

Benefits to North Country to Be Provided by NYPA

- The Northern New York Power Proceeds Allocation Act ("NNYPPAA") establishes the "Northern New York Economic Development Fund" using the "net earnings" from the sale of "St. Lawrence County Economic Development Power," the value of which is estimated at two million dollars per year (\$2 million/year), and thereafter the allocation of "fund benefits" to "eligible applicants" for "eligible [economic development] projects," as such terms are defined in the NNYPPAA.
- Commencing no later than sixty (60) days after approval of the NYPA Board of Trustees, NYPA: (1) shall fund an economic development and strategic marketing and global search study conducted by McKinsey and Company or equivalent firm for the Task Force communities. This study shall require the active participation of local government, economic development, business, and civic leaders from the Task Force communities; and (2) thereafter, for a period of up to five (5) years, NYPA as part of that study will fund the services of McKinsey and Company or equivalent firm to assist the Task Force communities' local government, economic development, business, and civic leaders, as necessary and appropriate with a national and international marketing and search effort to identify and secure the development of business and industry in the Task Force communities. The firm will be selected in accordance with NYPA procurement procedures. Funding for this study will be up to \$5 million.
- Commencing after approval of the NYPA Board of Trustees and continuing for a period of three (3) years, (subject to annual ratification by the NYPA Board of Trustees) during Alcoa's current reduced purchases of "Preservation Power," NYPA shall reduce electric costs for businesses and farms in St. Lawrence, Jefferson and Franklin counties by a combined total of ten million dollars per year (\$10 million/yr.). Forty percent (40%) of the annual saving shall accrue to the benefit of St. Lawrence County businesses and farms.
- Commencing no later than sixty (60) days after approval by the NYPA Board of Trustees, NYPA shall initiate a BuildSmartNY energy efficiency and renewable energy savings program and grant fund for eligible Task Force communities government and school buildings in the amount of one and a half million dollars (\$1.5 million). NYPA will fund energy audits as needed for buildings participating in the energy efficiency and renewable energy savings program from the \$1.5 million grant fund. The target date to

complete the NYPA-funded audits is within three (3) years of NYPA Board approval, and the target date to complete any recommended and qualifying installations or upgrades is within seven (7) years of NYPA Board approval. The buildings eligible to participate in the energy efficiency and renewable energy savings program are identified in Exhibit 2 of the LGTF correspondence of December 8, 2014. Following completion and review of the NYPA-funded audit, qualifying installations or upgrades identified by the audit shall be eligible for additional funding from the existing NYPA efficiency and renewable energy savings program and grant fund. An installation or upgrade shall be eligible if it provides for no- or low-cost operational improvements, retro commissioning, capital energy efficiency retrofits, on-site renewable high efficiency, combined heat and power, renewable energy or other measures identified by the NYPA central management and implementation team that are otherwise consistent with the Executive Order 88 BuildsmartNY guidelines.

- Commencing with the completion of NYPA's current on-going study and evaluation of emergency response capabilities at each of NYPA's existing projects and facilities or Approval by NYPA's Board of Trustees whichever comes later, NYPA shall provide, funding and support that is appropriate and consistent with the results of the aforementioned study for emergency response infrastructure and services to: (1) Massena Memorial Hospital, with respect to emergency room services; (2) the Louisville Company #2, Massena and Waddington fire departments; (3) the Massena and Waddington rescue squads; and (4) the St Lawrence County Hazardous Materials Response Team and Dive Team. The level of funding for the capital improvements and services will be determined by the study.
- By the end of calendar year 2015 NYPA will: (1) (a) evaluate the appropriate changes to the Iroquois Dam road located in the Town of Waddington, New York so as to allow use and passage by emergency vehicles and authorized users of the adjoining lands, and move to implement said changes as mutually agreed by the Town and NYPA; and (2) complete all agreed to and necessary improvements to the emergency access road for the community located on Wilson Hill Island and to be located on the dike separating the east and west pools of the Wilson Hill Wildlife Management Area, including: paving, 24-foot wide emergency access road atop this structure to connect the west end of Wilson Hill Island with the mainland; openings in guard rails along both shoulders will be included to assure access to dikes for maintenance purposes; crest elevation of the new dike and roadway will be at elevation 245 feet (IGLD 1955); access to both ends of the road will be controlled by a gate and automatic control device that will facilitate access to the road by emergency vehicles; DEC and the Town of Louisville will be consulted

relative to the control device to be installed; and (3) provide materials for paving projects at Leishman's Point Road and Sucker Brook Overlook.

- NYPA will work with the LGTF communities to identify roads that are used predominately to service and access NYPA facilities. NYPA and the LGTF communities agree that the list of identified roads will evolve over time depending on development patterns and change of use and will adjust the list to reflect the roads used predominately to service and access NYPA facilities. NYPA will provide annual support for the maintenance of the identified roads in an amount not to exceed the annual average cost per mile for the maintenance of other town roads in the communities.
- After approval by the NYPA Board of Trustees, NYPA will hire an independent Recreational Facility Planner before the formal recreational assessment is conducted to develop a suite of proposed recreational improvements that are consistent with the interests expressed by the LGTF. These would be facilities specifically targeted toward increasing recreational boating tourism (including those traveling from Canada or outside the region) and fishing tournaments. Other recreational improvements to be considered in the study will include docking facilities (including year round docking facilities), trails for walking and biking (including trails from Barnhart Island to the Village of Waddington and thereafter along River Road and around Leishman's Point), facilities (*e.g.*, showers, wash rooms, rest rooms, etc.) necessary to support boating tourists and fishing tournaments; access to and recreational use of Ogden Island and all other islands located within the Project Boundary (docking facilities, trails, camping facilities, potential access by roped ferry, etc.) and the need for winter sport recreational activities and the possible need for an indoor facility to support existing and projected demand for such activities.

NYPA and LGTF will work with the consultant to develop this integrated list of projects. LGTF and NYPA will review and comment on the plan and the resulting conceptual facility designs. There will be mutual agreement on the list. NYPA will include this integrated list of facilities into its recreational assessment and incorporate the recreational assessment into its Recreational Use Report (RUR). The list of proposed facilities will include trails and facilities to support fishing tournaments as supported by the assessment. NYPA will take the lead in working with DEC, USFWS, COE and DOS so as to maximize regulatory cooperation. NYPA will incorporate this plan with any modifications resulting from the 2015 RUR into a proposal to FERC to modify the Project Recreational Plan. The RUR and the application to modify the Project Recreation Plan

will be filed simultaneously in 2015. NYPA will implement the plan after FERC approval. NYPA commits up to \$7.5 million for this work.

- NYPA will work with the LGTF, DEC, USFWS and clubs that currently obtaining walleye eggs from DEC to continue the current level of fish hatchery work that is being completed on the St. Lawrence River. In addition, NYPA will work with the same parties to evaluate the potential for establishing imprinted stock in the upstream tributaries of the St. Lawrence River to enhance walleye spawning in these tributaries. The work or research necessary to support this effort may qualify for funding from the Fish Enhancement, Mitigation and Research Fund (“FEMRF”), the Future Habitat Improvement Project Fund and/or the St. Lawrence River Research and Education Fund (“SLRREF”). In the event that tributary stocking proves unsuccessful, a study will be conducted to evaluate the efficacy of a conventional fish hatchery to increase the walleye population.
- Within twenty (20) days of NYPA Board approval, NYPA shall pay \$286,000 to the Task Force for monies due under the terms of the 2002 Relicensing Settlement Agreement (RSA). The High River Flow Adjustment program established by the 2002 RSA will otherwise continue for the term of the Agreement and NYPA shall adopt and apply the Task Force’s calculation methodology for determining when High River Flow Adjustment payments are required under the terms of the 2002 RSA.
- Within 90 days of approval by the NYPA Board of Trustees, NYPA shall provide the Town of Louisville and the Town of Waddington with an update of the status of each parcel removed from the Project Boundary based on the terms of the 2003 FERC license renewal that has not yet been transferred from NYPA to the subject Town or a third-party. NYPA thereafter shall work cooperatively with each Town toward resolving any impediments to a transfer or otherwise manage the subject parcels. With respect to each already transferred parcel, if requested, NYPA shall provide each Town with available information on site boundaries and the location of easements.
- NYPA shall continue the Adjacent Landowner Shoreline Stabilization Program (“ALSP”), without imposing limitation on the length or cost of any individual project. NYPA shall fund the ALSP to a level of \$1.75 million. Approximately \$1 million of this funding will come from unused monies currently allocated for shoreline stabilization pursuant to the current FERC-approved shoreline stabilization plan. FERC will need to approve the change in the shoreline stabilization plan. The ALSP shall be the subject of further review by the Parties and any mutual agreement reached at that time during the second

10-year review. In return for NYPA continuing the ALSP, the Task Force will support NYPA in any application or filing made with FERC intended to terminate any obligation under the terms of the FERC license and existing implementation plan other than the continuation of the ALSP program.

- Commencing nine months after approval by the NYPA Board of Trustees, NYPA and the Task Force shall meet annually to review the progress NYPA and the LGTF have made in implementing the items listed above.