSE Network Subscription and Service Contract. This award is a five-year term for an aggregate amount of $5,000,000. The Authority currently partners with multiple service providers for network software subscriptions and maintenance services for electric vehicle supply equipment (EVSE). The intent of this solicitation was to expand the Authority's pool of service providers to a) implement novel, emerging charging and network management solutions, b) improve

reliability and efficiency of the EVSE network, and c) provide the best possible uptime and functionality of the EVSE network. The Request for Proposals Q25-7631LS was advertised in the New York State procurement newsletter and on the Authority's website. Thirty-two entities were invited to, or expressed interest in, the Ariba event. Thirteen proposals were received via Ariba and were evaluated. Staff recommends the award of four contracts to the below vendors which are technically and commercially qualified.

Vendor Name	Status
EvGateway	
Livingston Energy Group, LLC dba Lynkwell	
PlugIn Stations Online LLC	
Swtch Energy Inc	

Operations - Power Generation & Waterways

The proposed construction contract with the below vendor would provide Concrete Floor Rehab. This award is a three-year term for an amount of $3,269,328 plus contingency funds of 10%, for a total request of $3,553,620. The conditions of the St. Lawrence Erection Bay have deteriorated over its sixty-five years of service. An assessment of the Erection Bay floor was conducted, and recommendations for the design and replacement of the topping slab, along with minor structural refurbishments, were made. The purpose of this contract is to ensure the longevity and functionality of the Erection Bay, thereby safeguarding both the infrastructure and personnel. This contract will include demolishing the existing concrete topping slab, pouring a new topping slab, and applying an epoxy floor finish. Additionally, the contractor will complete the hatch cover rehabilitation, threshold installation, under slab concrete repairs and the relocation of electrical, water, and air supply pass-throughs. The Request for Proposals S25-10367156ES was advertised in the New York State procurement newsletter and on the Authority's website. Twenty-eight entities were invited to, or expressed interest in, the Ariba event. Two proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor, which is technically and commercially qualified.

Vendor Name	Status
Perras Excavating, Inc.	

Authority and Canal Contract Awards in Support of Business Units/Departments and Facilities:

Legal Affairs - Human Resources

Due to the need to meet and maintain the Authority’s project schedule, the proposed personal services contract with the below vendor for COBRA Administration Services became effective August 18, 2025, to begin the no cost implementation process to ensure services will be active for January 1, 2026. This interim award is subject to Trustee ratification, which is hereby requested, in accordance with the Authority’s Guidelines for Procurement Contracts. This award is a five-year term for an amount of $175,000. The Authority is in need of administrative services for the COBRA program and to assist with the continuation of benefits, including compliance with both the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and New York State Continuation of Coverage Law. This includes services such as COBRA notifications, premium billing and collection, eligibility management, HIPAA notices, open enrollment processing, and direct billing for retirees and employees on leave. The services will be performed on behalf of the Authority and the New York State Canal Corporation. The Request for Proposals Q25-7655RF was advertised in the New York State procurement newsletter and on the Authority's website. Fifteen entities were invited to, or expressed interest in,

the Ariba event. Five proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified.

Vendor Name	Status
Baker Tilly Advisory Group Parent, LP dba Baker Tilly Vantagen, LLC	

Operations - Central Support Services

The proposed personal services contract with the below vendor would provide Aviation Safety Management System (SMS) Consulting Services. This award is a five-year term for an amount of $70,000. The Authority requires an aviation safety management system (SMS) to ensure the maintenance of safety performance at an acceptable industry level. The vendor will assist in developing the four components of an SMS for aviation, as defined by the Federal Aviation Administration (FAA): safety policy, safety assurance, safety risk management, and safety promotion. The vendor must ensure the SMS is tailored to the Authority's needs, including assessing equipment, assets, capabilities, and the operational processes of various groups to create a comprehensive safety management system. The vendor will provide an FAA-defined Safety Management System for the Authority, encompassing a software management system focused on aviation safety, training, tracking, and data management. The SMS will incorporate a Safety Policy that outlines the methods and processes required to achieve safety goals, and a Safety Risk Management (SRM) component that determines the necessity and adequacy of risk controls based on risk assessment. Additionally, the SMS will include Safety Assurance (SA), which evaluates the effectiveness of implemented risk control strategies and identifies new hazards, and Safety Promotion, which involves training, communication, and actions to foster a positive safety culture across all workforce levels. The Request for Proposals Q25-7632TK was advertised in the New York State procurement newsletter and on the Authority's website. Twenty entities were invited to, or expressed interest in, the Ariba event. Four proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor, which is technically and commercially qualified.

Vendor Name	Status
Portside, Inc.	

Operations - Power Generation & Waterways

The proposed non-personal services contract with the below vendor would provide Mohawk River Ice Breaking. This award is a five-year term for an amount of $5,000,000. The contract will include staging and readiness of an ice breaking tugboat at Lock 7 and staffing to support ice breaking activities when called upon. The ice breaking work will occur within an approximate 12-mile stretch of the Mohawk River between Lock 7 Vischer Ferry and Lock E8 Scotia within the channelized section of the Mohawk River. This service will ensure the uninterrupted waterflow and mitigate potential damage to the Authority's downstream hydrogeneration facilities, Vischer Ferry and Crescent Power Projects. The Request for Proposals B25-20219551EH was advertised in the New York State procurement newsletter and on the Authority's website. Three entities were invited to, or expressed interest in, the Ariba event. One proposal was received via Ariba and was evaluated. Staff recommends the award of a contract to the below vendor, which is technically and commercially qualified.

Vendor Name	Status
New York State Marine Highway Transportation, LLC	

Canal Contract Awards in Support of Business Units/Departments and Facilities:

None

Authority Extensions and/or Additional Funding Requests:

Operations - Central Support Services

In December 2024, the Authority issued a personal services contract with the vendor listed below in the amount of $500,000 for Mobile Solution Services Using IBM Maximo Mobile. The original scope of the project involved the creation and configuration of multiple inspection forms and workflows. However, in order to achieve the desired level of standardization across sites and alignment with RCM principles, additional time and costs are required for project administration and coordination, joint stakeholder /technical meetings, extended integration test cycles, additional end user training and go-live preparations. Further, this request for an extension of the project timeline supports the scheduling of essential Line Patrol training, which is a critical dependency for go-live readiness. This training has been delayed until 2026 to align with the Line Patrol season. Staff requests Trustee approval for the extension of the contract below for one-year through December 31, 2026, and additional funding in the amount of $108,000.

Vendor Name	PO/VC	Status
Starboard Consulting, LLC	4600004783	

Operations - Project Delivery

In October 2023, the Authority issued a single-source personal services contract with the vendor listed below in the amount of $146,628 for Unit Breaker Operations Notification - PLC Programming-FDR Power Project -STL. The installation, design and integration of unit circuit breaker notifications system was completed in April 2024; however, additional software modifications were required to enhance the notification system operation during various unit operation modes through plant Supervisory Control and Data Acquisition (SCADA) system. Due to these factors, the Trustees approved an extension of term to October 30, 2025, at their October 8, 2024 meeting. These modifications are still not completed, and completion of record drawings and closeout documentation activities are expected to be completed by October 2026. Staff requests Trustee approval for the extension of the contract below for October 30, 2026. No additional funding is being requested at this time.

Vendor Name	PO/VC	Status
Voith Hydro, Inc.	4500359762	

Operations - Project Delivery

In September 2021, the Authority issued a single-source personal services contract with the vendor listed below in the amount of $81,300 for Long Sault Dam Assessment. A term extension was approved at the September 29, 2022 Trustee meeting extending the GSE contract through October 10, 2023. At the July 25, 2023 meeting, the Trustees approved a second extension for fourteen months through December 31, 2024. A one-year extension was approved in November 2024 via grace period to extend through December 31, 2025. The design and construction work has been completed, but construction closeout activities are still ongoing. Construction closeout record drawings, safety recommendations analysis, confirmation and reporting to FERC is expected to be completed by December 31, 2026. The vendor possesses specialized expertise for this project, and they have experience with FERC guidelines and requirements. As such, the vendor is best suited

to continue providing these engineering services and will not jeopardize the completion of construction close out and reporting to FERC by December 31, 2026. Staff requests Trustee approval for the extension of the contract below for December 31, 2026. No additional funding is being requested at this time.

Vendor Name	PO/VC	Status
Gomez and Sullivan Engineers, D.P.C.	4500335838	

Operations – Transmission

In October 2024, the Authority issued a construction contract with the vendor listed below in the amount of $2,038,132 for HVAC Building Management System Design Build Install for the MOMC Building located in Marcy, NY. Due to substantial delays associated with the engineering portion of this contract, this service has been delayed to an expected completion date on or before December 31, 2026. The vendor has performed approximately 90% of the work to date. It is in the best interest of the Authority to extend this contract and allow for the continuation of services currently underway. Staff requests Trustee approval for the extension of the contract below for December 31, 2026. No additional funding is being requested at this time.

Vendor Name	PO/VC	Status
Air Temp Heating & Air Conditioning, Inc.	4500365827	

Authority and Canals Extensions and/or Additional Funding Requests:

None

Canals Extensions and/or Additional Funding Requests:

None

FISCAL INFORMATION

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2025 Approved Operating or Capital Budget. Funds for subsequent years, where applicable, will be included in the budget submittals for those years. Payment will be made from the Operating or Capital Fund, as applicable.

Funds required to support contract services for capital projects have been included as part of the approved capital expenditures for those projects and will be disbursed from the Capital Fund in accordance with the project's Capital Expenditure Authorization Request, as applicable.

RECOMMENDATION

The Senior Vice President – Project Delivery; the Senior Vice President – Human Resources; the Senior Vice President – Strategic Supply Management; the Vice President – Environmental, Health and Safety; the Vice President - Project and Construction Management; the Vice President – Strategic Operations; the Vice President – Customer Project Delivery; the Regional Manager and Senior Vice President for Clark Energy; the Assistant General Counsel – Contracts, Licensing & Environmental; requests that the Trustees and Board of Directors approve the award of multiyear procurement (services) and other contracts to the

companies and the extension and/or funding of the procurement (services) contracts for the purposes and in the amounts discussed within the item and/or listed in the respective exhibits.

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

Justin E. Driscoll

President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts referenced hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the contracts referenced hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

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

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **September 23, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **THE PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Subject: **NYPA Fleet Vehicles and Electric Vehicle Training Tools – Transfer of Ownership to Educational Institutions in New York State**

SUMMARY

The New York Power Authority Trustees ("Trustees") are requested to approve transfer of ownership of eight Authority fleet vehicles and electric vehicle (EV) training tools to three (3) State University of New York (SUNY) institutions, three (3) Career and Technical High School ("CTE") programs, one (1) regional Board of Cooperative Educational Services ("BOCES"), and one (1) workforce training center, for use by those institutions in an educational capacity in furtherance of NYPA's strategic goal of increased electric vehicle technology training and acceptance of electric vehicles in the state of New York. The educational institutions identified herein are:

State University of New York Oswego
Columbia-Greene Community College
State University of New York Rockland Community College
Mount Vernon High School
Utica Career and Technical Education Center
Saunders Trades and Technical High School
Rockland Board of Cooperative Educational Services
Resilience Education Training Innovation Center

Educational Institutions located in Disadvantaged Communities or Potential Environmental Justice Areas were prioritized.

In accordance with the Authority's Guidelines for Disposal of Personal Property, the transfer of personal property ownership for less than fair market value requires Trustee Approval.

BACKGROUND

In 2019, a "Eureka" project suggestion was submitted which suggested a reconsideration of the process in which NYPA disposes of its electric vehicle fleet. The suggestion was refined and reviewed by internal NYPA stakeholders, including NYPA Fleet Operations, Ethics and Compliance, Legal, Environmental Justice, and Strategic Supply Management. The implementation of donating retired NYPA electric vehicles to regional educational institutions for use in a training environment as part of the institutions' automotive maintenance and repair curriculum was accepted and agreed upon by all parties. This initial donation served as a pilot for a potential wider distribution of NYPA's electric vehicles for educational purposes.

Since its inception, the EV Donation Program has aimed to support the next generation of automotive technicians by donating retired electric vehicles, along with safety equipment and Level II chargers to educational institutions. Donation recipients include Boards of Cooperative Educational Services and Career, Technical Education Institutions and State Universities of New York across the state. Environmental Justice identifies possible donation recipients in proximity to NYPA and Canal assets and strategic project locations. Educational institutions located in Disadvantaged Communities or Potential Environmental Justice Areas were prioritized. To date, 22 educational institutions have received donations through the program.

In March of 2025, NYPA Fleet Operations identified eight vehicles available for retirement and donation. By May 2025, Environmental Justice identified eight institutions serving disadvantaged communities near NYPA assets and strategic projects.

DISCUSSION

Title 5-A of Article 9 of the Public Authorities Law (the "Act") and the Authority's Guidelines for the Disposal of Personal Property (the "Guidelines") allow the Authority, with the approval of the Trustees, to dispose of Authority property by negotiation and for less than fair market value if the transferee is a government or other public entity; the terms and conditions of the transfer require that the ownership and use of the Property will remain with the government or any public entity.

The NYPA Fleet Vehicles' useful life is defined as 5 years of age or 75,000 miles. As of March 2025, there are eight NYPA vehicles which are either fully electric or hybrid and are nearing or at the end of their useful life. The details of the vehicles are included in Table 1 below. Normal practice for retired NYPA/Canals vehicles is that they are sold at auctions.

With the increasing popularity and availability of electric vehicles in the domestic market, the demand for technicians who can service these vehicles will be increasing as well. As these vehicles are newer and their mechanical components vary greatly from fossil fuel powered vehicles, training opportunities to become a technician in this area are sparse. By donating the retired fleet hybrid and electric vehicles to educational institutions with the express purpose that they be used only as a training instrument for future EV technicians, NYPA and Canals are contributing to New York State's Green Energy future in a very tangible way and improving career prospects for those individuals living within the communities in which the educational institutions exist. The addition of EVs and Hybrid vehicles to the institution's curriculum will also allow those institutions to provide additional specialized certifications to students.

Consequently, the Authority feels that it is prudent to donate these vehicles which have a combined appraised fair market value of $83,000.00 (Table 1). The fair market valuations were established using the National Automobile Dealers Association's "rough trade-in value". The educational institutions have expressed interest in obtaining ownership of the vehicles and training tools as an addition to their educational fleet in a Statement of Need.

In addition to the transfer of ownership of each vehicle, the Authority will transfer ownership of specialized automotive technician tools and level 2 charging units to the above-listed programs to allow students pursuing careers in the industry to safely work with hybrid and electric vehicles (Table 2). The set of insulated hand tools are valued at $9,677.30* per each of the eight schools, totaling $77,418.40*. Lastly, the Authority transfers ownership of a level two electric vehicle charger to each listed program. Chargers may be used in the auto shop lab

allowing students to better understand vehicle charging infrastructure. Level 2 chargers are quoted in Table 2 for $912.50* per school for a total cost of $7,300.00*.

The Act and the Guidelines require that the purpose and the terms of such disposal are documented in writing and approved by resolution of the Trustees. Accordingly, this transfer is subject to approval by the Trustees. This Trustee action, if adopted, would constitute the Trustee action.

The transfer is to be further conditioned upon the execution of an agreement between the educational institutions and the Authority. The terms of such an agreement are to include transferring the vehicles in their 'as is' condition and such additional provisions that reasonably safeguard the Authority from future responsibility and liability, such as the requirement that the vehicles only be used for educational purposes and are not to be driven for transportation purposes.

Table 1: Electric Vehicles Nearing Retirement

NYPA/Canals	Equip_No	Year	Manuf	Model	Type	Serial_No	Meter Reading	Fair Market Value	Recipient
NYPA	18H33	2018	Mitsubishi	Outlander	Plug-in Hybrid	JA4J24A59JZ057210	27,000	$16,000	SUNY Oswego
NYPA	18H67	2018	Mitsubishi	Outlander	Plug-In Hybrid	JA4J24A5XJZ057832	10,000	$16,500	Columbia-Greene
NYPA	14H26	2014	Chevrolet	Volt	Electric	1G1RA6E40EU142408	59,190	$5,700	Rockland Community College
NYPA	17H32	2017	Chevrolet	Volt	Electric	1G1RC6S58HU153779	27,644	$10,800	Mt. Vernon High School
NYPA	17H45	2017	Chevrolet	Volt	Electric	1G1RC6S52HU153647	68,009	$8,600	Utica
NYPA	16H20	2016	Chevrolet	Volt	Electric	1G1RC6S56GU128913	49,158	$8,800	Saunders
NYPA	17H11	2017	Chevrolet	Volt	Electric	1G1RC6S51HU151694	49,168	$9,600	Rockland BOCES
NYPA	14H2	2014	Chevrolet	Volt	Electric	1G1RH6E42EU156452	34,899	$7,000	RETI Center

The above vehicles were confirmed by Fleet Management to be available for use for these purposes.

Table 2: Specialized Training Automotive Tools

Vendor	Name	Price	QTY	Total
Voltrek	Enphase HCS-40R-C17-P6-L25-196 Level 2 Charger for each recipient institution	$912.50*	8	$5,475.00*
Grainger	Specialized Insulated Hand Tool Kit (57 Pieces each) for each recipient institution	$8,891.41*	8	$53,348.46*

**Price valid for 90 Days from 8/22/2025*

FISCAL INFORMATION

In accordance with the foregoing, the NYPA Fleet Vehicles and Electric Vehicle Training Tools will be transferred to the Educational Institutions without payment to the Authority.

RECOMMENDATION

The Senior Vice President of Strategic Supply Management and The Vice President, Environmental Justice, recommends that the Trustees approve the transfer of ownership of eight Authority fleet vehicles and specialized training automotive tools and chargers to New York State educational institutions, namely, State University of New York Oswego; Columbia Greene Community College; State University of New York Rockland Community College; Mount Vernon High School; Utica Career and Technical Education Center; Saunders Trades and Technical High School; Rockland Board of Cooperative Educational Services; and Resilience Education Training Innovation Center. For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

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

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That pursuant to Title 5-A of Article 9 of the Public Authorities Law and the Authority's Guidelines for the Disposal of Personal Property, the Board of Trustees hereby approve the transfer of ownership of NYPA Fleet Vehicles and Electric Vehicle Training Tools for less than fair market value to State University of New York Oswego, Columbia-Greene Community College, State University of New York Rockland Community College, Mount Vernon High School, Utica Career and Technical Education Center, Saunders Trades and Technical High School, Rockland Board of Cooperative Educational Services, and Resilience Education Training Innovation Center as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further.

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

MINUTES OF THE
JOINT POWER AUTHORITY OF THE STATE OF NEW YORK AND NEW YORK STATE CANAL CORPORATION BOARD of DIRECTORS MEETING

July 29, 2025

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Minutes of the Joint Meeting of The Power Authority of the State of New York and New York State Canal Corporation held on July 29, 2025, at approximately 9:05 a.m.

Members of the Board present were:
John Koelmel - Chair
Michael Cusick
Cecily Morris
Lewis M. Warren Jr.
Laurie Wheelock
Bethaida González
Dennis Trainor

Also, in attendance were:

Justin E. Driscoll	President and Chief Executive Officer
Adam Barsky	Executive Vice President and Chief Financial Officer
Daniella Piper	Executive Vice President and Chief Innovation Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Lori Alesio	Executive Vice President and General Counsel - Legal Affairs
Alexis Harley	Senior Vice President and Chief Risk and Resiliency Officer
Karina Saslow	Senior Vice President - Human Resources
Robert Piascik	Senior Vice President and Chief Information and Technology Officer
Salman Ali	Senior Vice President - Internal Audit
Karen Delince	Vice President and Corporate Secretary
Paul DeMichele	Chief of Staff
Chad Gholizadeh	Deputy General Counsel
John Canale	Senior Vice President Strategic Supply Management
Maribel Cruz Brown	Senior Vice President - Internal Affairs
Christopher Vitale	Director - Projects
Patricia Lombardi	Senior Vice President Project Delivery
Lindsay Kryzak	Vice President Corporate Communications
Kaela Mainsah	Vice President Environmental Justice
Girish Behal	Vice President – Project and Business Development
Eric Bowers	Vice President – Economic Development and Key Account Management
Larry Mallory	Senior Director – Security and Crisis Management
Peter Kalaitzdis	Senior Manager – Robotic Programs
Christopher Hutson	Senior Vice President – NYPA Development
Victor Costanza	Vice President – Chief Information Security Officer
Andrew Negro	Director Corporate Insurance
Sandra Bleckman	Workforce Development Project Director
Mario Roefaro	Vice President – Community and Government Relations
Paul Farnan	Vice President - Sustainability
Nicholas Gonzalez	Senior Advisor - Renewable Power
Felisa Hochheiser	Deputy Corporate Secretary
Sheila Quatrocci	Senior Associate Corporate Secretary
Michele Stockwell	Senior Assistant Corporate Secretary
Fiona Khan	Senior Assistant Corporate Secretary

Members of the Public Attendees:

Alex Patterson	Coordinator, Public Power New York
Tom Ziambito	USA Today Network
Tania Savayan	USA Today

Chair Koelmel presided over the meeting. Vice President and Corporate Secretary Delince kept the Minutes.

Introduction

Chair Koelmel welcomed the Trustees/Directors and NYPA and Canal staff members who were present at the meeting. He said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority's Bylaws, Article III, Section 3.

1. Adoption of the July 29, 2025 Proposed Meeting Agenda

On motion made by member Wheelock and seconded by member Warren, Jr., the agenda for the meeting was adopted. *(7-0)*

Conflicts of Interest

Chair Koelmel and members Trainor, Morris, Wheelock, and Cusick declared no conflicts of interest based on the list of entities previously provided for their review.

Member Warren abstained from vote from item #5ai – Procurement (Services) and Other Contracts as it relates to J.P. Morgan Chase.

2. Motion to Conduct an Executive Session

On motion by member Gonzalez and seconded by member Trainor, the members held an executive session to discuss the financial and credit history of a particular corporation, pursuant to §105(f) of the Public Officers Law. *(7-0)*

3. Motion to Resume Meeting in Open Session

On motion by member Cusick and seconded by member Trainor, the meeting resumed in Open Session. *(7-0)*

4. DISCUSSION AGENDA:

a. Strategic Initiatives

i. President and Chief Executive Officer's Report

Justin E. Driscoll, President and Chief Executive Officer, presented the report highlighting several significant items.

- Governor Hochul's June 23rd announcement hosted at the Niagara Power Project named NYPA as the most effective entity to add at least one gigawatt of nuclear generation to the state's energy mix.

- The Governor joined the Canal Corporation on a tour of the Erie Canal aboard the *Sam Patch* boat to 1 Lock E32 in Fairport, New York. Noting that this is the first time in (14) years that a New York State Governor has toured the Canal system.

➢ **NYPA Electricity Bonds**

- The Authority officially brought prepay electricity bonds to the state for the first time.

- The $944 million bond deal results in 10% savings for NYPA customers on renewable power purchase agreements.

- This unique structure helps NYPA provide energy efficiency projects for customers like New York City and other governmental customers.

- The deal has been featured in several media outlets.

- Strong partnerships in the financial sector has enabled NYPA to bring the facility to market.

➢ **Nuclear**

Driscoll noted that prior to the Governor's announcement the Authority had been preparing for the nuclear initiative opportunity.

- The Emerging Technologies Task Force was created about a year ago when the interest in advanced nuclear started to become an industry and worldwide conversation topic. A principal component of the task force is nuclear work.

- NYPA has been collaborating with the Electric Power Research Institute (EPRI), Ontario Power Generation, the Tennessee Valley Authority and other partners to comprehend and evaluate suitable technologies for New York. The Authority is in the early stages of the work.

- Daniella Piper, Chief Innovation Officer for NYPA, will be spearheading the nuclear efforts. The Authority is assembling a dedicated team of employees, including posting a new position for Senior Vice President for Nuclear Development. The vacancy has drawn strong applicants and NYPA is expecting to fill the position in the coming months.

Driscoll said that the timeline of the project depends on a variety of factors such as technology, site selection, licensing strategy, delivery and partnership models, funding profile and financial structure.

➢ **Solicitations**

- **Community Interest** – The nuclear announcement has communities raising their hand for consideration *e.g.* Berkeley and the Authority have participated in community-led events. The solicitation would cast a wide net to identify which communities are interested and so that NYPA can gather information from all around the state.

- **Site Selection and Potential Technologies** – Solicitations for both will begin in either fall 2025 or Q1 of 2026 to advance determinations since both are critical factors that need to be quickly established.

Driscoll noted that along with the solicitations, the Authority will be in search of financial partners and investors, having conversations with the federal government and potentially taking advantage of federal programs available in order to put the project together.

- Based on the year of work already completed, NYPA is well positioned to move forward with this initiative.

- The team has begun to engage with communities including attending several meetings upstate where local stakeholders are exploring the possibility of becoming host communities.

- NYPA will approach this with a meticulous, comprehensive and risk-informed process.

- NYPA will be partnering with New York State's Department of Public Service to ensure that affordability remains a top concern.

➢ **Nuclear Development Around the Country**

- There is a resurgence of interest in nuclear power not just in New York but across the country.

- The Authority plans to learn from and collaborate with organizations that are ahead of NYPA in nuclear work, such as Ontario Power Generation and the Tennessee Valley Authority, which are both ahead in Small Modular Reactor (SMR) development work.

- NYPA has formed numerous relationships, enabled a variety of opportunities for collaboration and cooperation, and hopes to work closely with the federal government in an effort to face the work and challenges ahead.

➢ **Artificial Intelligence (AI) and Innovation**

Driscoll noted that over the past two years regular updates have been provided on the Authority's AI initiatives, harnessing the potential of the rapidly developing technologies and the work being performed in this area.

- The increase in energy demand is driven by artificial intelligence and the growth in data centers that are required in order to train the AI models.

- There is a connectivity between AI usage and the need for more generations, such as nuclear and other baseload generation, to support the build out.

- The Authority is finding new solutions internally using AI to improve performance, safety and sustainability while keeping power affordable, clean and reliable.

- The development of nearly one hundred use cases for AI deployment within NYPA's internal activities and the creation of a chatbot for the Authority's account websites to allow customers access to quick answers to common questions about their accounts.

- AI is also guiding energy-trading strategies, which can generate revenue for operations, maintenance, new investments and local economic development.

- The Authority is assisting at the University of Buffalo Empire AI Consortium, a state nonprofit that brings together New York's public and private universities to drive AI innovation.

    - The state-of-the-art facility is designed to support advanced AI research and applications, providing the computational power necessary to drive breakthroughs in various fields for the benefit of the public, not for private industry.

- NYPA continues to innovate and lead in AI with a unique position to aid customers to leverage these advancements by providing smarter, more efficient solutions to issues encountered on a day-to-day basis.

- The Authority is leading not only among comparable utilities but also among state entities and is called upon regularly to brief on NYPA's AI work.

Driscoll highlighted two presentations with particular importance to the future of NYPA's work.

- **Renewables Strategic Plan Update**

- The first strategic plan was put before the Board after the legislature required a one-year study prior to advancing the plan, resulting in numerous public hearings around the state.

- Public input was taken and then issued back to the Board back in January 2025. Subsequently the Board approved the plan.

- As promised, there is an amended plan that includes the new projects that came in behind the plan.

- The draft amendment to the plan includes a significant number of new projects being added to the due diligence review process,

- The original plan and the amended plan together contain close to seven gigawatts of project and project opportunities to explore. The second tranche has many storage projects.

  - Chris Hutson, Senior Vice President of NYPA Development, will share the details, the projects types, and the added amendments to the renewables plan.

- **Risk and Resiliency Update**

  - Alexis Harley, Senior Vice President and Chief Risk and Resiliency Officer, along with colleague, Paul Farnan, will be presenting the integrated sustainability report, which is a combination of financial and sustainability reporting.

  - The work is in furtherance and supportive of the VISION2030 Renewed Strategy that was approved earlier this year.

- **Canal Corporation Bicentennial Update**

  - The Canal Corporation is celebrating its 200th anniversary with a new poster commemorating the event in high demand.

  - This year, the September board meeting will be held in Buffalo to support the bicentennial.

b. Utility Operations

i. Chief Operating Officer's Report

Joseph F. Kessler, Executive Vice President and Chief Operating Officer, presented the report noting that every year both the Canal Corporation and The Power Authority hold safety stand-downs. The event brings together employees from all areas to focus on safety and its impact on their lives.

Kessler said Rich McElhaney attended the recent safety barbecue speaker with 30 years of experience as a safety expert. McElhaney suffered a severe on-the-job injury due to a moment of inattention and shared how that incident affected not only him but his family, and the lessons he learned as a result.

- **Environmental, Health and Safety ("EHS")**

  - **Top Safety Programs**
    - Thorough pre-planning
    - Fostering open communications
    - Cultivating a kind of no-fault culture as one investigates incidents
    - Ensuring those are forthcoming on incident details
    - Implement robust observations
    - Detailed reporting
    - Comprehensive training for all

Kessler noted that statistically the organization failed to meet the targets aimed for. NYPA sets the targets using an array of sources such as the American Public Power Association (APPA), Large Public Power Council (LPPC), and its own historical data.

- **The Days Away, Restricted or Transferred (DART) Rate**

  - If your job base was affected by an incident and one couldn't fully perform their job, the options would be either being transferred or placed on restricted duty or even out of work.

  - The DART rate denominator measures the number of hours worked.

  - Often higher at the beginning of the year and lowers as hours are built throughout the year.

  - Currently, the DART rate is above where it needs to be at both NYPA and Canals and this is where the organization is trying to recover.

Kessler added that the Authority has begun tracking injury types more closely with ergonomic injuries being higher. In response, the organization brought in ergonomic experts to speak on the topic and are developing preventative measures with initiatives and training to come.

- **Operation Highlights**

  - **Safety BBQ Series –** Enhancing work safety at NYPA and Canals.
  - **Federal Energy Regulatory Commission (FERC) Security Inspections –** The Commission conducted security inspections with no serious findings. On occasion, FERC will investigate, inspect and audit NYPA's way of managing the dams and safety programs.

  - **Northeast Public Coordinating Council (NCC) Audit** – A full audit is being performed on NYPA's North American Electric Reliability Corporation (NERC) Reliability Standards with no significant findings expected. A report will be provided to the Board in August once the audit has been concluded.

  - **Summer System Preparedness** – Going into the summer season, NYPA drills the system designed to cool and/or protect equipment. On hotter days, a hands-off day is called so that certain critical equipment isn't touched, avoiding a cascade of issues if a unit is accidentally or

inadvertently tripped by testing. Although these types of days do impact operations, and sometimes delays capital programs, it persists.

- **Mutual Assistance Request** – Mutually assisted Avangrid New York State Electric and Gas (NYSEG) territory with urgent transmission and distribution due to a strong storm season.

- **NYPA Fly Day Event** – Three-day event showcasing operational use cases and training among pilots.

➢ **ISO 55001: 2024 Standard**

– NYPA remains a global leader in asset management, physical asset management, and the first utility in North America to achieve recertification to ISO 5501 – 2024 standard.

➢ **Customer Centric Data Management Initiative**

– Aims to create an end-to-end continuum of the customer.

– Ensuring all systems that store customer data and interactions are fully integrated.

– Over the years as NYPA's services and offerings developed each one had its own way of tracking progress.

– The initiative is to converge those systems together to create a single, comprehensive view of each customer's critical data, history and relationship with NYPA.

– This will be an ongoing effort to enable the organization to better understand, serve and provide insight needed to strengthen relationships with customers.

➢ **New York State Canals – Operations**

Kessler noted that the Canal openings throughout the year have been slightly challenging because of delays due to persistent heavy rain and strong currents, especially in the Mohawk. The high water levels in that area resulted in significant issues. There were some major infrastructure issues at the beginning of the season that have either been resolved or are being worked on. Currently, the canals are safely open for the public.

- **"Maintenance in Motion"**

– NYPA communications and operations teams are providing a high level of transparency especially through social media with Sal the Mule, and updates to help the public understand any delays.

– Delays are always driven by safety, which is the organization's top priority and demonstrates what it takes to maintain the historic system.

- As a result, posts have received double the engagement.

- **Arrival of the Thomas X. Grasso Tugboat**

  - The Thomas X. Grasso is the newest tugboat set to arrive soon in Waterford.

  - The tug is expected to participate in September's flotilla alongside the Seneca chief.

  - A ceremonial christening of the tug will take place in Fairport.

- **All-Electric Workboat**

  - A partnership with Canal Corporation for a one-week pilot for an electric boat was conducted by the organization Photon Marine.

  - Its success expanded the plan to a season long trial run for the vessel that is currently still going on.

  - Depending on the pilot's outcome, a recommendation may be made for future purchase of additional electric boats.

  - The workboats offer a quieter operation, leading to improved ability to communicate while working, ease of maintenance and no fluids in the watershed.

  - A showcase of the current vessel was held in Sylvan Beach in July.

- **Crane Rental Agreement**

  - The proposed consent of a five-year, $11 million crane rental agreement will support winter maintenance across eight canal sections, including replacement and refurbishment of critical lock components, gates, and valves.

1. Proposed Contract for the Sale of Preservation Power to Alcoa USA Corp. – Notice of Public Hearing – Resolution

Eric Bowers, Vice President – Economic Development and Key Account Management, presented the contract details to the Board and staff for consideration.

➢ **Alcoa Contract**

- **Current Request**

  1. Approve a Preservation Power allocation renewal for a 240 Megawatt (MW) award to Alcoa USA Corp. through March 31, 2026, with an option to extend the term for two additional five-year periods if specific capital investment and employment commitments are met, for a total term of up to 20 years.

2. Authorize a public hearing on the proposed contract and tariff.

- **Company Background**
  - A Fortune 500 company renowned as one of the world's largest producers of aluminum, with operations spanning eight countries.
  - One of the leading bauxite producers globally owning four mines and four refineries.
  - Corporate headquarters located in Pittsburgh, Pennsylvania.
  - Messina plant is the oldest continuous operating smelter in the world, having commenced operations in 1902.
  - One of the largest employers in St. Lawrence County, with over 500 workers, including contracted employees.
  - Contributes over $150 million in payroll earnings statewide.
  - Actively supports the community through economic development initiatives, volunteer efforts and grants.
- **Relationship with NYPA**
  - Has contributed $10 million to NYPA for the creation of an economic development revolving loan fund named the North Country Economic Development Fund.
  - Share a long standing relationship dating back to the 1950s, with Alcoa signing its first agreement with NYPA in 1955.
  - One of the first customers to utilize power from the St. Lawrence FDR Power Project when it began generating electricity several years later.
  - NYPA and Alcoa have engaged in several long-term agreements over the years and have collaborated closely during challenging economic conditions.

➢ **Alcoa Contract and Requirements**

Bowers noted that there are several key contract provisions and summarized the proposed contract with a comparison/contrast to the contract currently in place until March 31, 2026.

- **Current Contract**
  - Seven-year contract term commenced on April 1, 2019, through March 31, 2026.
  - Retain 450 jobs.
  - Annual capital investment of $2 million per year.
- **Proposed Contract**
  - Base term of ten years commencing on April 1, 2026, through March 31, 2036.

- Allows for two separate five-year extensions contingent on Alcoa meeting certain employment and capital criteria.

- Contact could have a 20)-year term.

- Retain 500 jobs.

- Annual capital investment of $3 million per year.

Bowers said that if Alcoa maintains certain employment levels along with additional capital investment commitments, there would be two separate five-year extensions.

- If Alcoa invests $70 million through 2035, it will qualify for the first five-year extension.

- If Alcoa invests $130 million through 2040, it will qualify for the second extended five-year term.

- If the proposed contract lasts the full 20 years, the total capital investment commitment totals $145 million**.**

- **Current Rate Structure**

  - Electricity rates increase as a step-function rate that adjusts $1.75 per megawatt hour for every $100 change in metric ton price of aluminum, calculated by using the sum of both the London Metal Exchange (LME) and the Midwest Premium.

- **Proposed Rate Structure**

  - NYPA and Alcoa agreed to a linear formula where the rate paid to the Authority for electricity increases for each dollar per metric ton increase in the prices of aluminum on the LME.

  - A formulaic rate captures price adjustments immediately based on any change in the price of /aluminum.

  - In contrast, tiered-rate tables update at a set internal and require prices to move outside existing bands before an increase or decrease is seen.

  - The Mid-West aluminum premium has been removed as it is a liquid financial instrument and difficult to hedge.

  - Floor Energy Rate and Capped Energy Rate are in both the existing and proposed contracts. The floor energy rate is set to the preference power rate at Alcoa's load factor so that no customer can pay less than the preference power rate.

  - In the existing agreement, Alcoa's rate was capped at $42 per megawatt hour. Alcoa has agreed to remove the cap allowing for additional revenue opportunity for the Authority if aluminum prices increase.

  - The proposed agreement requires Alcoa to pay all Clean Energy Standard (CES) charges, rather than partial charges under certain conditions as stated in the existing contract.

Bowers said that, in summary, hydropower from the Authority continues to support Alcoa's ability to make significant contributions to the aluminum industry while supporting North Country families and communities.

This underlines the importance of securing a new contract that promises price stability and predictability, employee retention, and capital investments in their facilities.

On motion made by member Morris. and seconded by member Warren, Jr., the following resolution was unanimously adopted. (7-0)

RESOLUTION

RESOLVED, That the allocation of 240 MW of Preservation Power to Alcoa USA Corp. ("Alcoa"), as described herein, and hereby is, approved; and be it further

RESOLVED, That the Trustees hereby authorize a public hearing pursuant to Public Authorities Law ("PAL") § 1009 on the terms of the Proposed Contract for the Sale of Firm Hydroelectric Power and Energy from the St. Lawrence-FDR Power Project to Alcoa USA Corp. (the "Contract"), together with the annexed Service Tariff No. AL-2; and be it further

RESOLVED, That the Corporate Secretary be, and hereby is, authorized to transmit a copy of the Contract to the Governor, the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee pursuant to PAL § 1009; and be it further

RESOLVED, That in connection with the proposed Contract, the Corporate Secretary be, and hereby is, authorized to arrange for the publication of a notice of public hearing in six newspapers throughout the State, in accordance with the provisions of PAL § 1009; and be it further

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

2. Robotics Program Value Contracts – Contract Award – Resolution

Peter Kalaitzidis, Senior Robotics Program Manager, presented an overview of the program highlighting three key pillars under Vision2030 Renewed:

1. Safety – "Risk the machine not the person."
2. Enterprise Resilience – With workloads increasing while headcounts remain steady, robotics allows the organization to work efficiently.
3. Efficiency – The robots provide the ability to capture data and make decisions with confidence.

- **Robotics Mission Growth and Platform Diversity**
  - Total missions increased by 58% in 2024 across all of NYPA's sites.
  - The Authority increased to 136 pilots – one in every region.

- Exponential system growth – 131 total systems.

- Captured over 300,000 asset images.

Kalaitzidis said that the use of robotics has transformed inspection abilities enabling direct viewing of serial numbers, timestamps, and high-resolution imagery.; capturing data safely in order to preserve for present and future use.

- **Types of Systems**

  - Skydio

  - Gizmo – The Boston Dynamics Spot dog

  - The Hausbot HB2 – Wall climbing with ground-penetrating radar used on canals and dam faces to look for voids.

  - Flyability Elios 3 – The hamster ball meant for confined space utilization in areas such as caverns within St. Lawrence and Niagara Falls where it is wet and dangerous.

➢ **Robotic Program: A 5-Year Multi Phased Approach - 2023 Proposed Milestones**

  - **Robotics Program** – The initial funding for the program was completed in 2023; it is ahead of schedule and under budget.

  - **Emissions Management Software** – NYPA now has a way to store the organization's data and share it internally across the Authority.

  - **Federal Aviation Administration (FAA) Waivers** – NYPA has comprehensive waivers enabling the Authority to perform remote operation missions.

  - **Missions-** The benefit is the ability to perform advanced operations, such as those being executed from White Plains outside of Albany at Vischer Ferry.

  - **Artificial Intelligence (AI) Algorithms** – Starting to integrate the algorithms to help classify images.

- **NYPA's Capabilities**

  - Kalaitzidis gave a video demonstration, which provided a birds-eye view of robotics technology being used for operational, imagery, range and maneuverability in the Vischer Ferry area.

  - Over 400 missions flown manually from the White Plains Office.

  - 90% of all missions are automated by the individual setting the points; hit play, and the aircraft adheres, landing safely.

➢ **Contract Award**

  - **Current Request**

- Due to the rapid growth of the robotics program, the recommendation put forth is for the approval of 14 companies to receive a suite of contracts for hardware and software beneficial to helping NYPA and Canals to increase robotics usage and ongoing needs.

On motion made by member Warren, Jr. and seconded by member Trainor, the following resolution was unanimously adopted. (7-0)

RESOLUTION

RESOLVED, that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a five-year (option for 2 year extension) Robotics Program Contract Awards to Aerialoop USA Inc., ANRA Technologies Inc., BEIROBOTICS LLC [Linebird Inc.], Censys Technologies Corporation, Drone Deploy Inc., enDevelopment LLC., Environmental Systems Research Institute Inc., General Pacific Inc., gNext Labs LLC, Gresco Supply, Inc., Kronos Utility Inc., LandskyAI LLC., RADeCO Inc., Skydio Inc., in the aggregate amount of $20 million; and be it further

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

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

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

c. Financial Operations

i. **Chief Financial Officer's Report**

Adam Barsky, Executive Vice President and Chief Financial Officer, presented the report

- **Year-To-Date Actuals through June 30th**

  - **Weather Impact** – Revenues tend to do better during the winter and summer, which 2025 has demonstrated especially in the Massena region where there is peak demand.

  - **Market Prices** – Prices rose to $3,000 per megawatt and $6,000 in Long Island with peakers being there to help meet the demand which is critical for liability.

  - **Budget** - Ahead by $80 million: broken out between operating and non-operating.

  - **Interest Income** - $40 million in non-operating due to interest income.

  - **Rates** - Expectations of four to five rate cuts in 2025 by The Federal Reserve; however, none have taken place as yet. NYPA has benefitted from the higher rates.

- **Tariffs** – There is concern about the inflationary effects of tariffs.

- **Economy** - Signs of slowdown in the economy and currently, hiring has hit a low.

- **Generation** – Revenue was higher due to weather and need in the downstate region.

- **Operating Expenses** – Continues to remain well-controlled; under budget through the first six months and will be observed as the year evens out.

- **Monetized Funds** – Some of it is revenue but shows as an increase in expense due to payout for Western New York Economic Development programs.

- **Capital Allocation** – This is only seen as capital spending occurs when NYPA charges the overhead rate. Some of the projects NYPA has capped out the indirect overhead allocation *e.g*. Smart Path Connect or the headquarters building,

➢ **2025 Year-End Projection**

- **Margins**

  - **Generation** – Evening out with the overall margin coming down to $23 million.

  - **Transmission** – Increased significantly due to timing of how NYPA does the rate billing for transmission.

Barsky noted that a retrospective look is taken trying to forecast the budget when coming into the year. NYPA must wait for the 2024 expenses to come in. The expenses and allocation in terms of the three-factor formula used between hydro, fossil fuel plants, and transmission, all of which has to be completed until the 2024 numbers are certified, and, then it can be incorporated into the new rate year. For accounting purposes, the full rate must be included. The new transmission year goes from July to June 30th – accruing this year but collected between now and next June 30th.

  - **Operating Expenses** – Operating and Management (O&M) and site O&M is tracking well and to budget in the forecast.

➢ **NYPA Transmission Development**

- **Smart Path Connect** – Project is 90% complete with anticipated in-service in June 2026 to allow for a lot of service outages that are expected, some testing and all that is necessary prior to fully being considered plant and service.

- **Propel New York –** Article VII settlement hearings in progress and currently performing major contracting procurement for Engineering, Procurement, and Construction (EPC). Community outreach has been extensive with open houses, meetings with elected officials and people in the community. The project's positive benefit for Long Island stems from a resiliency standpoint, by placing zip-up wires underground and protecting the area, along with moving power around Long Island more efficiently. As a result of the project, it is expected that additional taxes will be paid, thereby increasing the revenues for school districts and others.

- **Astoria Property Purchase –** The purchase closed at the end of June 2025 comprising of 16 acres of property in Astoria. This acquisition is highly strategic since a property of this size and location is rare and will play an important role in several of NYPA's plans going forward.

- **New York City Public Policy Transmission Need ("NYCPPTN")** – Known also as Five Borough Connect. NYCPPTN was withdrawn and canceled by the New York State Public Service Commission on July 17, 2025. NYPA understood the decision and agreed with the reasoning; avoiding costs in the uncertainty of offshore wind and the heightened need for affordability amongst ratepayers. The team has put together 12 different proposals that did not win but will be preserved for different future applications.

- **New York Energy Finance Development Corporation – Energy Supply Revenue Bonds, Series 2025**

  - NYPA successfully closed on the prepaid financing transaction.
  - The transaction is allowed by the Internal Revenue Service (IRS) code that allows the Authority for arbitrage between tax exempt and taxable rates.
  - The arbitrage is provided to funding recipient Athene, an insurance company. As a result of the savings, the recipient will get cost funding which they share with the Authority that can then flow through as savings to NYPA customers.
  - A threshold of 10% savings was set before moving forward by holding out for the right market conditions. This savings results in discounts for NYPA customers, such as those in New York City with 50 power purchase agreements for solar projects.
  - The customers can bring those agreements to NYPA and see a 10% reduction in their solar energy projects and any other eligible customers.
  - The transaction has to be large to generate savings; therefore, no small projects can do this on their own.
  - Right now, anyone can come to NYPA with a power purchase agreement who is an eligible customer can get 10% savings on their renewables.
  - The loss of tax credits moved NYPA to work with Empire State Development Corporation to create the New York Energy Finance Development Corporation, which will help keep costs low for NYPA customers.

a. NYPA Development

i. Senior Vice President NYPA Development Report

Christoper Hutson, Senior Vice President NYPA Development, presented the update to the board noting that the overview consisted of the new opportunities identified in the new tranche, which illustrate the breakdown of the renewable project plan and supplied additional context.

- **Renewables Opportunities Overview**

  - **First Tranche** – Consists of 37 projects representing more than three gigawatts of capacity and was added as part of the Strategic Plan in January.
  - **Second Tranche** – Identifies the new renewable opportunities, including nearly 800 megawatts of wind and a substantial amount of storage opportunities. The majority of the

storage assets are around 150 and are part of a three-portfolio project primarily located in New York City and Westchester County areas.

- **Draft Updated Strategic Plan** – Illustrates the total mix of projects and portfolios included in the draft of the updated Strategic Plan, noting that community represents nearly seven gigawatts of protentional new capacity opportunities.

- **First Tranche**

  - **Greenfield (NYPA self-developed projects)**
    - 10 Greenfield projects in development stages
    - More than 200 megawatts of capacity
    - In relatively early phase of development and are progressing

  - **Co-Developed Projects**
    - 27 co-developed projects
    - Nearly three gigawatts of opportunity
    - One project has been under award
    - NYPA is under negotiation for the Engineering, Procurement, and Construction (EPC) contract and trying to complete before end of year to break ground

Hutson noted that recent federal actions— mainly the July 4th legislation -- means that for most of the projects further evaluation is needed to determine the validity of the projects moving forward. It is easier to identify risks associated with co-developed projects since they represent a majority of what is included in the plan and are further along in interconnection, permitting applications and process. It is easier to bring online and typically requires less resource planning than Greenfield projects. An example is the Somers Solar: NYPA's first anticipated project with shovels in the ground.

- **Second Tranche**

  - **Greenfield (NYPA self-developed projects)**
    - Three new projects
    - Nearly 30 megawatts of projects

  - **Co-Developed Projects**
    - 27 co-developed projects – three are portfolio projects
    - Represents 3.8 megawatts of opportunities
    - Approximately 700 megawatts are distributed scale storage projects primarily located in Westchester County and New York City
    - The storage projects are spread out across three developer-led project portfolios comprised of 152 different systems.

➢ **Recent Federal Actions and Impacts**

- **H.R. 1 (The One Big Beautiful Bill Act)**

  - Federal actions jeopardize NYPA's ability to execute on many of the projects and impacts the Authority's projects and portfolio.

- The tremendously large bill funded by a variety of sweeping cuts includes the elimination of federal tax credits for wind and solar projects.

- It is a dramatic change from The Inflation Reduction Act (IRA), important legislation that made many of the projects discussed financially viable, providing full tax credits for wind and solar through 2032 or until there was 70% reduction of emissions.
- HR 1 provides that wind and solar projects must commence construction before July 2026, or be placed in service before December 31, 2027, to qualify for the tax credits.

- HR 1 does not change the timeline associated with tax credits for energy storage projects, which must commence construction before the end of 2033 for full credit.

- There is a ramp down past 2033 for two years.

- Broadens restriction for foreign entities of concern that will apply to all projects including solar, wind and storage owned or controlled by or that receive material assistance from a Facilities Investment and Assessment Committee (FIAC) classified country. Those countries currently refer to China, Russia, Iran and North Korea.

- Material assistance is currently still unknown.

- **July 7 – Executive Order**

  - An executive order issued on July 7th charged the Treasury with revising guidance related to FIAC and what it means for a project to commence construction. NYPA expects that change to be identified on August 18th as per the executive order.

  - Currently, many developers are achieving Internal Revenue Service (IRS) construction start definition and are locking in tax credits by awarding contacts for the manufacturing and delivery of customer equipment.

  - Some developers incurring 5% of the total project cost are also satisfying the criteria.

  - NYPA is unable to speculate on the exact change to the commenced construction definition but anticipate the incoming guidance will be more restrictive on safe harboring strategies that do not include on-site physical work.

  - The additional changes to tax credit policy resulting from the July executive order is expected to be announced mid-August.

  - Following the announcement NYPA will conclude an ongoing analysis that is currently in process to ascertain the impacts of the projects included in the plan.

➢ **Tax Credits Timeline for Renewable Energy and Storage Projects**

Hutson noted that the timeline lays out the deadlines associated with each of the three projects:

1. Solar Power
2. Energy Storage
3. Energy Storage Projects

- Incoming Foreign Entity of Concern (FEOC) guidance will impact all that do not meet the updated commenced construction language before year end.

- Energy Storage – There is a phase down of tax credits starting in 2033 that are not affected by HR 1, unlike wind and solar. The expected deadline does not impact the large amount of energy storage projects in the identified second tranche of opportunities.

Hutson said that when the Treasury updates the FIAC guidance in the next month and defines commenced construction, the team will continue reviewing and evaluating projects to determine how many will be impacted, how they will be impacted and NYPA's next steps.

The Authority is committed to building a portfolio of clean energy projects despite the challenges of incoming constraints. Strengthening New York State's grid with diversified generation resources and the need to be ever more creative in developing and financing projects.

➢ **Project Prioritization to Mitigate Tax Risk**

Hutson noted that in order to safe-harbor or lock in tax credits for as many projects as possible, NYPA needs to start physical construction ahead of commenced construction deadlines including HR 1 and prioritize projects.

- **Permitting**
  - The process depends on the projects that relate to obtaining signing approval through the Office of Renewable Energy Siting and Electric Transmission (ORES) or through a State Environmental Quality Review Act (SEQRA) process.
  - NYPA is closely following whether projects will be subject to increasingly scrutinized federal permits, which may cause unprecedented delays.

- **Competitiveness**
  - The Authority is also looking at projects that have or are competitive enough to secure an offtake agreement.

  - Projects with a NYSERDA Renewable Energy Certificate (REC), or Power Purchase Agreement (PPA). or with a customer that NYPA has the authority to sell power to.

- **Supply Chain**
  - Lead time for equipment on utility-scale projects, such as high-voltage transformers can take multiple years to source.

  - Due to the addition of the new deadline, currently every developer in the country is seeking to rapidly procure equipment and safe harbor their projects.

  - There will be a supply and demand imbalance of resources; it will be critical to move fast and work with developers that have strong existing supply chain relationships.

➢ **Our Strategic Plan Within New York's Overall Pipeline**

Hutson noted that the map identifies the location of all the projects and portfolios included in the updated Strategic Plan.

- **Map**

  .

  – Illustrates the potential storage capacity associated with three portfolio projects in the second tranche across New York City and Westchester County.

  – Currently there are more than 350 projects in the New York Independent System Operator (ISO) Interconnection Queue and cluster study, and more than 40 of those projects are included in the plan.

  – Additionally, NYPA has 13 of the 67 projects contracted for Tier 1 NYSERDA RECs.

➢ **Updates on Due Diligence & Development**

Hutson noted that there has been tremendous progress in advancing the self-developed and co-developed projects.

- **Greenfield Progress (Self Developed)**

  – Start from scratch.

  – Begins with project-vetting through desktop pre-feasibility assessments before progressing to more complex full feasibility studies that require site visits.

  – Projects then advance development by preparing and submitting interconnection and permitting applications.

  – To date, an estimate 130 megawatt of Greenfield pipeline has advanced from feasibility studies into early stages of active development.

- **Co-Development Progress**

  – NYPA teams are constantly digging through data rooms, working with internal and external subject matter experts to determine each project's viability and bankability.

  – Entails more than determining the associated revenue that can be generated.

  – Exploring the benefits that can be delivered to the grid and to communities across the state.

➢ **Key Priorities & Milestones**

- **NYSERDA Index Storage Credit and Renewable Energy Credit Solicitation**

  – Two primary avenues to secure an off-ticket contract is critical to a project's success.

- The Index Storage Credit Solicitation is brand new and will play a major role in improving the economics of energy storage projects across New York State.

- The first solicitation was released July 28th with phase-one bids estimated due in September and award selections made in early 2026.

- **NYSERDA Renewable Energy Credit (REC) Solicitation**

  - Has been in existence for several years and a major catalyst for fortifying the economic viability of renewable energy generation projects in the New York State market.

  - This year's solicitation is expected to be released in late Q3 or Q4 of 2025 with award selections in 2026.

- **2024 New York Independent System Operator (NYISO) Cluster Study**

  - NYPA is currently tracking the process that contains a considerable portfolio of projects with pipelines.

  - There are several major milestones throughout the process during which NYISO and transmission operators evaluate and simulate proposed projects to ascertain viability and costs associated with tying into the transmission system.

  - Final results expected in mid-2026.

  - Proposed projects are vetted during different stages of the process by either being deemed not technically feasible or requiring cost-prohibitive upgrades.

- **Update to the Strategic Plan**

  - The schedule associated with sharing the draft to the public. Gathering feedback through a public comment period including two virtual public hearings and obtaining board approval at NYPA's December meeting.

➢ **Renewable Access and Community Help (REACH)**

Hutson noted that the REACH Program attributes a portion of NYPA's project revenue towards the reduction of utility bills for low to moderate income households within disadvantaged communities statewide.

The first REACH project was announced in Albany back in April 2025 alongside Mayor Kathy Sheehan and Department of Environmental Conservation (DEC) Commissioner Amanda Lefton.

- **First Tranche**

  - Four projects totaling more than 100 megawatts

  - Two projects have progressed into active development

- **Second Tranche**
  - 152 distributed scale storage systems within three developed storage portfolios that will be explored for development under the program.

➢ **Updated Strategic Plan Release and Hearing Schedule**

- Both public hearings will be held virtually with one in the morning and one in the evening.
- Public comment period commences July 29th.
- Anyone interested in participating in the process should submit their comments to the new NYPA website portal.
- Information on the process can be found at NYPA.gov/renewables.

Hutson said that there are major hurdles ahead but with everyone's support the Authority will continue to do all that is possible to build a diverse portfolio of clean energy projects that bolster the state's electric grid.

b. Risk and Resiliency

ii. Chief Risk and Resiliency Officer's Report

Alexis Harley, Senior Vice President, Chief Risk and Resiliency Officer, presented the report noting two featured items.

1. Overview of the 3rd Annual Integrated Report – Arguably one of the most important and popular publications. The last report yielding over 2,100 views.
2. Risk Spotlight – A risk lens is cast on the prospect of New York State nuclear generation.

Harley introduced Paul Farnan, who is our new Vice President of Sustainability. He recently served as Principal Deputy Assistant - Secretary of the Army for Installations, Energy, and Environment. Farnan's career spans a variety of roles from an active duty naval helicopter pilot to the Operational Energy Office in the Pentagon and he has degrees in electrical engineering, environmental policy and energy management.

Paul Farnan, Vice President, Sustainability presented the Integrated Report to the Board noting that it is a combination of the annual and sustainability reports that highlights the values NYPA creates for stakeholders and increases transparency both internally and externally to the public.

➢ **2024 Integrated Report**

Farnan advised that it is a focused 2024 report that follows the guidance of VISION2030 and refers to some of VISION2030 Renewed.

- **2024 Accomplishments**
  - NYPA allocated more than 80 megawatts to economic development programs
  - Completed 77 energy efficiency projects

- Performed numerous projects to enhance infrastructure of the Canals and their adjacent ecosystems.

- **Emissions**

  - Scope 1 – The emissions from NYPA's internal operations.

  - Scope 2 – The emissions of the power generated that is taken from the grid, in addition to any transmission losses from NYPA's transmission lines.

  - Scope 3 – The emissions for the making, transporting, and disposal of all of NYPA's purchases, including the power and then resell, the largest source of emissions for the Authority.

  - All three scopes have been increasing due to demand increase, which resulted in NYPA increased generation, buying and selling of power.

  - 30% of NYPA's total emissions were from the production and the transport of fuel.

  - 47% of NYPA's total emissions were from the purchase and resale of power.

  - 98% of NYPA's Scope 1 emissions are from our fossil fuel assets.

  - From among the100 largest energy producers in the United States, NYPA is the 32nd largest and the 9th cleanest when it comes to the intensity of carbon dioxide (CO2) generation.

Farman noted that although the report is based on 2024, it ties into the expanded authority, renewables, nuclear and the bridge into the future.

Alexis Harley, Senior Vice President, Chief Risk and Resiliency Officer, presented the report.

- **Risk Spotlight: Preparing for Nuclear**

  - **New York's Electric Landscape is Evolving**

    - There is a great detail of uncertainty within the evolving electric landscape across New York: the potential rapid addition of large loads such as data centers; new and expanding manufacturing; anticipated fossil fuel generator retirements over the course of about ten years; the intermittency aspect of renewable assets.

    - From a risk management perspective incorporating new nuclear into the state's portfolio is an excellent move; it is risk mitigation.

    - Nuclear is a source of highly reliable, continuous emission-free electricity and firm baseload power that helps to maintain grid reliability.

    - Nuclear also aligns with the priorities of the federal administration, which helps to manage any regulatory or policy-related uncertainties.

    - The team will be assessing, mitigating and managing the risks of the new project at every stage.

- **Understanding Project Risk will be a Core Element of Nuclear Project Development**

Harley noted the work of NYPA's Innovation team with Electric Power Research Institute (EPRI) within the past year investigating nuclear technologies, embarking on a 12-week sprint, and ensuring a strong execution start.

- Still in the early stages of decisions being made with respect to project development, site location, and technology.

- Risk understanding will be a core element of the decision-making process.

- One of NYPA's first priorities of the initial steps forward in the 12-week sprint will be collaborating with a third-party to perform a deep-dive risk analysis to bring their expertise, experience, and external independent perspective to complement the Authority's.

- **Project Risks**

Harley noted some of the typical types of project risks encountered for asset installation.

- **Scope** - Setting expectations, narrowing down the options.

- **Communication** – The involvement and interaction with stakeholders.

- **Procurement** – contracts, supply availability

- – **People and Partners** - workforce skills, leadership engagement, and the quality of the partners NYPA is collaborating with.

- **Safety and Environmental** – Typical core issue to the Authority's industry and to project-related risk management.

- **Time** – Scrutiny will be emphasized as progress occurs on estimating and delivering regarding time and costs.

Harley said that nuclear has similar project risk categories as all large infrastructure projects, and it will be treated with the same high level of risk due diligence that is brought to every initiative at NYPA and Canals.

The risk profile may vary for nuclear versus transmission, hydro or renewables. No assumptions will be made that nuclear risk would be any greater or any less. Instead, they will be assessed and reassessed objectively across the suites of risk categories and potentially others moving forward.

The goal is to stay withing risk appetite and to ensure the Authority is mitigating appropriately. NYPA has not begun the deep dive assessment work. This is an early stage, a broad overview of the approach and execution plan moving forward.

c. Audit Committee Report

Chair Dennis Trainor reported that the Audit Committee met on Tuesday, July 15, 2025, and adopted the minutes from the March 25, 2025 Audit Committee meeting.

- The Committee also received two reports from Salman Ali.

- The 2025 Internal Audit Update
- the Chief Audit Executive (CAE) Required Communication to the Audit Committee including Global Internal Audit Standards (GIAS) Essential Conditions.

- In addition, Ken Lerman presented an update on Artificial Intelligence/Data Analytics.
- There were no items requiring a vote at the July Audit meeting; therefore, no motion was required.

d. INFORMATIONAL ITEM: Workforce Development Update

Sandra Bleckman, Workforce Development Project Director, presented the overview of the design for the upcoming current year's solicitation for applications.

- **Clean Energy Workforce Training initiative Request for Applications (RFA) Overview**
  - Serves as one competitive funding mechanism.
  - Allows applicants to submit proposals during three distinct periods throughout the fiscal year.
  - The established eligibility criteria remain the same.
  - Clearly outlines geographic boundaries, technology areas, eligible applicants, and program specifications.
  - Applicants will be required to submit comprehensive applications, including a scope of work document, budget, and a supplier diversity utilization plan.
  - Focus will continue on wraparound services, support services, on-the-job learning opportunities and job placement.
  - Applications will be accepted during three open submission windows and are specified 30-day timeframes.
  - The application cycles occur 2025, Q3 and Q4 and 2026, Q1.
  - The cycle schedule ensures new organizations have opportunities to apply while being subject to a competitive process.
  - Once each submission window closes, the Evaluation Committee reviews, scores and evaluates the applications.

    - **Evaluation Criteria**
      - Scope of work
      - Training schedule
      - Budget
      - Organizational profile
      - Personnel resumes
      - Focus on priority populations
      - Job placement

- Supplier diversity utilization plan

- **Evaluation Committee – 5 NYPA Representatives**

  1. Environmental Justice
  2. Corporate Strategy
  3. Community and Government Relations
  4. Economic Development
  5. Workforce Development

Bleckman noted that following the application scoring the recommendations will be presented to the Finance Committee for approval and the Board of final adoption. The solicitation applications will be broadly promoted – posted on NYPA's website, social media, published in the New York State Contract Reporter, sent out to those who have inquired and previous bidders.

This approach helps to expand the reach, encourage new providers to respond throughout the course of the year, and ensures all applications are subject to a fair competitive process,

5. CONSENT AGENDA

On motion made by member Trainor and seconded by member Gonzalez, all items on the Consent Agenda and the following resolutions were unanimously adopted (7-0), with the exception of item 5ai (6-0-1), from which member Warren, Jr. abstained.

a. Financial Operations

i. Selection of Firms to Provide Underwriting and Financial Services – Resolution

RESOLUTION

RESOLVED, that the Trustees approve the appointment of a prequalified underwriting pool of firms to originate, underwrite and sell the Authority's Debt Obligations for a period of five years and a pool of financial institutions to provide, individually or otherwise, a broader range of banking and financial services, each as set forth in the accompanying report of the President and Chief Executive Officer; and be it further

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

b. Utility Operations

i. Critical Control System Support Services Recommendations for Award – Resolution

RESOLUTION

RESOLVED, that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of five-year personal services value contract awards to Emerson Process Management Power & Water Solutions,

Inc., Johnson Controls Inc., SEL Engineering Services, Inc., Siemens Industry, Inc., and TSI Turtle Services LLC, in the aggregate amount of $17 million; and be it further

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

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

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

ii. Crane Equipment Rental Services, with and without Operator – Contract Award – Resolution

RESOLUTION

RESOLVED, that the Trustees approve the award of a competitively bid contract to Clark Rigging and Rental Corp. for Crane Equipment Rental, With and Without Operator for a term of 60 months and with an allocated sum of $11,000,000, as recommended in the foregoing memorandum of the President and Chief Executive Officer; and be it further

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

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

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

iii. Uniondale Substation Upgrade – Approval to Execute Amended Development Agreement – Resolution

RESOLUTION

RESOLVED, that the Trustees approve the execution of the New York Independent System Operator Inc.'s Amended Development Agreement for the Uniondale Hub Substation Upgrade Project, as recommended in the foregoing report of the President and Chief Executive Officer, and be it further;

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

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

iv. Janitorial Services Contract Extension and Additional Funding Request – Resolution

RESOLUTION

RESOLVED, that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the request to increase the authorization of the Janitorial Services Value Contract in the amount of $3,985,000 for a total aggregate amount of $11,735,000 and to extend A&A Maintenance Enterprise Inc. contract for an additional 29 months; and be it further

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

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

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

v. Operation and Maintenance Services for SENY Transmission Facilities Recommendation for Award – Resolution

RESOLUTION

RESOLVED, that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a five-year engineering services value contract awards to Asplundh Electric Testing LLC, Elecnor Hawkeye LLC, LND Technical Services LLC, and Underground Systems Inc.in the aggregate amount of $15 million; and be it further

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

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

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

c. Customer Solutions

i. ReCharge New York Power – New, Extended and Modified Allocations – Resolution

RESOLUTION

RESOLVED, That the Trustees hereby accept the recommendations of the Economic Development Power Allocation Board ("EDPAB") and approve the extension of each of the existing 13 Recharge New York ("RNY") Power allocations previously awarded, in the manner described in the accompanying memorandum of the President and Chief Executive Officer ("Memorandum") for a term of seven years, to commence upon either (1) the expiration of the term of the allocation, or (2) at the Authority's discretion, commencing on a date to be agreed upon by the Authority and the customer, for a term not to exceed seven years (collectively, the "Extended Term"), subject to the following conditions:

(a) the sale of the allocations as extended herein shall be made pursuant to the contract form approved by the Board of Trustees on March 26, 2019, and in accordance with Authority Service Tariff RNY-1; and

(b) in order to receive an extension of its allocation, the customer agrees, for the Extended Term, to provide the supplemental commitments related to jobs, capital investment and power utilization that are the same as, or substantially similar to, the recommendations (subject to adjustments described above) as determined by the Authority. These supplemental commitments must be incorporated into the final contract executed by the parties. RNY Power customers who do not have an ongoing project or expansion-related capital investment commitment, shall be required to meet a minimum capital investment commitment, which may be satisfied through capital expenditures made over a five-year period; and be it further

RESOLVED, That the Trustees hereby accept the recommendations of the EDPAB and approve the 12 modifications/adjustments to the RNY Power allocations, extensions, and/or related supplemental commitments described in the Memorandum, for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the two new RNY Power allocations for retention purposes for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the two new RNY Power allocations for expansion purposes for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the seven RNY Power allocations for retention and/or expansion purposes to the small businesses and/or not-for-profit applicants for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Senior Vice President, Customer Solutions, or such official's designee, is hereby authorized on behalf of the Authority to provide for final terms and conditions that will be applicable to the foregoing allocations and/or projects, including without limitation, progress milestones and provisions for the expiration of any allocation in the event that such milestones are not met; and be it further

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

ii. Transfer of ReCharge New York Power Allocations – Resolutions

RESOLUTION

RESOLVED, That the transfer of a 660 kilowatt ("kW") allocation of Recharge New York ("RNY") Power awarded to Sonoco Plastics, Inc., for use at its facility located at 87 Center Street, Chatham, NY 12037, to Sonoco Industrial Plastics, LLC, as described in the foregoing memorandum of the President and Chief Executive Officer ("Memorandum") be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the New York Power Authority ("Authority") in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, That the transfer of a 130 kW RNY Power allocation awarded to Friends of New World Prep, Inc., for use at its facility located at 26 Sharpe Avenue, Staten Island, NY 10302, to New World Preparatory Charter School, as described in the foregoing Memorandum be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, That the transfer of a 1,250 kW RNY Power allocation awarded to Empire Cheese, Inc., for use at its facility located at 4520 Haskell Road, Cuba, NY 14727, to Great Lakes Cheese Co., Inc., for use at its facility located at 1958 Integrity Way, Franklinville, NY 14737, as described in the foregoing

Memorandum be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

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

iii. High Load Factor Power Allocation – Resolution

RESOLUTION

RESOLVED, That an allocation of 15,000 kilowatts ("kW") of High Load Factor ("HLF") Power be awarded to Empire AI Consortium, Inc. ("Empire AI"), in connection with its expansion project to establish a new artificial intelligence computing center at the State University of New York ("SUNY") North Campus of the University at Buffalo ("UB") in Amherst, New York, for a term of 10 years, as detailed in the foregoing Memorandum of the President and Chief Executive Officer ("Memorandum"), be and hereby is approved, subject to Service Tariff No. HLF-1 previously approved by the Board of Trustees; and be it further

RESOLVED, That the proposed Contract for the sale of HLF Power to Empire AI, along with Service Tariff No. HLF-1, is hereby approved; and be it further

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

iv. Contracts for the Sale of Hydro Power – Final Approval and Transmittal to the Governor - Resolution

RESOLUTION

RESOLVED, That the contract for the sale of 700 kilowatts of Expansion Power to Big Heart Pet Brands, Inc. and the contract for the sale of 4,500 kW of Expansion Power to Rosina Food Products, Inc. (the "Contracts"), are in the public interest and hereby approved, and in accordance with Public Authorities Law § 1009, the Contracts shall be submitted to the Governor for her review and to seek her authorization for the Authority to execute the Contracts, and copies of the Contracts, along with the record of the public hearing thereon, shall be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee; and be it further

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

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

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

v. Extension of Hydropower Contracts with Upstate Investor -Owned Utilities for the Benefit of Rural and Domestic Consumers – Notice of Public Hearing – Resolution

RESOLUTION

RESOLVED, That an extension of allocations of firm peaking power (175 megawatts (“MW”) for Niagara Mohawk Power Corporation d/b/a National Grid, 150 MW for New York State Electric and Gas Corporation, and 35 MW for Rochester Gas and Electric Corporation) through December 31, 2026 is hereby approved; and be it further

RESOLVED, That each proposed “2025 Amendment to 1990 Service Agreement” attached to the foregoing Memorandum (collectively, the “2025 Amendments”), is hereby approved; and be it further

RESOLVED, That the Corporate Secretary be, and hereby is, authorized to transmit copies of the proposed 2025 Amendments to the Governor, the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee pursuant to Public Authorities Law (“PAL”) § 1009; and be it further

RESOLVED, That the Corporate Secretary be and hereby is authorized to convene a public hearing on the proposed 2025 Amendments in accordance with the procedures set forth in PAL § 1009; and be it further

RESOLVED, That the Senior Vice President – Customer Solutions or her designee be, and hereby is, authorized, subject to approval of the form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the final 2025 Amendments on a month-to-month basis, if necessary, pending gubernatorial approval of the 2025 Amendments as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

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

vi. Municipal and Rural Electric Cooperative Industrial Economic Development Program – Allocation to the Village of Angelica – Resolution

RESOLUTION

RESOLVED, That the Trustees hereby approve the allocation of 100 kW of hydropower to the Village of Angelica under the Municipal and Rural Electric Cooperative Industrial Economic Development Program as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Senior Vice President, Customer Solutions or such official's designee, hereby is authorized on behalf of the Authority to provide for final terms and conditions that will be applicable to the foregoing allocation and/or project, including without limitation progress milestones and provisions for the expiration of the allocation in the event that such milestones are not met; and be it further

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

vii. Recommendation for Award Fund Benefits from the Western New York Economic Development Fund by the Western NY Power Proceeds Allocation Board - Resolution

RESOLUTION

WHEREAS, The Western New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make an award of Fund Benefits from the Western New York Economic Development Fund to Natrion Inc. ("Natrion") and the Niagara Aquarium Foundation ("Aquarium"), for the reasons set forth in the accompanying Memorandum of the President and Chief Executive Officer ("Memorandum") and the other information referred to therein;

NOW THEREFORE BE IT RESOLVED, that the Authority hereby accepts the recommendation of the Allocation Board and authorizes award of Fund Benefits to Natrion and the Aquarium in the amounts recommended in the attached Memorandum, for the reasons set forth in the attached Memorandum and other information referred to therein, conditioned upon agreements between the Authority and Natrion and the Aquarium, on the final terms and conditions that would be applicable to the awards, as set forth in a written award contract ("Award Contract") between the Authority and the applicants, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or such official's designee, as to form; and be it further

RESOLVED, That the Executive Vice President and Chief Operating Officer, or such official's designee, is authorized to negotiate with the applicant concerning such final terms and conditions applicable to the award; and be it further

RESOLVED, That the Senior Vice President for Customer Solutions, or such official's designee, is authorized to execute, on behalf of the Authority, an Award Contract for the award, subject to the forgoing conditions; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Senior Vice President for Customer Solutions, and any other

officer of the Authority, are each hereby authorized to take any and all actions, and to execute and deliver any and all agreements, certificates and other documents, on behalf of the Authority, as may be necessary or appropriate to effectuate the foregoing resolutions.

d. Procurement (Services) Contracts

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

RESOLUTION

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts referenced hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the contracts referenced hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

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

e. Governance Matters

i. Approval of the Minutes of the Joint Power Authority of the State of New York and New York State Canal Corporation held on May 20. 2025

On motion made by member Trainor and seconded by member Gonzalez, the Minutes of the Joint Meeting of the New York Power Authority's Trustees and Canal Corporation's Board of Directors held on May 20, 2025, was unanimously adopted. *(7-0)*

6. NEXT MEETING

The next meeting of the Joint Meeting of the New York Power Authority Board of Trustees and New York State Canal Corporation Board of Directors will be held on Tuesday, September 23, 2025.

Adjournment

The meeting was adjourned at approximately 12:45 p.m.

Karen Delince

Karen Delince
Vice President and Corporate Secretary

September 23, 2025

Next Meeting

The next meeting of the New York Power Authority's Trustees and the Canal Corporation's Board of Directors will be held on Tuesday, December 9, 2025, unless otherwise designated by the Chairman with the concurrence of the members.