
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. ST AL – 1 - Electric Service Tariff for Alcoa USA Corp. Firm Hydroelectric
Power Service

POWER AUTHORITY OF THE STATE OF NEW YORK

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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.**

Alcoa USA Corp. ("Alcoa" or "Customer") hereby enters into this Agreement with the Power Authority of the State of New York ("Authority" or "NYPA," and collectively with Customer, the "Parties") for the sale of firm hydroelectric power and energy for its facilities at Park Avenue East ("West Plant"), Massena, New York 13662 as follows:

WHEREAS, the Authority and Alcoa Inc. (now Arconic Inc.), formerly the parent company of Customer, in or around June 2016, entered into a contract entitled "Agreement for the Sale of Firm Hydroelectric Power and Energy from the St. Lawrence-FDR Power Project to Alcoa Inc." (the "2016 Agreement"), which agreement was novated by Alcoa Inc. to Customer on August 1, 2016 and is scheduled to terminate on March 31, 2019;

WHEREAS, the Parties seek to enter into a new agreement effective April 1, 2019, to provide to Customer from the Authority's St. Lawrence-FDR Project 240,000 kW of Firm Hydroelectric Power and Energy to be used by Customer at its West Plant facility;

WHEREAS, such Allocation shall be sold by the Authority to Customer under this Agreement for the Sale of Firm Hydroelectric Power and Energy ("Agreement"); and

WHEREAS, such Allocation is subject to the tariffs of the New York Independent System Operator, Inc. ("NYISO").

NOW THEREFORE, the Parties hereto agree as follows:

I. Definitions

"2016 Agreement" has the meaning ascribed to it in the first "Whereas" clause.

"Agreement" means this Agreement, which attaches and incorporates Service Tariff No. ST AL-1.

"Allocation" refers to the allocation of Preservation Power ("PP") awarded to the Customer as defined in Article II and as specified in Schedule D.

“**Authority or NYPA**” is the Power Authority of the State of New York, which also does business as New York Power Authority.

“**Contract Demand**” will be the amount set forth in Article II or such other amount as may be determined in accordance with the provisions of this Agreement.

“**Electric Service**” is Firm Hydroelectric Power and Energy sold to Customer in accordance with this Agreement, the Service Tariff and the Rules.

“**Firm Hydroelectric Power and Energy**” is power and associated energy from the Project as provided in Service Tariff No. ST AL-1, and allocated by Authority for business use as Preservation Power pursuant to Section 1005(13) of the New York Public Authorities Law ("PAL").

“**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.

“**Force Majeure**” has the meaning set forth in Section XIV.

“**Hydro Projects**” is a collective reference to the Project (defined below) and Authority's Niagara Project, FERC Project No. 2216.

“**NYISO**” means the New York Independent System Operator or any successor organization responsible for the transmission and the reliable supply of electricity in the State of New York.

“**Project**” means Authority's St. Lawrence-FDR Project, FERC Project No. 2000.

“**Rules**” are the applicable 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 to the Schedule A entitled “Employment and Other Commitments” which, along with its attachments/appendices, is attached to and made part of this Agreement.

“**Schedule B**” refers to the Schedule B entitled “Service Tariff No. AL-1” which is attached to and made part of this Agreement.

“**Schedule C**” refers to the Schedule C entitled “Monthly CES Charge” which is attached to and made part of this Agreement.

“**Schedule D**” refers to the Schedule D entitled "Preservation Power Allocation(s)", which describes the PP Allocations made to the Customer and which is attached to and made part of this Agreement.

“**Service Tariff**” means the Authority’s Service Tariff No. AL-1, 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.

“**TSC**” is the “NYPA Transmission Service Charge”, authorized under the NYISO Open Access Transmission Tariff and applicable to deliveries of Electric Service to Customer.

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 allocate to Alcoa two hundred forty thousand (240,000) kilowatts (“kW”) of Firm Hydroelectric Power and Energy from the Project (the “Allocation”), branded in statute as PP for the period from April 1, 2019 through March 31, 2026 for use at the Alcoa West Plant, Park Avenue East, Massena, New York 13662. The Contract Demand is the amount of PP the Authority will sell to Alcoa and shall equal the Allocation amount. The Project Hydropower that will comprise the Allocation is part of the hydropower that has been sold under the 2016 Agreement which has a scheduled termination date of March 31, 2019. The Authority’s service tariff designated as Service Tariff ST AL-1 (“Service Tariff” or “ST AL-1”) shall apply to the sale of the Allocation.

B. Delivery Points. At 115,000 Volts at the points of interconnection of Customer’s transmission lines to the Barnhart Island Switchyard of the Authority at the West Plant, Massena, New York, or at such other points and voltages as agreed between Customer and the Authority.

C. Reduction of Contract Demand. The foregoing 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. Any such reduction in the Contract Demand made by the Authority under this subparagraph shall be in proportion to the overall reduction in the aggregate contract demands of hydroelectric customers sold by the Authority from the Project.

D. Authority and Customer shall cooperate in any relocation or installation of transformers or other related facilities servicing West Plant 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 substantial benefits exist, it shall negotiate in good faith with Customer regarding an alternative funding arrangement. In any event, NYPA shall not be obligated to agree upon an alternative funding arrangement.

III. Employment and Other Commitments

The Customer shall be subject to the employment and other commitments set forth in Schedule A. As more particularly set forth in Schedule A, 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 Employment and Other Commitments described in Schedule A. The Customer's Employment and Other Commitments are in addition to all other commitments and obligations provided in this Agreement.

IV. Rules, Regulations and Service Tariff

The Rules and the Service Tariff are hereby incorporated into this Agreement with the same force and effect as if herein set forth at length. In the event of any inconsistencies, conflicts or differences between the provisions of the Service Tariff and the Rules, the provisions of the Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and the Service Tariff, the provisions of this Agreement shall govern. Except as may be provided under Section V.D., below, Authority shall provide at least thirty (30) days prior written notice to Customer of any proposed change in the Rules or Service Tariff, but in no event shall Authority provide less notice than that provided to similarly affected customers within New York State.

V. Power and Energy Rates, Other Charges and Bond Covenant

- A. Base Rates: Firm Hydroelectric Power and Energy associated with the Allocation shall be sold to Customer hereunder at rates for base commodity and TSC determined in accordance with ST AL-1 attached hereto.
- B. Customer agrees to compensate Authority for all transmission costs incurred as set forth in ST AL-1. Such charges or costs shall be in addition to the charges recovered through the base rates in ST AL-1 for base commodity and TSC. 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 Authority sixty (60) days written notice otherwise, Authority will act as the Load Serving Entity ("LSE") with respect to the NYISO or arrange for another entity to do so on its behalf. Customer agrees and understands that it shall be responsible to Authority for all costs incurred by Authority with respect to the Allocation for the services established in the

NYISO's applicable tariffs, as set forth in ST AL-1, whether or not such charges are transmission-related. Such charges or costs shall be in addition to the charges recovered through the base rates in ST AL-1 for base commodity and TSC.

- C. To the extent Authority incurs any taxes, assessments or other charges imposed by third parties associated with or attributable to the Allocation, other than any charges associated with the CES Charge as such charge is addressed specifically in Section V.E below, Customer agrees to compensate Authority for all such costs incurred as set forth in ST AL-1. Such charges or costs shall be in addition to the charges recovered through the base rates in ST AL-1 for base commodity and TSC.
- D. Notwithstanding any provision of this Agreement to the contrary, the power and energy charges 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 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, 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.
- E. In addition to all other fees, assessments and other charges provided for in the Agreement, ST AL-1, and the Rules, the Customer shall be responsible for payment of the Monthly CES Charge established in Schedule C.

VI. Hydropower Curtailments and Substitute Energy

- A. If hydraulic or hydrological conditions affecting the Hydro Projects require Authority to curtail the amount of Firm Hydroelectric Power and Energy provided to Customer under this Agreement to an amount below such normal level, reductions shall be applied to all the firm power customers served from the Hydro Projects, including Customer, in proportion to their relative allocations of Firm Hydroelectric Power and Energy from the Hydro Projects.

Reductions as a percentage of the otherwise required Power and Energy deliveries will be the same for all firm Authority hydropower customers served from the Hydro Projects.

- B. Authority will provide Substitute Energy to the Customer to replace the hydroelectricity that would otherwise have been supplied.

1. Billing for Substitute Energy. For each kilowatt-hour of Substitute Energy supplied by the Authority, in lieu of paying the base rates set forth in Section V.A. above, 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.

2. Substitute Energy Provision Effect on Contract. All other provisions of the Agreement shall continue in effect with Substitute Energy being delivered in the same manner as would have otherwise been the case.

VII. Billing

Billing shall be performed in accordance with ST AL-1.

VIII. Term, Termination of Service and Early Termination

Electric Service under the Agreement shall commence effective April 1, 2019 (“Effective Date”) and continue through and including March 31, 2026 (the “Expiration Date”), provided, however, that Electric Service may be cancelled, reduced, modified, or terminated prior to the Expiration Date as follows:

1. The Authority may cancel or terminate Electric Service under this Agreement pursuant to Part 454 of the Rules upon notice specified in such provision.
2. 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, Service Tariff, or the Rules.
3. 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).

4. Customer may, for any reason, terminate this Agreement or reduce or terminate Electric Service under this Agreement at any time on written notice given to Authority no less than ninety days (90) in advance, without prejudice to Customer's rights to terminate this Agreement or reduce or terminate Electric Service hereunder due to Force Majeure or breach of this Agreement by Authority.

IX. Notification

Correspondence involving the administration of this Agreement shall be addressed as follows:

To: Authority

Vice President – Economic Development
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

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

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. 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 Force Majeure.

C. In the event Customer is required to interrupt, suspend or limit production at the West Plant as a result of Force Majeure, the Authority may suspend or reduce scheduled Electric Service, as appropriate.

XV. Communication 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 both 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

EMPLOYMENT AND OTHER COMMITMENTS

SECTION I. CUSTOMER COMMITMENTS

1. West Plant Operations: During the Term, Customer will continue smelter operations at the West Plant.
2. Employment Commitments:
 - a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule A (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 or its affiliates at Customer's West Plant 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 West Plant (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 West Plant 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 or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority's discretion.
3. Capital Investment Commitments

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

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 Customer's West Plant. 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 A.

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 in the West Plant receiving the power covered by the Agreement.

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 A for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule A 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 Peak Demands (as such term is described in the Service Tariff) in any calendar year for PP 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. 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 its recordkeeping and reporting requirements contained in Section II of this Schedule A 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

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 A, 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, and any other relevant factors offered by the Customer. 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 after the Authority's response to the Customer's proposed plan. If the Authority elects to implement the reduction of the Contract Demand, it 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 A

BASE EMPLOYMENT LEVEL

During the course of each calendar year during the term of this Agreement (a “Reporting Year”), the Customer shall employ at least 450 full-time employees (“Base Employment Level”) at the Customer’s West Plant, subject to the 90% compliance threshold as further detailed in Schedule A, Section III. The Base Employment Level shall be maintained for the term of the Allocation through the term of the Agreement.

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 West Plant (“Rolling Average”) shall total not less than \$2 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 West Plant during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the West Plant during the two prior Reporting Years. The first Reporting Year for the Annual Capital Investment Commitment shall be calendar year 2021, and such initial report shall consider the Rolling Average for the period 2019-2021.
 - 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.

SCHEDULE B
SERVICE TARIFF NO. AL-1



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 – 1

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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 service produced by the Authority's St. Lawrence-FDR Project to Alcoa USA Corp. ("Alcoa" or "Customer") and as further defined 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: An executed agreement between the Authority and the Customer setting forth the terms and conditions applicable to the allocation and sale of firm hydroelectric power to the Customer, including an agreement entitled "Agreement for the Sale of Firm Hydroelectric Power and Energy from the St. Lawrence-FDR Power Project to Alcoa USA Corp."

Aluminum Price: Aluminum price derived as a reference point for assigning applicable base rates and is calculated as the sum of the London Metal Exchange and Midwest Aluminum Premium reference prices as further defined 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" and "NYPA."

Billing Energy: This term has the meaning provided for in Section III.G.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.

Capacity Tag: Capacity (kW) as expressed by the NYISO as the Unforced Capacity ("UCAP") obligation for a capability period. The UCAP obligation is inclusive of any adjustments for reserves needed to meet the installed reserve margin as required by the NYISO.

Contract Demand: This term has the meaning provided for in the Agreement.

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

Firm Power and Energy: This term has the meaning provided for in Section IV.B. of this Service Tariff.

Hydro Projects: Collective reference to the Project and Authority's Niagara Project, FERC Project No. 2216.

London Metal Exchange or **LME:** Center for industrial metals trading used as reference to derive Aluminum Prices within this Service Tariff. Specifically, the LME component used in calculating the Aluminum Price for a particular month (M) shall be the average LME Cash Buyer's Price for the month prior (M-1).

Load Serving Entity or **LSE:** This term has the meaning provided for in the Agreement.

Load Factor Share: Methodology used to determine firm hydroelectric Billing Energy share of the total Native System Load as further defined in Section III.G.1 of this Service Tariff.

Midwest Aluminum Premium or MWP: Midwest U.S. Premium price published by Platt's Metals Week, converted to dollars per metric tonne (\$/metric tonne), in addition to LME aluminum price, used to derive Aluminum Prices within this Service Tariff. Specifically, the MWP component used in calculating the Aluminum Price for a particular month (M) shall be the average MWP for the month prior (M-1).

Minimum Monthly Capacity Charge: This term has the meaning provided for in Section III.D.1 of this Service Tariff.

Native System: Customer's electric system at Park Avenue East ("West Plant"), Massena, New York 13662.

Native System Load: Total consumption within the boundaries of the Customer's electric system, as determined by the Authority's revenue-grade metering equipment. This includes incoming bilateral energy, market purchases taken from the transmission grid, and internal generation. The coincident sum of all incoming power and internal generation minus the outgoing power being sent back to the transmission grid will be considered the Native System Load and will be the value used to calculate the monthly Native System Load Factor.

Native System Load Factor: Percent value calculated every Billing Period as follows: (Native System Load) ÷ [(Peak Demand) * (# of Hours in the Billing Period)].

NYISO Tariffs: The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

Peak Demand: The highest coincident sixty (60) minute integrated demand of the Native System Load measured during the Billing Period and expressed in kW.

Project: The Authority's St. Lawrence-FDR Power Project.

Rural/Domestic Rate: Rates charges 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) and PAL §1005(5).

Rules: The Authority's rules and regulations set forth in 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 Tariff: This service tariff, denominated as “Electric Service Tariff for Alcoa USA Corp. Firm Hydroelectric Power Service, Service Tariff No. AL - 1,” as amended from time to time by the Authority.

Substitute Energy: Energy the Authority procures and sells to the Customer to replace Firm Power and Energy that would otherwise have been sold to the Customer but for a curtailment made in accordance with the Agreement and this Service Tariff.

Taxes: This term has the meaning provided for in Section III.D.2 of this Service Tariff.

Transmission Service Charge or **TSC:** The NYPA Transmission Service Charge as provided for and defined in the NYISO OATT.

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 Cash Buyer’s Price or Platt’s Midwest Aluminum Premium, is discontinued or the methodology for determination thereof is substantially revised, the Parties will meet and discuss in good faith the amendment of the Tariff by substitution of an alternative index or other alternative means of determination of pricing most closely approximating their original intent.

III. Base Rates and Related Matters

A. Base Rates

1. Subject to the other provisions of this Service Tariff, the base rates to be charged to the Customer by the Authority shall be tied directly to Aluminum Prices as follows:

Aluminum Price (\$/metric ton)	Base Rate (\$/MWh)
Below 1,500	12.25
1,500 - 1,799	12.25
1,800 - 1,899	14.00
1,900 - 1,999	15.75
2,000 - 2,099	17.50
2,100 - 2,199	19.25
2,200 - 2,299	21.00
2,300 - 2,399	22.75
2,400 - 2,499	24.50
2,500 - 2,599	26.25
2,600 - 2,699	28.00
2,700 - 2,799	29.75
2,800 - 2,899	31.50
2,900 - 2,999	33.25
3,000 - 3,099	35.00
3,100 - 3,199	36.75
3,200 - 3,299	38.50
3,300 - 3,399	40.25
3,400 and above	42.00

The base rates, as set forth above, include a monthly base rate for commodity, and a base Transmission Service Charge valued at \$1.75/MWh at a ninety-eight (98) percent load factor, both of which are subject to monthly billing adjustments for full cost recovery at the Customer Native System Load Factor, as per Sections III.E. and III.C. of this Service Tariff.

B. NYISO Transmission and Related Charges (“NYISO Charges”)

The Customer shall compensate the Authority 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:

1. Charges for OATT Rate Schedules 1 through 9 and any new ancillary services and/or rate schedules as may be provided in accordance with the NYISO Tariffs;
2. Transmission Usage Charges (“TUC”) which are Marginal Losses and Congestion costs as provided for in the NYISO Tariffs;
3. The New York Power Authority “Transmission Adjustment Charge” or “NTAC” as provided for in the NYISO Tariffs;
4. NYISO wide uplift as provided for in the NYISO Tariffs;
5. Any and all other charges, assessments, or other amounts associated with delivery of Firm Power and Energy sold to the Customer by the Authority, or otherwise associated

with the Authority's responsibilities as a Load Serving Entity for the Customer, that the NYISO assesses on the Authority under the provisions of the NYISO Tariffs; and

6. Any charges assessed on the Authority with respect to the provision of Electric Service to the Customer 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 third party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority's base rates 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 the Authority's discretion.

C. Transmission Charges and Monthly TSC Reconciliation

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 NYISO Tariffs. Any difference between TSC costs recovered through the base rates as set forth in Section III.A.1 of this Service Tariff and actual TSC costs shall be reconciled on a monthly basis by the Authority. The difference of any under collection or over collection of the TSC costs shall be passed through to the Customer on the bill.

D. Other Charges

The base rates do 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 base rates 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 Capacity Tag, 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 Capacity Tag as expressed by the NYISO for the applicable month, times the applicable NYISO locational capacity spot auction market rate.

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 base rates 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 or 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 and Section IV.C. of this Service Tariff. The Authority shall provide Substitute Energy to the

Customer, and the Customer shall pay the Authority for Substitute Energy, in accordance with the Agreement and Section IV.C. of this Service Tariff.

E. Niagara and St. Lawrence-FDR Hydroelectric Rates

The base rates, as set forth in Section III.A. of this Service Tariff, include both commodity and TSC related charges. At all times the commodity component of the base rate (base rate less the TSC rate) shall be no lower than the overall Rural/Domestic Rate (Rural/Domestic Rates computed at the Customer Native System Load Factor). For each Billing Period, if the commodity component of the base rate is lower than the overall Rural/Domestic Rate, the difference between the commodity component of the base rate and the overall Rural/Domestic Rate will be added to the base rate. Concurrently, for each Billing Period, if the commodity component of the base rate is equal to or greater than the overall Rural/Domestic Rate, the base rates, as set forth in Section III.A. of this Service Tariff, will be the month's applicable billing rates, without adjustment.

F. New Charges

The Customer shall be responsible for payment of any and all new third-party charges 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 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 include any such New Charges in the base rates or bill the Customer separately for such New Charges.

G. 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 Native System 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 resulting overscheduled load, as reported as Balancing Energy Sell transactions by the NYISO, shall not be reflected on the Customer's bill as there is no entitlement to said transaction. 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.

3. Market Purchases

If in any given hour during a Billing Period the Customer load requirements exceed the Customer's Contract Demand (reported as Balancing Energy Purchase transactions), these purchases shall be reflected on the Customer's bill including, but not limited to, TSC charges for the Market Purchase share.

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 base 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.H.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.

H. 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:

$$\text{Average Power Factor} = \frac{kWh}{\sqrt{kWh^2 + kvar h^2}}$$

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.

I. Adjustment of Rates

To the extent consistent with the Agreement between the Authority and the Customer, the base rates contained in this Service Tariff may be revised from time to time as set forth in Section III.E. of this Service Tariff or in order to meet all requirements specified in its bond and note resolutions and covenants with holders of its financial obligations. Should the Authority need to adjust the base rates, the Authority will provide thirty (30) days written notice to the Customer.

IV. General Provisions

A. Character of Service

Alternating current; 60 hertz, three-phase.

B. Firm Power Service

Firm 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 in this Service Tariff.

C. Availability of Energy

1. Subject to Section IV.C.2 of this Service Tariff, the Authority shall provide to the Customer in any Billing Period Firm Power and Energy.
2. If, as a result of reduced water flows caused by hydrologic conditions, there is insufficient energy from the Hydro Projects to supply the full power and energy requirements of the Authority's Firm Power and Energy customers served from the Hydro Projects, curtailments in the amount of Firm Power and Energy to which the Customer is entitled under the Agreement will be applied on a pro rata basis to all Firm Power and Energy customers served by the Hydro Projects. Reductions as a percentage of the otherwise required Firm Power and Energy sales will be the same for all Firm Power and Energy customers served by the Hydro Projects.
3. The Authority will provide Substitute Energy to the Customer to replace the Firm Power and Energy that would otherwise have been supplied under this Agreement but for the curtailment. For each kilowatt-hour of Substitute Energy supplied by the Authority, in lieu of paying the base rates set forth in Section III.A. above, 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.
4. The Authority will give the Customer advance notice of forecasted shortfalls in Firm Power and Energy which will advise the Customer of the forecasted shortfall of Firm Power and Energy, the period to which the forecast applies (usually a Billing Period), and the Customer's anticipated share of the forecasted shortfall. After the Billing Period to which the notice applies, the Authority will determine after the fact the actual shortfall and make any appropriate adjustments to charges and billings to the Customer in accordance with the rates provided for in this Service Tariff.
5. The Authority is under no obligation to supply and will not supply to the Customer in later Billing Periods any curtailed Firm Power and Energy.

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 system. 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 tenth (10th) business 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 this Agreement, Service Tariff No. AL-1 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, and 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 this Agreement.

G. Conflicts

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

inconsistencies, conflicts or differences between the Service Tariff and any provisions of the Agreement, the provisions of the Agreement will govern.

SCHEDULE C

MONTHLY CES 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, or in the Rules.

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

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

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

“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.

“Government Action” has the meaning provided in Section II.9 of this Schedule C.

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

“Monthly CES Charge” means the monthly charge to the Customer established in this Schedule C.

“Monthly REC Cost Component” has the meaning provided in Section II.3 of this Schedule C.

“Monthly ZEC Cost Component” has the meaning provided in Section II.3 of this Schedule C.

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

“PP Program ZEC Costs” has the meaning provided in Section II.5.B of this Schedule C.

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

“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 Public

Service Commission authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion in the CES.

C. “REC Investment Obligation” has the meaning provided in Section II.2.A of this Schedule C.

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

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

“Total Monthly PP Load” has the meaning provided in Section II.4.B of this Schedule C.

“Total Monthly REC Costs” has the meaning provided in Section II.4.B of this Schedule C.

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

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

II. MONTHLY CES CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of the Service Tariff, or the Rules, the Customer shall be subject to a Monthly CES Charge calculated as provided for in this Schedule C. The Monthly CES Charge is in addition to all other charges, fees and assessments provided in the Agreement, the Service Tariff and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly CES Charge.
2. The Monthly CES Charge is to support compliance programs that the Authority is implementing for the purpose of complying with the following State energy/environmental policies:
 - A. The CES and Tier 1 of the Renewable Energy Standard, and implementing the PP power program in a manner that is consistent with the SEP. Pursuant to these State policies, the Authority will invest in new renewable generation resources to serve its PP customers (“REC Investment Obligation”). Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total PP load that the Authority will serve each calendar year (the “Annual REC Percentage Target”) for the purpose of ultimately meeting the RES.
 - B. The CES and Tier 3 of the Renewable Energy Standard, and implementing the PP power program in a manner that is consistent with the New York State Energy Plan. Pursuant to these State policies, the Authority will purchase Zero Emission Credits from NYSERDA in amounts calculated on the basis of the amount of electric load that the Authority 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. As more specifically provided herein, the Monthly CES Charge will be calculated on the basis of the following two cost components: (1) a monthly REC cost component that is intended to identify costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer’s PP load served under the Agreement (“Monthly REC Cost Component”); and (2) a monthly ZEC cost component that is intended to identify costs that the Authority incurs for ZECs that it purchases in quantities that are attributable to the Customer’s PP load served under the Agreement (“Monthly ZEC Cost Component”).
4. The Monthly REC Cost Component will be determined as follows:
 - a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total PP load that it will serve during such calendar year.
 - b. The Authority will, for each month of each calendar year, calculate the total costs (“Total Monthly REC Costs”) that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total PP kilowatt-hour load for the month (“Total Monthly PP Load”). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly PP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly PP Load that the Authority served for the month.
 - c. Each month, the Authority will allocate to the Customer’s load served under the Agreement, as the Monthly REC Cost Component, a share of the Total Monthly REC Costs attributable to the Total Monthly PP Load. The Monthly REC Cost Component will be based on the proportion of the Customer’s total kilowatt-hours load served by the Authority for such month to the Total Monthly PP Load served by the Authority for such month provided, however, that:
 - a. the Monthly REC Cost Component to the Customer shall not include any costs associated with the Authority’s inability to collect REC charges from other Authority customers; and
 - b. the effective per-MWh rate of the Monthly REC Cost Component shall not exceed the per-MWh rate of a Monthly REC Cost Component based upon NYSERDA’s then-applicable published REC price.
5. The Monthly ZEC Cost Component will be determined 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 Obligation may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

- b. Each month, the Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the PP load that it serves (the "PP Program ZEC Costs"). Such allocation will be based on the forecasted kilowatt-hours load of the PP program to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the PP power program based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).
 - c. The Authority will allocate a portion of the PP Program ZEC Costs to the Customer's load based on the proportion of the Customer's actual kilowatt-hours load for the PP purchased by the Customer to total kilowatt-hours load served by the Authority under the PP power program (i.e., PP Program level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be allocated to the Customer based on the proportion of the Customer's annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the PP power program by the Authority (PP Program level load).
6. Each month the Monthly REC Cost Component and the Monthly ZEC Cost Component will be combined to produce a monthly CES cost component (the "Monthly CES Cost Component").
 7. The Customer shall be subject to a Monthly CES Charge which shall be tied to the Aluminum Price (as defined in ST AL-1) as indicated in the following table, and calculated by multiplying the Monthly CES Cost Component by the applicable percentage listed in the table ("Applicable Percentage").

Aluminum Price (\$/metric ton)	Base Rate (\$/MWh)	Applicable Percentage¹
Below 1,500	12.25	-
1,500 - 1,799	12.25	-
1,800 - 1,899	14.00	-
1,900 - 1,999	15.75	-
2,000 - 2,099	17.50	-
2,100 - 2,199	19.25	-
2,200 - 2,299	21.00	-
2,300 - 2,399	22.75	22%
2,400 - 2,499	24.50	39%
2,500 - 2,599	26.25	56%
2,600 - 2,699	28.00	72%
2,700 - 2,799	29.75	89%
2,800 - 2,899	31.50	100%
2,900 - 2,999	33.25	100%
3,000 - 3,099	35.00	100%
3,100 - 3,199	36.75	100%
3,200 - 3,299	38.50	100%
3,300 - 3,399	40.25	100%
3,400 and above	42.00	100%

8. Notwithstanding the foregoing, the Authority may, in its discretion, modify the methodology used for calculating the Monthly REC Cost Component and Monthly ZEC Cost Component 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, statutory enactments, 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 Monthly REC Cost Component and Monthly ZEC Cost Component. Notwithstanding the foregoing, nothing in this section shall be interpreted as permitting the Authority to modify, eliminate, or otherwise frustrate Customer from receiving the full, specified discount off of the Monthly CES Charge tied to the Aluminum Price, as provided for in the preceding section.
9. 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 the Service Tariff, or the Rules.
10. If the ZEC Purchase Obligation or the REC Investment 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 REC Cost Component, ZEC Cost Component and/or Monthly CES Cost Component, and assess any additional

¹ For the sake of clarity, the Parties acknowledge and agree that in any month that the Aluminum Price is less than \$2,300 per metric ton, no Monthly CES Charge will apply to the Customer for such month.

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.

III. ALTERNATIVE COMPLIANCE PROGRAM

1. Nothing in this Schedule C 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 CES Charge provided in this Schedule C (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.

SCHEDULE D
PRESERVATION POWER ALLOCATION(S)

Customer: Alcoa USA Corp.	Allocation Amount (kW)	Facility and Address	Trustee Approval Date	Allocation Expiration Date
Type of Allocation				
Preservation Power	240,000	West Plant, as defined in the Agreement	March 26, 2019	March 31, 2026