1. Adoption of the December 7, 2021 Proposed Meeting Agenda

2. Motion to Conduct an Executive Session

3. Motion to Resume Meeting in Open Session

4. DISCUSSION AGENDA:
   a. Strategic Initiatives
      i. Interim President and Chief Executive Officer’s Report (Justin Driscoll)
   b. Chief Operations Officer’s Report (Joseph Kessler)
   c. Chief Commercial Officer’s Report (Sarah Salati)
   d. Chief Financial Officer’s Report (Adam Barsky)
   e. Finance & Risk Committee Report (Tracy McKibben)
      i. Finance & Risk Committee Recommendations for Approval:
         1. Release of Funds in Support of the New York State Canal Corporation (Q1 2022) (Adam Barsky)
         2. Release of Funds in Support of the Residential Consumer Discount Program Created in Connection with the Recharge New York Power Program (Adam Barsky)
         3. Digital Utility Strategic Partnership Aggregate Funding and Extension of Value Contracts (Ricardo DaSilva)

5. Release of Funds in Support of Separately Financed Projects (Adam Barsky)

6. Proposed Issuance of Transmission Project Revenue Bonds (Adam Barsky)


f. Audit Committee Report (Eugene Nicandri)

g. Informational Item: Digital Utility Strategic Partnership Outcomes and Deliverables - (Ricardo DaSilva)

h. Informational Item: NYPA Ventures – Business Lines Update -- (Sarah Salati, Emilie Bolduc, Fabio Mantovani)

i. Diversity Equity, and Inclusion Evaluation and Incentive Plan -- Resolution (Keith Hayes)

5. CONSENT AGENDA:

a. Commercial Operations

   i. Awards of Fund Benefits from the Northern New York Economic Development Fund Recommended by the Northern New York Power Proceeds Allocation Board -- Resolution (Keith Hayes)

   ii. Recharge New York Power – New, Extended and Modified Allocations – Resolution (Keith Hayes)

   iii. Transfer of Recharge New York Power -- Resolution (Keith Hayes)

   iv. Contracts for the Sale of Hydropower – Final Approval and Transmittal to the Governor -- Resolution (Keith Hayes)

b. Procurement (Services) Contracts

   i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding -- Resolution (John Canale)
   ii. Canal Corporation Fountain – Transfer of Ownership for Less Than Fair Market Value to the Town of Seneca Falls, New York -- Resolution (David Mellen)

c. Governance Matters

i. Approval of the Minutes

   1. Minutes of the Joint Meeting of the New York Power Authority’s Board of Trustees and Canal Corporation’s Board of Directors held on October 19, 2021

6. Next Meeting
2. **Motion to Conduct an Executive Session**

   I move that we conduct an executive session to discuss the financial and credit history of a particular corporation (pursuant to §105 of the Public Officers Law).
3. **Motion to Resume Meeting in Open Session**

I move to resume the meeting in Open Session.
President & CEO Report

Justin E. Driscoll
Interim President & Chief Executive Officer

December 7, 2021
New York has set the most ambitious clean energy goals in the country

<table>
<thead>
<tr>
<th>100%</th>
<th>Zero-carbon electricity by 2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>Reduction in GHG emissions by 2030</td>
</tr>
<tr>
<td>9 GW</td>
<td>Offshore wind by 2035</td>
</tr>
<tr>
<td>3 GW</td>
<td>Storage by 2030 (15GW by 2040)</td>
</tr>
<tr>
<td>35%</td>
<td>Benefits to disadvantaged communities</td>
</tr>
<tr>
<td>70%</td>
<td>Renewable energy generation by 2030</td>
</tr>
<tr>
<td>85%</td>
<td>Reduction in GHG emissions by 2050</td>
</tr>
<tr>
<td>6 GW</td>
<td>Distributed solar by 2025</td>
</tr>
<tr>
<td>185 TBTU</td>
<td>Energy consumption savings by 2025</td>
</tr>
</tbody>
</table>

SOURCE: CLARIFY, NY Power Plan Study
VISION2030 charts a path for NYPA to play a critical role in New York’s decarbonization pathway
<table>
<thead>
<tr>
<th>Operations</th>
<th>YTD Target</th>
<th>YTD Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Availability (%)</td>
<td>95.0%</td>
<td>96.8%</td>
</tr>
<tr>
<td>Transmission Asset Base ($M)</td>
<td>$1,123</td>
<td>$1,113</td>
</tr>
<tr>
<td>Greenhouse Gas Saved (Tons)</td>
<td>25,746</td>
<td>29,334</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workforce Management</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Days Away, Restricted or Transferred (DART) Rate (#)</td>
<td>0.78</td>
<td>0.58</td>
</tr>
<tr>
<td>Workforce Engagement &amp; Development (#) (Q)</td>
<td>4,081</td>
<td>6,135</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financials</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Days Liquidity On Hand (#)*</td>
<td>200</td>
<td>297</td>
</tr>
<tr>
<td>Earnings Before Interest, Depreciation &amp; Amortization (EBIDA) ($M)</td>
<td>$355.2</td>
<td>$374.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Public Milestones</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas Milestones (%)</td>
<td>90.0%</td>
<td>96.9%</td>
</tr>
<tr>
<td>Reimagine the Canals Priority Project Milestones (%)</td>
<td>90.0%</td>
<td>97.6%</td>
</tr>
</tbody>
</table>

*Values and analysis are reported on a one month delay beginning August 2021.
2021 accomplishments | Smart Path Connect

Growing Transmission Capacity in New York State

- NYPA Operating Facilities
- NYPA Transmission Lines
- New York State Transmission Lines Owned by Others
- 115 kV and above

- Smart Path Connect
  - 110 miles
  - 230 / 345 kV
  - NYPA, National Grid
2021 accomplishments | JFK fast charging hub

✓ JFK Airport fast charging hub is operational
2021 accomplishments | DEI

Tactic A

Office of Civil Rights and Inclusion driving DEI as a business practice

✓ Comprehensive DEI Audit

✓ Launched Pathways program to support development of diverse internal talent
2021 accomplishments | DEI

Tactic B
Supplier Diversity program promoting and increasing the participation of MWBEs

- Developed **Supplier Diversity Roadmap**
- Launched **Supplier Mentor-Protégé Program**
Established **PTECH program** to support students from 9th grade to an Energy Industry Associates Degree

Launched – and doubled the award for– the **Future Energy Leaders Scholarship** program
2021 accomplishments | NYPAs Change Management

Change Management team works year-round to keep a myriad of projects and activities moving forward in a thoughtful, interdisciplinary and planned way. They ensure alignment amongst departments, breed understanding, ensure a holistic view is taken of the work and its impacts to other business units.

- **APM**: Multi-year support of change management communications and engagement aspects of this asset performance transformation

- **Project Hub**: Supporting internal clients’ change management communications and engagement strategy, implementation and materials

- **Time and Attendance**: change management planning for the new time and attendance system, which will impact all categories of staff at both NYPAs and Canals

- **O365**: Current focus on change management preparation for SharePoint Re-Platform and continued staff education on Microsoft Teams and its many applicable uses for staff.

- **eGRC**: Team developed 'count down' campaign highlighting new policy leveraging the momentum to get operational risks entered into the system

- **COVID-19 Incident Command**: as part of ICS team, provided processes and created guidance for collaboration, communications and information management.
### 2022 goals | **Building on our momentum in VISION2030’s second year**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Pillar</th>
<th>Selected highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preserve Hydropower</td>
<td><strong>Digitalization</strong></td>
<td>Roll-out digital tools and technology to drive efficiencies and meet VISION2030 objectives</td>
</tr>
<tr>
<td>Decarbonize NG Plants</td>
<td><strong>ESG</strong></td>
<td>Complete Integrated Report draft and new “lead by example” projects</td>
</tr>
<tr>
<td>Lead Transmission</td>
<td><strong>DEI</strong></td>
<td>Further develop environmental justice programming (e.g., PTECH) and launch Surety Bonding Program</td>
</tr>
<tr>
<td>Partner with Customers and State</td>
<td><strong>Resilience</strong></td>
<td>Publish Climate Adaptation report and review with Consortium</td>
</tr>
<tr>
<td>Reimagine the Canals</td>
<td><strong>Resource Alignment</strong></td>
<td>Pilot updated job profiles and knowledge transfer program</td>
</tr>
</tbody>
</table>

- Publish a public report on the future of hydropower based on NYISO planning study
- Develop and publish long-term SENY decarbonization plan
- Construct and test major projects, and develop new proposals for identified NYS transmission needs
- Expand customer segments served and begin voluntary REC sales
- Launch “On the Canals” program to demonstrate value of the Canal System

Selected highlights
Central East Energy Connect
(Marcy-New Scotland Transmission Upgrade Project)

• Recent Accomplishments
  • Outages completed on 11/14/21 and 11/30/21 for continuation of transmission line rebuild
    – Approximately 92 existing wood h-frame structures removed and approximately 77 new 345kV ready steel monopole structures installed

• Next Steps
  • Continue outages to support installation of Princetown to Gordon Road and New Scotland transmission lines
  • Continue monitoring field conditions for any changes
  • Submission of 2022 outage plan to NYISO
  • Support upgrades necessary at Marcy - May 2022 outage all work currently on track
Chief Commercial Officer’s Report

Sarah Orban Salati
EVP & Chief Commercial Officer

December 7, 2021
Electricity Supply – Through October 2021

2021 Merchant Gross Margin Projections

- YTD Merchant Margin is $247 M; $13M above Target $234 M
- Full Year Expected Value is $293 M; 8% above Target $272.4M

Economic Development

- 1,725 Megawatts
  - Power Allocated
- 404,372
  - Jobs Retained and Created
- $22 Billion
  - Capital Committed

As of 9/25/2020

- $224
- $272
- $224

As of 10/31/2021

- $284
- $293
- $305
## Customer Business Lines: October YTD Results

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Actuals - Year to Date</th>
<th>YTD Target / 2021 YE Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Energy Solutions</td>
<td>$195M Capital Spend</td>
<td>$206M / $253M</td>
</tr>
<tr>
<td></td>
<td>$320M Capital Project Contracts Signed</td>
<td>$169M / $223M</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e-Mobility</td>
<td>11 EVolve NY DCFC Charging Ports</td>
<td>11 / 124 Charging Ports</td>
</tr>
<tr>
<td></td>
<td>$55M Customer Contracts Signed for DCFCs</td>
<td>$49M / $49M</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NY Energy Manager + DER + Flexibility</td>
<td>24MW Solar &amp; 0.5 MW Storage Installed</td>
<td>21 MW / 33 MW Solar &amp; 0.5 MW / 3 MW Storage</td>
</tr>
<tr>
<td></td>
<td>17K Cumulative MMBtus (Saved/Recommended)</td>
<td>18K / 20K MMBtus</td>
</tr>
</tbody>
</table>

- **Within Target**
- **Outside of Target**
- **Significantly Outside of Target Range**
Economic Development Highlights: Supporting Growth in NYS through Cost Competitive Power Supply and Proceeds Awards

**Green Jobs**

- 896 Green Jobs approved in 2021; above 200 annual target
- WOLFSPEED, Utica: new wafer manufacturing facility employing silicon carbide technology
- 11.9 MW awarded; 320 green jobs; $500 million in capital commitments

**Power Allocations**

- Over 133 applications managed by Econ Dev teams in 2021 vs. goal of 84
- Plug Power, AL: $290 million investment, 68 new green jobs (above 900+ jobs expected across NYS)
- State-of-the-art green liquid hydrogen manufacturing, 1st tenant at WNY STAMP

**WNY and NNY Proceeds**

- Over $2 million awarded across WNY & NNY Economic Development Funds
- Eastman Machine, Buffalo: $170k awarded for 6 new jobs (124 existing) and $1.6M in capital investment
- 5th generation family-owned machine fabricators’ expansion
## YEAR-TO-DATE Actuals through October 31st

### YTD ACTUALS (JANUARY-OCTOBER 2021)

<table>
<thead>
<tr>
<th>In $ Thousands</th>
<th>2021 Budget ($)</th>
<th>2021 Current ($)</th>
<th>Variance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Revenue</td>
<td>$1,538,725</td>
<td>$1,562,513</td>
<td>$23,788</td>
</tr>
<tr>
<td>Market-Based Power Sales</td>
<td>366,558</td>
<td>412,967</td>
<td>46,409</td>
</tr>
<tr>
<td>Non Utility Revenue</td>
<td>21,864</td>
<td>21,188</td>
<td>(676)</td>
</tr>
<tr>
<td>Ancillary Service Revenue</td>
<td>22,760</td>
<td>28,466</td>
<td>5,706</td>
</tr>
<tr>
<td>NTAC and Other</td>
<td>198,650</td>
<td>215,159</td>
<td>16,509</td>
</tr>
<tr>
<td><strong>Operating Revenue Total</strong></td>
<td>$2,148,558</td>
<td>$2,240,295</td>
<td>$91,737</td>
</tr>
<tr>
<td>Operating Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Power</td>
<td>(531,979)</td>
<td>(520,013)</td>
<td>11,966</td>
</tr>
<tr>
<td>Ancillary Service Expense</td>
<td>(52,353)</td>
<td>(44,205)</td>
<td>8,149</td>
</tr>
<tr>
<td>Fuel Consumed</td>
<td>(97,462)</td>
<td>(152,032)</td>
<td>(54,570)</td>
</tr>
<tr>
<td>Wheeling</td>
<td>(553,299)</td>
<td>(583,801)</td>
<td>(30,503)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>(500,235)</td>
<td>(448,666)</td>
<td>51,569</td>
</tr>
<tr>
<td>Other Expense</td>
<td>(107,322)</td>
<td>(155,220)</td>
<td>(47,897)</td>
</tr>
<tr>
<td>Allocation to Capital</td>
<td>49,331</td>
<td>37,909</td>
<td>(11,422)</td>
</tr>
<tr>
<td><strong>Operating Expense Total</strong></td>
<td>(1,793,320)</td>
<td>(1,866,027)</td>
<td>(72,707)</td>
</tr>
<tr>
<td><strong>EBIDA Total</strong></td>
<td>355,238</td>
<td>374,268</td>
<td>19,030</td>
</tr>
<tr>
<td><strong>Non Operating</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and Other Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest &amp; Other Expenses</td>
<td>(107,643)</td>
<td>(100,538)</td>
<td>7,105</td>
</tr>
<tr>
<td>Investment and Other Income</td>
<td>16,370</td>
<td>16,044</td>
<td>(326)</td>
</tr>
<tr>
<td>Mark to Market Adjustments</td>
<td>0</td>
<td>(2,957)</td>
<td>(2,957)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(215,311)</td>
<td>(229,972)</td>
<td>(14,661)</td>
</tr>
<tr>
<td><strong>Interest and Other Expenses Total</strong></td>
<td>(306,583)</td>
<td>(317,422)</td>
<td>(10,839)</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$48,655</td>
<td>$56,845</td>
<td>$8,190</td>
</tr>
</tbody>
</table>

**EBIDA:** Earnings Before Interest Deprciation & Amortization
### FULL-YEAR Forecast

#### YEAR END PROJECTION (JANUARY - DECEMBER 2021)

<table>
<thead>
<tr>
<th>In $ Thousands</th>
<th>2021 Budget ($)</th>
<th>2021 Current ($)</th>
<th>Variance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Revenue</td>
<td>$1,817,582</td>
<td>$1,887,741</td>
<td>$70,159</td>
</tr>
<tr>
<td>Market-Based Power Sales</td>
<td>430,499</td>
<td>583,166</td>
<td>152,667</td>
</tr>
<tr>
<td>Non Utility Revenue</td>
<td>27,976</td>
<td>27,093</td>
<td>883</td>
</tr>
<tr>
<td>Ancillary Service Revenue</td>
<td>27,662</td>
<td>33,619</td>
<td>5,957</td>
</tr>
<tr>
<td>NTAC and Other</td>
<td>237,488</td>
<td>259,324</td>
<td>21,836</td>
</tr>
<tr>
<td>Operating Revenue Total</td>
<td>2,540,607</td>
<td>2,790,944</td>
<td>250,337</td>
</tr>
</tbody>
</table>

| Operating Expense | | | |
| Purchase Power | (629,343) | (702,044) | (72,700) |
| Ancillary Service Expense | (62,475) | (54,021) | 12,454 |
| Fuel Consumed | (119,206) | (231,416) | (112,210) |
| Wheeling | (642,170) | (672,910) | (30,740) |
| Operations & Maintenance | (607,911) | (562,465) | 45,446 |
| Other Expense | (129,657) | (178,776) | (49,119) |
| Covid-19 Expense* | 0 | 321 | 321 |
| Allocation to Capital | 59,143 | 59,143 | 0 |
| Operating Expense Total | (2,131,619) | (2,342,167) | (210,548) |

| **EBIDA Total** | 408,989 | 448,777 | 39,788 |

| **Non Operating** | | | |
| Interest and Other Expenses | | | |
| Interest & Other Expenses | (129,262) | (120,347) | 8,914 |
| Investment and Other Income | 19,626 | 18,070 | 1,556 |
| Mark to Market Adjustments | 0 | (2,957) | (2,957) |
| Depreciation | (258,373) | (273,804) | (15,431) |
| Interest and Other Expenses Total | (368,009) | (379,309) | (11,300) |

<table>
<thead>
<tr>
<th><strong>NET INCOME</strong></th>
<th>$40,980</th>
<th>$66,530</th>
<th>$83,946</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Case</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected</td>
<td>$69,738</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Case</td>
<td></td>
<td></td>
<td>$28,758</td>
</tr>
</tbody>
</table>

*Covid-19: Expected incremental expenses into the forecast.

**EBIDA**: Earnings Before Interest Depreciation & Amortization

**Low/High Cases**: Taken from Risk's Merchant Portfolio Daily Performance Summary

**Margins - Generation**: $21,413

**Margins - Transmission**: 27,826

**Margins - Non Utility**: (6,098)

**Includes Merchant Gross Margin Variance of $18,818**

**Budget @ $272,411 vs Current @ $291,229**

**Operating Expenses**: (3,352)

**Non-Operating Net**: (11,030)

**Mark to Market Adjustments**: (2,957)

**Depreciation**: (15,431)

**Rate Base**: (30,740)

**Operating Revenue Total**: 2,540,607

**Operating Expense Total**: (2,131,619)

**EBIDA Total**: 408,989

**NET INCOME**: $40,980
4e. Finance and Risk Committee Report: (Chair Tracy McKibben)

[Oral Report Only]
Memorandum

Date: December 7, 2021
To: THE BOARD OF TRUSTEES
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Finance and Risk Committee Recommendations for Approvals

SUMMARY

The Finance and Risk Committee met on November 16, 2021 and considered and recommended following resolutions to the Board of Trustees (“Trustees”) for adoption.

The attached Exhibit A on the Proposed Issuance of Transmission Project Revenue Bonds is included to comply with state law, which requires that the issuance of Bonds be reviewed at both the Committee and the Board level. Further attached is Exhibit B, which reflects the final New York Power Authority and New York State Canal Corporation Filing of the 2022 Budget and 2022-2025 Financial Plan Pursuant to Regulations of the Office of the State Comptroller.

ITEMS FOR ADOPTION

1. Release of Funds in Support of the New York State Canal Corporation

RESOLVED, That the Trustees authorize the release of an additional up to $21.3 million in funding to the Canal Corporation to support operations of the Canal Corporation in calendar year 2022, as discussed in the foregoing report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Trustees affirm the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority’s Bond Resolution, that the amount of up to $21.3 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 Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented, and that the release of such amount is feasible and advisable; and be it further

RESOLVED, That the Trustees affirm that as a condition to making the payments specified in the foregoing report, on the day of such payments, 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 Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, That the Trustees affirm that the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, the Interim Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolution, subject to approval as to the form thereof by the Interim Executive Vice President and General Counsel.
2. Release of Funds in Support of the Residential Consumer Discount Program Created in Connection with the Recharge New York Power Program

RESOLVED, That the Trustees authorize the release of $30.0 million from the Operating Fund during 2022 to support the monthly Residential Consumer Discount Program as authorized by Chapter 60 of the Laws of 2011 and as discussed in the foregoing report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the amount of $30.0 million to be used for the Residential Consumer Discount Program described herein is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, That as a condition to making the payments specified in the foregoing resolutions, on the day of such payment the Treasurer or the Deputy Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, the Interim Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolutions, subject to approval as to the form thereof by the Interim Executive Vice President and General Counsel.

3. Digital Utility Strategic Partnership Aggregate Funding and Extension of Value Contracts

RESOLVED, That the Trustees authorize the Interim President and Chief Executive Officer and such officer designated by the Interim President and Chief Executive Officer to execute agreements and other documents between the Authority and the recommended participants of RFP No. Q17-6236MH / Q18-6470MB Digital Utility Strategic Partnership / Data Analytics Master Services Agreement Contract Awards; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim 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 Interim Executive Vice President and General Counsel.

4. Transmission Life Extension & Modernization Program Tower Coating Upgrades WNY Contract Award

RESOLVED, That the Trustees, pursuant to the Authority’s Capital Planning and Budgeting Procedures, approve the award of a five-year contract to Public Utilities Maintenance Inc., of Queens Village, NY in the amount of $12,082,780 for the Transmission Life Extension and Modernization Program - Tower Coating Upgrades Project for the Western NY Region, in accordance with, and as recommended in, the memorandum to the Committee of the Interim President and Chief Executive Officer;

RESOLVED, That the Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs for the Transmission Life Extension and Modernization Program - Tower Coating Upgrades Project for the Western NY Region; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim 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 Interim Executive Vice President and General Counsel.

5. Release of Funds in Support of Separately Financed Projects

RESOLVED, That the Trustees authorize the release of an additional amount of up to $35 million in funding to
support Separately Financed Projects of the Authority, as discussed in report of the Interim President and
Chief Executive Officer submitted to the Finance and Risk Committee; and be it further

RESOLVED, That the Trustees affirm the 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 Bond Resolution, that the
amount of up to $35 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 Authority’s General Bond Resolution, and that the release of
such amount is feasible and advisable; and be it further

RESOLVED, That the Trustees affirm that as a condition to making the payments specified in the foregoing
report, on the day of such payments, 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 Authority’s General Bond Resolution; and be it further

RESOLVED, That the Trustees affirm that the Chairman, the Vice Chairman, the Interim President and Chief
Executive Officer, the Chief Operating Officer, the Interim Executive Vice President and General Counsel, the
Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other
officers of the Authority be authorized and directed, for and in the name and on behalf of the Authority, to do
any and all things and take any and all actions and execute and deliver any and all certificates, agreements
and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing
resolution, subject to approval as to the form thereof by the Interim Executive Vice President and General
Counsel. Without limiting the generality of the foregoing, any amount released from the General Bond
Resolution may, at the direction of any such officer, be transferred to any account or fund established pursuant
to a bond resolution authorizing the issuance of bonds for any Separately Financed Project.

6. Proposed Issuance of Transmission Project Revenue Bonds

RESOLVED, that the Trustees hereby confirm that (i) the Finance and Risk Committee met on November 16,
2021 and resolved to recommend the actions below, (ii) at the time of such resolution, the Finance and Risk
Committee was composed of all Trustees and (iii) each Trustee has received and reviewed the information,
documents and other materials presented at such Committee meeting; and be it further

RESOLVED, that the Trustees hereby approve and adopt the resolution authorizing the Proposed Issuance of
One or More Series of Transmission Project Revenue Bonds and Related Actions and Approvals (attached
hereto as Exhibit A), and the resolutions referred to therein, with such amendments, supplements, changes,
insertions and omissions thereto as may be approved by the Chairman or the Interim President and Chief
Executive Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of
such resolution as approved and adopted hereby, to provide for the issuance of special obligations of the
Authority for the purpose of financing transmission projects and related costs; and be it further

RESOLVED, That the Chairman, the Vice Chairman, Interim President and Chief Executive Officer, the Chief
Operating Officer, Executive Vice President and Chief Financial Officer, or Treasurer be, and each hereby are,
authorized and directed by the Trustees, for and in the name and on behalf of the Authority, to do any and all
things and take any and all actions and execute and deliver any and all certificates, agreements and other
documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolutions,
subject to approval as to the form thereof by the Interim Executive Vice President and General Counsel.
RESOLVED, That the Board of Trustees (on behalf of the Power Authority and the Canal Corporation) approve the 2022 Budgets, specifically including the expenditures for the (i) 2022 Power Authority Budgets and (ii) 2022 Canal Corporation Budgets, each as discussed in Exhibit B; and be it further

RESOLVED, That the Board of Trustees authorize up to $883.7 million of monies in the Operating Fund to be withdrawn from such Fund and deposited in the Capital Fund, provided that at the time of withdrawal of such amount or portions of such amount, the monies withdrawn are not then needed for any of the purposes specified in Sections 503(1)(a)-(c) of the General Resolution Authorizing Revenue Obligations as amended and supplemented, with the satisfaction of such condition being evidenced by a certificate of the Treasurer or the Deputy Treasurer; and be it further

RESOLVED, That the Board of Trustees (on behalf of the Power Authority and the Canal Corporation), pursuant to 2 NYCRR Part 203, approve the Budget and Financial Plan, including the certification by the Chief Operating Officer, in accordance with the foregoing report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Board of Trustees (on behalf of the Power Authority and the Canal Corporation) pursuant to 2 NYCRR Part 203, authorize the Corporate Secretary to submit the Budget and Financial Plan to the Office of the State Comptroller in the prescribed format, post the Budget and Financial Plan on the Power Authority’s website and make the Budget and Financial Plan available for public inspection at not less than five convenient public places throughout New York State; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, and all other officers of the Authority, be and hereby each are, authorized to do any and all things and 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 Interim Executive Vice President and General Counsel.

Justin E. Driscoll
Interim President and Chief Executive Officer
POWER AUTHORITY OF THE STATE OF NEW YORK

PROPOSED ISSUANCE OF ONE OR MORE SERIES OF TRANSMISSION PROJECT REVENUE BONDS AND RELATED ACTIONS AND APPROVALS

WHEREAS, the Authority wishes to provide for the issuance of special obligations of the Authority for the purpose of financing transmission projects and related costs, and the duly authorized officers of the Authority have prepared and submitted to the Trustees a form of General Resolution Authorizing Transmission Project Revenue Obligations (the “Transmission Project Bond Resolution”), a copy of which was submitted to the Finance and Risk Committee at its November 16, 2021 meeting, which, consistent with the Power Authority Act, Title 1 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended from time to time, authorizes special obligations of the Authority (hereinafter “Bonds”), in accordance with the terms thereof for any of the lawful purposes specified therein;

WHEREAS, the Transmission Project Bond Resolution requires that the issuance of each series of Obligations (as defined therein) by the Authority shall be authorized by a supplemental resolution or resolutions of the Authority adopted at or prior to the time of issuance, subject to further delegation to certain officers to establish the details of the terms of such Obligations;

WHEREAS, duly authorized officers of the Authority have caused to be prepared a form of the First Supplemental Resolution to the Transmission Project Bond Resolution (the “First Supplemental Resolution”), a copy of which was submitted to the Finance and Risk Committee at its November 16, 2021 meeting, which authorizes the issuance of one or more series of Transmission Project Revenue Bonds for the purposes described below;

WHEREAS, the Authority proposes to issue Transmission Project Revenue Bonds (the “Series 2022A Transmission Bonds”) pursuant to the First Supplemental Resolution, in an aggregate principal amount of not more than $300,000,000, in one or more series or subseries and simultaneously or at different times, for the following purposes: (i) to finance and reimbursing of all capital costs (including any preparatory legal, administrative, engineering, consulting and technical services) and other costs incurred but not yet recovered by the Authority in connection with the Central East Energy Connect Transmission Project (the “Series 2022A Transmission Project”); (ii) to fund the Operating Reserve Account,
if necessary or desirable; (iii) to fund a debt service reserve fund, if necessary or desirable, and (iv) to pay financing costs related to the issuance of such obligations, including underwriters’ discount, structuring fees, any insurance premiums, credit enhancement or liquidity fees related to obtaining any municipal bond insurance policy, other credit enhancement or liquidity facilities determined to be necessary or desirable and other costs incurred by the Authority in connection therewith];

WHEREAS, implementation of the proposed plan of finance will depend upon market conditions and other factors, and as a result thereof, the Authority may issue the Series 2022A Transmission Project Bonds as fixed rate or variable rate bonds, as tax-exempt or taxable bonds, or as combinations thereof, or may issue bond anticipation notes to be repaid with the Series 2021 Transmission Project Bonds;

WHEREAS, to the extent that Series 2022A Transmission Project Bonds are issued bearing fixed rates, such Series 2022A Transmission Project Bonds, at the date of their issuance, shall have a true interest cost not to exceed 5 percent, and to the extent that any Series 2022A Transmission Project Bonds are issued bearing variable rates, the initial rate or rates applicable to such Series 2022A Transmission Project Bonds at the date of their issuance shall not exceed 4 percent;

WHEREAS, it is anticipated that one or more contracts of purchase may be entered into with underwriters selected by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, or Treasurer (each a “Designated Officer”) from a prequalified underwriting pool of Senior Managers, Co-Managers and Selling Group members approved by the Trustees at the March 31, 2020, Board Meeting (the “Prequalified Underwriting Pool”) which contracts of purchase will be in substantially the form of the Contract of Purchase submitted to the Finance and Risk Committee at its November 16, 2021 meeting, and in the event that one or more placement, financing, or forward purchase or delivery agreements may be entered into, with such changes, insertions, deletions, amendments and supplements as any Designated Officer may approve, subject to the requirements of the First Supplemental Resolution;

WHEREAS, it is anticipated that one or more series of the Series 2022A Transmission Project Bonds may be issued as green bonds;

WHEREAS, a Preliminary Official Statement relating to the Series 2022A Transmission Project Bonds is expected to be made available to potential purchasers of the Series 2022A Transmission Project Bonds, a draft form of which
was submitted to the Finance and Risk Committee at its November 16, 2021 meeting; and

WHEREAS, the Finance Committee of the Trustees has reviewed and considered the proposed issuance of the Series 2022A Transmission Project Bonds and the associated plan of finance and has recommended the approval thereof and each Trustee has received and reviewed the information, documents and other materials presented at such Committee meeting.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

Section 1. The Transmission Project Bond Resolution in the form submitted to the Finance and Risk Committee at its November 16, 2021 meeting and made a part of this resolution as though set forth in full herein, is hereby approved and adopted. The Designated Officers shall be, and each of them hereby is, authorized on behalf of the Authority to deliver the Transmission Project Bond Resolution to the Trustee (as defined in the Transmission Project Bond Resolution), with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the Chairman or the President and Chief Executive Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby.

Section 2. The First Supplemental Resolution in the form submitted to the Finance and Risk Committee at its November 16, 2021 meeting and made a part of this resolution as though set forth in full herein, is hereby approved and adopted. The Designated Officers shall be, and each of them hereby is, authorized on behalf of the Authority to deliver the First Supplemental Resolution to the Trustee (as defined in the Transmission Project Bond Resolution), with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the Chairman or the President and Chief Executive Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby.

Section 3. One or more series of the Series 2022A Transmission Project Bonds shall be sold, subject to the limitations described below, to underwriters selected by a Designated Officer from the Prequalified Underwriting Pool, or privately placed with one or more investors or financial institutions, at such prices, with accrued interest, if any, on such Bonds from the date of issue of said Bonds to the date of delivery and payment for said Bonds, as any Designated Officer may approve and as will be in compliance with the requirements of the Eleventh Supplemental Resolution, and pursuant to a Contract of Purchase or a placement,
Section 4. The following determinations are hereby made:

(a) The operation of the Series 2022A Transmission Project as a Project under the General Resolution Authorizing Projects adopted on February 24, 1998 (the “General Resolution”) is not essential to the maintenance and continued operation of the Authority's Projects (as defined in the General Resolution).

(b) The Series 2022A Transmission Project constitutes, and is hereby designated as, and shall be, a Separately Financed Project, as defined in the General Resolution and a Transmission Project as defined in the Transmission Project Resolution. In furtherance of and consistent with the foregoing:
   (i) Any General Resolution funds spent by the Authority on the Central East Connection Transmission Project (including, but not limited to, any preparatory legal, administrative, engineering, consulting and technical services, Capital Costs or Operating Expenses) not yet recovered by the Authority or funded with moneys withdrawn from the lien of the General Resolution by the Authority pursuant to paragraph (e) of subsection 1 of Section 503 of the General Resolution shall be fully reimbursed by the proceeds of the Series 2022A Transmission Project Bonds; and
   (ii) Following such reimbursement, any costs related to construction, maintenance or operation of the Series 2022A Transmission Project or otherwise allocable to the Series 2022A Transmission Project shall be paid from proceeds of Obligations issued under this Resolution, from Revenues (as defined in the Transmission Project Resolution), or from other funds of the Authority withdrawn from the lien of the General Resolution by the Authority pursuant to paragraph (e) of subsection 1 of Section 503 of the General Resolution.

(c) The designation of the Series 2022A Transmission Project as a Separately Financed Project will not adversely affect the ability of the Authority to comply with the requirements of the General Resolution, including, without limitation the rate covenant contained therein.

(d) Revenues derived from the operation of the Series 2022A Transmission Project are revenues derived from the operation of a
Separately Financed Project as defined in the General Resolution and are not part of Revenues as defined in the General Resolution.

(e) Expenses associated with the operation of the Series 2022A Transmission Project and debt service on Obligations issued under the Transmission Project Bond Resolution shall not be payable from Revenues as defined under the General Resolution, unless such funds are released from the lien of the General Resolution pursuant to the terms thereof.

Section 5. The Designated Officers shall be, and each of them hereby is, authorized on behalf of the Authority, subject to the limitations described below, to execute one or more Contracts of Purchase substantially in the form submitted to the Finance and Risk Committee at its November 16, 2021 meeting attached, providing for the sale of one or more series of the Bonds to said purchasers, and in the event that one or more placement, financing, loan, or forward purchase or delivery agreements with one or more investors or financial institutions may be entered into, with such changes, insertions, deletions, amendments and supplements as any Designated Officer may approve, subject to the requirements of the Transmission Project Bond Resolution and the First Supplemental Resolution, and to deliver it to said purchasers; and that said officers and all other officers of the Authority are each hereby authorized and directed to carry out or cause to be carried out all obligations of the Authority set forth in said Contracts of Purchase or placement, financing, loan or forward purchase or delivery agreements upon execution thereof and that the execution of the Contracts of Purchase or placement, financing, loan or forward purchase or delivery agreements relating to the Series 2022A Transmission Project Bonds by any of said authorized officers be conclusive evidence that any conditions imposed by the Trustees have been satisfied and the sale and issuance of the Series 2022A Transmission Project Bonds has been authorized by the Authority’s board of Trustees.

Section 6. As and to the extent that the Designated Officers determine that it would be advantageous in current market conditions to issue bond anticipation notes, such officer is hereby authorized to execute a Note Certificate and deliver the same to the trustees. Such Note Certificate may include such amendments and modifications to the provisions of this resolution as such officer shall determine necessary and appropriate to effectuate such determinations and details. A copy of such Note Certificate also shall be filed with this resolution into the records of the Authority and, upon such filing, shall be deemed to be a part of this resolution as if set forth in full herein.
Section 7. The Designated Officers shall be, and each of them hereby is, authorized to make such changes, insertions, deletions, amendments and supplements, to or from the draft form of the Preliminary Official Statement relating to the Series 2022A Transmission Project Bonds submitted to the Finance and Risk Committee at its November 16, 2021 meeting as may be approved by any such officer, and upon the completion of any such modifications, such officer is authorized to execute such certificates as may be requested by the underwriters to certify on behalf of the Authority that such Preliminary Official Statement is “deemed final” for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, subject to the omission of such information as is permitted by such Rule. The distribution of one or more Preliminary Official Statements relating to the Series 2022A Transmission Project Bonds to all interested persons in connection with the sale of such Bonds is hereby approved.

Section 8. The Designated Officers shall be, and each of them hereby is, authorized to adopt and execute on behalf of the Authority one or more final Official Statements or private placement memoranda of the Authority relating to the Series 2022A Transmission Project Bonds, in such form and substance as such officer deems necessary or desirable, and the delivery of each said Official Statement or placement memorandum to the purchasers of said Bonds is hereby authorized, and the Authority hereby authorizes each said Official Statement or placement memorandum and the information contained therein to be used in connection with the sale and delivery of the Series 2022A Transmission Project Bonds.

Section 9. If it is determined to be necessary or advisable, the Designated Officers shall be, and each of them hereby is, authorized on behalf of the Authority to obtain one or more bond insurance policies, credit enhancement facilities or liquidity facilities or to establish debt service reserve funds for each series of the Series 2022A Transmission Project Bonds with such terms and conditions as such officer deems necessary or advisable, and which a Designated Officer may select, covering scheduled payments of principal of and interest on such Bonds, including mandatory sinking fund redemption payments.

Section 10. If it is determined to be necessary or advisable, the Designated Officers shall be, and each of them hereby is, authorized on behalf of the Authority to enter into one or more interest rate exchange agreements relating to any Series 2022A Transmission Project Bonds in a notional amount not greater than the principal amount of the related Series 2022A Transmission Project Bonds, with
such terms and conditions and with such counterparties as such officer deems necessary or advisable.

Section 11. The Designated Officers and all other officers of the Authority shall be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those actions, certificates, agreements and other documents described in the Transmission Project Bond Resolution, the First Supplemental Resolution, the Contracts of Purchase, any placement, financing, loan or forward purchase or delivery agreements, an agreement or agreements relating to the collection, allocation and segregation of Revenues (as defined in the General Resolution) and Revenues (as defined in the Transmission Project Bond Resolution) and the other documents approved today or required in connection with the obtaining of one or more bond insurance policies, credit enhancement facilities, or liquidity facilities, which they, or any of them, may deem necessary or advisable in order to (i) consummate the lawful sale, issuance and delivery of the Series 2022A Transmission Project Bonds; (ii) implement any action permitted to be taken by the Authority under the Transmission Project Bond Resolution, the First Supplemental Resolution; the Contracts of Purchase; any placement, financing, or forward purchase or delivery agreements; and the other agreements and documents approved today following the issuance of the Series 2022A Transmission Project Bonds; and (iii) effectuate the purposes of the transactions and documents approved today.

Section 12. The Designated Officer shall be, and each of them hereby is, authorized to appoint a Registrar and Paying Agent for the Series 2022A Transmission Project Bonds under the Transmission Project Bond Resolution.

Section 13. The Designated Officers shall be, and each of them hereby is, authorized to execute one or more Continuing Disclosure Agreements relating to the Series 2022A Transmission Project Bonds, in substantially the form of the continuing disclosure agreement executed by the Authority in connection with the issuance of the Series 2020 Bonds, each with such changes, insertions, deletions, and supplements, as such authorized executing officer deems in his or her discretion to be necessary or appropriate, including, without limitation, such changes as are necessary to conform to recent amendments to Rule 15c2-12 under the Securities Exchange Act of 1934, such execution to be conclusive evidence of such approval.
Section 14. The Designated Officers, and all other officers of the Authority shall be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to effectuate the foregoing resolutions.
Exhibit B
2022–2025
Approved 2022 Budget and 2022–2025 Financial Plan
In Compliance with 2 NYCRR Chapter 5, Part 203
Approved 2022 Budget and 2022–2025 Financial Plan

Mission and Background of the Power Authority of the State of New York 1

Documentation and Exhibits Supporting the Budget and Financial Plan 2

(a) NYPA’s Relationship With New York State Government 2

(b) Budget Process 2

(c) Budget Assumptions 6

(d) Self-Assessment of Budgetary Risks 15

(e) Revised Forecast of 2021 Budget 21

(f) Reconciliation of 2021 Budget and 2021 Revised Forecast 21

(g) Statement of 2020 Financial Performance 22

(h) Employee Data 23

(i) Gap-Closing Initiatives 23

(j) Material Non-Recurring Resources 23

(k) Shift in Material Resources 23

(l) Debt Service 23

(m) Capital Commitments and Sources of Funding 26

(n) Credit Agency Rating Discussion 32

Certificate of Assumptions and Method of Estimation 33
Mission of the Power Authority of the State of New York

The mission of the Power Authority of the State of New York ("NYPA" or the "Authority,") which was ratified by our Trustees in their December 2020 meeting, is to “Lead the transition to a carbon-free, economically vibrant New York through customer partnerships, innovative energy solutions, and the responsible supply of affordable, clean, and reliable electricity.”

The mission statement adheres to maintaining NYPA's core operating businesses while also moving to support the energy goals of New York State, codified in the Clean Energy Standard, New York State Climate Leadership and Community Protection Act ("CLCPA"), our Enhanced Authority under the Power Authority Act as a result of the changes enacted in 2019, and the Accelerated Renewable Energy Growth and Community Benefit Act.

The Authority’s financial performance goal is to maintain a strong financial position to have the resources necessary to achieve its mission.

VISION2030: 10-Year Strategic Outlook

NYPA is currently executing VISION2030, the ten-year strategic plan approved by the Trustees in December 2020. VISION2030 is organized around five strategic priorities and five foundational pillars. The five priorities are: Preserving the value of hydropower, Decarbonizing natural gas plants, Growing transmission, Partnering with customers and the state, and Reimagining the Canals. The five pillars are: Digitalization, Environmental, Social, and Governance ("ESG"), Diversity, Equity, and Inclusion ("DEI"), Enterprise Resilience, and Resource Alignment.

Sustainability

Sustainability encompasses the ESG performance of a company that contributes to long-term value creation. The 2021-2025 Sustainability Plan serves as a roadmap to help bring our ESG ambition to life over the next five years. The plan outlines the ESG goals, strategies, and initiatives that we are committed to across each of our fifteen material ESG focus areas, that align with and support VISION2030 objectives. The Sustainability Plan is an integrated, cross functional, and collaborative living document that will be revisited and refreshed as our sustainability journey evolves, our targets are achieved, and our ambitions grow.

In reporting our ESG progress and doubling down on our commitments, annual sustainability reports provide the platform to transparently communicate and disclose our performance in alignment with leading ESG reporting and disclosure framework standards. To reinforce our commitment to transparency and accountability, we are adopting the Integrated Reporting (<IR>) framework and will issue our first <IR> report in 2023, combining our Annual Report (with financial disclosures) and our Sustainability Report into one comprehensive report. Annual reports provide the platform to transparently communicate and disclose our performance in alignment with leading ESG reporting and disclosure frameworks and standards.

Background of the Power Authority of the State of New York

The Authority is a corporate municipal instrumentality and political subdivision of the State of New York (the “State”) created in 1931 by Title 1, Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State, as amended from time to time (the “Act”), and has its principal office located at 30 South Pearl Street, Albany, New York 12207-3425.

The Authority’s customers include: municipal and rural electric cooperatives, investor-owned utilities, high load factor industrial customers, commercial/industrial and not-for-profit businesses, public entities and Community Choice Aggregation Communities located throughout New York State, local towns, villages, school districts, fire departments, etc. located in Southeastern New York within the metropolitan area of New York City (“SENY governmental customers”), and certain neighboring states.

The Authority owns and operates five major generating facilities within the state, eleven small electric generating units located at seven facilities, and four small hydroelectric facilities, with a total installed capacity of approximately 6,051 megawatts ("MW"), and a number of transmission lines, including major 765-kilovolt ("kv") and 345kV transmission facilities. The Authority’s major generating facilities consist of two large hydroelectric facilities (the Niagara Power Project and St. Lawrence-FDR Power Project), a large pumped-storage hydroelectric facility (the Blenheim-Gilboa Power Project) and two gas-and-oil-fired facilities (the Flynn Power Plant located in Holtsville, New York and a combined-cycle electric generating plant, the Eugene W. Zeltmann Power Project, located in Queens, New York, previously known as the 500-MW Plant).

Effective January 1, 2017, the New York State Canal Corporation (the “Canal Corporation” or “NYCC”) became a subsidiary of the Authority. The Canal Corporation is responsible for a 524-mile canal system consisting of the Erie, Champlain, Oswego, and Cayuga-Seneca canals (the “Canal System”). The Board of Trustees of the Authority (the “Board of Trustees”) is the governing board of the Canal Corporation and the Authority has assumed certain powers and duties relating to the New York State Canal System to be exercised through the Canal Corporation.
Documentation and Exhibits Supporting the Budget and Financial Plan

(a) NYPA's Relationship With New York State Government

The Authority is a corporate municipal instrumentality and political subdivision of the State created in 1931 by the Public Authorities Act ("the Act"), to help provide a continuous and adequate supply of dependable electric power and energy to the people of the state.

The Authority's operations are overseen by a Board of Trustees. NYPA's trustees are appointed by the Governor of the State with the advice and consent of the State Senate. The Authority is a fiscally independent public corporation whose operations are not supported by state tax revenues. NYPA generally finances construction of new projects through internally generated funds and the sale of bonds and notes to investors, and it pays related debt service with revenues from the generation and transmission of electricity. Income of the Authority and properties acquired by it for its projects are exempt from taxation.

(b) Budget Process

NYPA operates in a capital-intensive industry where operating revenues and expenses are significant and highly variable due to the volatility of electricity prices and fuel costs. NYPA's operations are subject to electric market price and fuel cost variability, and volatility in water flows have a direct effect on the Authority's hydroelectric generation levels. This Approved 2022 Budget and 2022-2025 Financial Plan ("Four-Year Financial Plan") relies on data and projections developed throughout the following time frame:

• July 2021–November 2021, developed preliminary forecasts of electric prices (both energy and capacity), ancillary services revenue and expenses, and fuel expenses, customer power and energy use; customer rates; Annual Transmission Revenue Requirement; generation levels at NYPA power projects reflecting scheduled outages; and purchased energy and power requirements and sources

• November 1, 2021, the Proposed 2022 Budget and 2022–2025 Financial Plan was posted for public inspection at five convenient locations and on NYPA's website

• October 2021–November 2021, updated and finalized all forecasts and cost estimates

• November 2021–December 2021, integrated input data to produce the final 2022 Budget and 2022-2025 Financial Plan

• Seek authorization of NYPA's Board of Trustees to approve the final 2022 Budget and 2022-2025 Financial Plan at their meeting scheduled for December 7, 2021

• Submit the Approved 2022 Budget and 2022-2025 Financial Plan to the State Comptroller's Office; and make the approved document available for public inspection at five convenient locations and on NYPA's website upon Board of Trustee approval.
### NYPA's Four-Year Projected Income Statements

*(In $ Millions)*

<table>
<thead>
<tr>
<th>NYPA &amp; CANALS</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Revenue</td>
<td>$1,927.8</td>
<td>$1,897.9</td>
<td>$1,922.2</td>
<td>$1,939.3</td>
</tr>
<tr>
<td>Market-Based Power Sales</td>
<td>705.3</td>
<td>591.8</td>
<td>661.1</td>
<td>716.4</td>
</tr>
<tr>
<td>Ancillary Service Revenue</td>
<td>28.9</td>
<td>29.5</td>
<td>29.7</td>
<td>30.0</td>
</tr>
<tr>
<td>NTAC and Other</td>
<td>229.2</td>
<td>289.3</td>
<td>338.3</td>
<td>380.3</td>
</tr>
<tr>
<td>Non Utility Revenue</td>
<td>33.0</td>
<td>43.0</td>
<td>51.9</td>
<td>62.7</td>
</tr>
<tr>
<td><strong>Operating Revenue Total</strong></td>
<td>2,924.2</td>
<td>2,851.5</td>
<td>3,003.2</td>
<td>3,128.7</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Power</td>
<td>(816.1)</td>
<td>(752.8)</td>
<td>(784.4)</td>
<td>(821.6)</td>
</tr>
<tr>
<td>Ancillary Service Expense</td>
<td>(61.1)</td>
<td>(63.6)</td>
<td>(63.4)</td>
<td>(64.9)</td>
</tr>
<tr>
<td>Fuel Consumed</td>
<td>(272.3)</td>
<td>(208.3)</td>
<td>(227.5)</td>
<td>(247.6)</td>
</tr>
<tr>
<td>Wheeling</td>
<td>(643.7)</td>
<td>(643.6)</td>
<td>(643.5)</td>
<td>(643.7)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>(584.7)</td>
<td>(607.3)</td>
<td>(639.7)</td>
<td>(666.1)</td>
</tr>
<tr>
<td>Other Expense</td>
<td>(83.8)</td>
<td>(72.2)</td>
<td>(72.3)</td>
<td>(70.6)</td>
</tr>
<tr>
<td><strong>Operating Expense Total</strong></td>
<td>(2,461.7)</td>
<td>(2,347.8)</td>
<td>(2,430.8)</td>
<td>(2,514.5)</td>
</tr>
<tr>
<td><strong>EBIDA</strong></td>
<td>462.5</td>
<td>503.7</td>
<td>572.4</td>
<td>614.2</td>
</tr>
<tr>
<td><strong>Compounded Annual Growth Rate (CAGR)</strong></td>
<td>9%</td>
<td>11%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td><strong>Non Operating Income &amp; Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>(321.1)</td>
<td>(349.0)</td>
<td>(377.9)</td>
<td>(408.3)</td>
</tr>
<tr>
<td>Investment and Other Income</td>
<td>18.0</td>
<td>21.8</td>
<td>25.1</td>
<td>28.9</td>
</tr>
<tr>
<td>Mark to Market Adjustments</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Interest &amp; Other Expenses</td>
<td>(97.6)</td>
<td>(107.2)</td>
<td>(145.4)</td>
<td>(139.3)</td>
</tr>
<tr>
<td><strong>Non Operating Income &amp; Expenses Total</strong></td>
<td>(400.7)</td>
<td>(434.4)</td>
<td>(498.2)</td>
<td>(518.7)</td>
</tr>
<tr>
<td><strong>CONSOLIDATED NET INCOME (NYPA &amp; CANALS)</strong></td>
<td>$61.8</td>
<td>$69.3</td>
<td>$74.2</td>
<td>$95.5</td>
</tr>
</tbody>
</table>

### NYPA’s Gross Margin Analysis

*(In $ Millions)*

<table>
<thead>
<tr>
<th>NYPA &amp; CANALS</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant Margin</td>
<td>$266.9</td>
<td>$261.3</td>
<td>$288.4</td>
<td>$320.6</td>
</tr>
<tr>
<td>Customer Margin</td>
<td>610.6</td>
<td>628.5</td>
<td>643.2</td>
<td>621.1</td>
</tr>
<tr>
<td>Transmission Margin</td>
<td>218.5</td>
<td>248.6</td>
<td>299.4</td>
<td>344.8</td>
</tr>
<tr>
<td>Other Margin</td>
<td>34.9</td>
<td>44.8</td>
<td>53.4</td>
<td>64.4</td>
</tr>
<tr>
<td><strong>TOTAL MARGIN</strong></td>
<td>1,130.9</td>
<td>1,183.2</td>
<td>1,284.4</td>
<td>1,350.9</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>(584.7)</td>
<td>(607.3)</td>
<td>(639.7)</td>
<td>(666.1)</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>(83.7)</td>
<td>(72.2)</td>
<td>(72.3)</td>
<td>(70.6)</td>
</tr>
<tr>
<td><strong>EBIDA</strong></td>
<td>$462.5</td>
<td>$503.7</td>
<td>$572.4</td>
<td>$614.2</td>
</tr>
</tbody>
</table>
Approved 2022 Budget and 2022-2025 Financial Plan

2022 NYPA’s Budget – Sources
(In $ Millions)

- Customer Revenues, $1,927.8, 65%
- NYISO Market Revenues, $963.3, 33%
- Investment Income, $18.0, 1%
- Other Revenue, $33.0, 1%
- Other Expenses, $83.8, 3%
- O&M Expenses, $584.7, 20%
- Fuel Oil and Gas, $272.3, 10%
- Depreciation and Amortization, $321.1, 11%
- Interest & Other Expenses, $97.6, 3%
- Wheeling Expenses, $643.7, 22%

2022 NYPA’s Budget – Uses
(In $ Millions)

- Purchased Power, $877.1, 31%
- Fuel Oil and Gas, $272.3, 10%
- O&M Expenses, $584.7, 20%
- Depreciation and Amortization, $321.1, 11%
- Interest & Other Expenses, $97.6, 3%
- Wheeling Expenses, $643.7, 22%
- Other Expenses, $83.8, 3%
- Other Revenue, $33.0, 1%
- Customer Revenues, $1,927.8, 65%
- NYISO Market Revenues, $963.3, 33%

* Reflects NYPA’s base O&M expenses plus Administrative expenses less the Allocation to Capital.
**NYPA's Statement of Cash Flows**

* (In $ Millions)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Receipts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of Power, Use of Transmission Lines, Wheeling Charges and other receipts</td>
<td>$2,205.6</td>
<td>$2,728.7</td>
<td>$2,920.0</td>
<td>$2,855.9</td>
<td>$3,016.9</td>
<td>$3,152.5</td>
</tr>
<tr>
<td>Earnings on Investments and Time Deposits</td>
<td>30.0</td>
<td>14.9</td>
<td>18.0</td>
<td>21.8</td>
<td>25.1</td>
<td>28.9</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>2,235.6</td>
<td>2,743.6</td>
<td>2,938.0</td>
<td>2,877.7</td>
<td>3,042.0</td>
<td>3,181.4</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation and Maintenance, including Transmission of Electricity by others, Purchased Power and Fuel Purchases</td>
<td>(2,009.8)</td>
<td>(2,422.8)</td>
<td>(2,643.4)</td>
<td>(2,533.6)</td>
<td>(2,623.7)</td>
<td>(2,714.6)</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Bonds and Notes</td>
<td>(60.2)</td>
<td>(30.4)</td>
<td>(28.2)</td>
<td>(46.9)</td>
<td>(65.6)</td>
<td>(64.7)</td>
</tr>
<tr>
<td>Bonds and Notes Retired</td>
<td>(342.9)</td>
<td>(1.4)</td>
<td>(1.5)</td>
<td>(1.5)</td>
<td>(17.5)</td>
<td>(18.4)</td>
</tr>
<tr>
<td><strong>Total Debt Service</strong></td>
<td>(403.1)</td>
<td>(31.8)</td>
<td>(29.7)</td>
<td>(48.4)</td>
<td>(83.1)</td>
<td>(83.1)</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td>(2,412.9)</td>
<td>(2,454.6)</td>
<td>(2,673.1)</td>
<td>(2,582.0)</td>
<td>(2,706.8)</td>
<td>(2,797.7)</td>
</tr>
<tr>
<td><strong>Net Operations</strong></td>
<td>(177.3)</td>
<td>289.0</td>
<td>264.9</td>
<td>295.7</td>
<td>335.2</td>
<td>383.7</td>
</tr>
<tr>
<td><strong>Capital Receipts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of Bonds, Promissory Notes &amp; Commercial Paper</td>
<td>1,277.4</td>
<td>0.0</td>
<td>0.0</td>
<td>288.6</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Less: Repayments</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Temporary Asset Transfer Return from NYS</td>
<td>0.0</td>
<td>86.0</td>
<td>43.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other</td>
<td>57.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total Capital Receipts</strong></td>
<td>1,334.4</td>
<td>86.0</td>
<td>43.0</td>
<td>288.6</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Capital Additions &amp; Refunds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions to Electric Plant in Service and Construction Work in Progress, Other costs</td>
<td>(507.1)</td>
<td>(709.4)</td>
<td>(883.7)</td>
<td>(733.0)</td>
<td>(565.2)</td>
<td>(488.3)</td>
</tr>
<tr>
<td>Construction Funds - Net Transfer</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total Capital Additions &amp; Refunds</strong></td>
<td>(507.1)</td>
<td>(709.4)</td>
<td>(883.7)</td>
<td>(733.0)</td>
<td>(565.2)</td>
<td>(488.3)</td>
</tr>
<tr>
<td><strong>Net Capital</strong></td>
<td>827.3</td>
<td>(623.4)</td>
<td>(840.7)</td>
<td>(444.4)</td>
<td>(565.2)</td>
<td>(488.3)</td>
</tr>
<tr>
<td><strong>Net Increase/(Decrease)</strong></td>
<td>$650.0</td>
<td>($334.4)</td>
<td>($575.8)</td>
<td>($148.7)</td>
<td>($230.0)</td>
<td>($104.6)</td>
</tr>
</tbody>
</table>

*This Statement of Cash Flows follows the format prescribed by §2801 of New York State Public Authorities Law and does not follow GASB financial statement standards.*
(c) Budget Assumptions

NYISO Revenue and Expenses
Based on scheduled customer power needs and available electricity generated by NYPA’s operating assets, the Authority buys and sells capacity and energy through markets operated by the NYISO. Various NYISO-purchased power charges, in combination with generation-related fuel expenses, comprise a large portion of NYPA’s operating expenses. A significant amount of the Authority’s revenues results from sales of its generation into the NYISO market. The energy and capacity revenues are projected based on published forward prices, exchanges, broker information and/or internal pricing models.

Customer and Project Revenue
The customers served by the Authority and the rates they pay vary within the NYPA Power Programs designated to serve such loads. NYPA’s power supply customers are served under contracts and tariffs approved by the Board of Trustees.

St. Lawrence-FDR and Niagara Customers
Energy from the St. Lawrence-FDR and Niagara facilities are sold under contract to municipal electric systems, rural electric cooperatives, industrial and other business customers, certain public bodies, investor-owned utilities, and out-of-state customers. The remaining available energy is sold into the NYISO market.

The charges for firm power, firm peaking power and associated energy sold by the Authority, as applicable to the 51 municipal electric systems, rural electric cooperatives in New York State, two public transportation agencies, two investor-owned utilities for the benefit of rural and domestic customers, and seven out-of-state public customers have been established based on the cost to serve these loads. This Four-Year Plan, models Board of Trustee-approved rate changes and prospective rate changes for these customers.

Niagara and St. Lawrence-FDR’s Expansion & Replacement Power, ReCharge New York, and Preservation Power customers are allocated over 30% of the average generation capacity of the plants. Sale of Expansion and Replacement Power historically had been handled on a sale-for-resale basis through National Grid and New York State Electric and Gas. However, the direct sale of low-cost hydropower to these customers commenced July 1, 2013. As a result, NYPA is now the load-serving entity for these transactions.

Legislation enacted in March 2011, effective July 2012, created a new economic development power program, the ReCharge New York Power Program (“RNYPP”), to replace two economic development programs, Power For Jobs and Energy Cost Savings Benefit. RNYPP is a permanent power program administered by the Authority and the Economic Development Power Allocation Board (“EDPAB”). RNYPP utilizes up to 455 MW of hydropower from the Authority’s Niagara and St. Lawrence-FDR projects combined with up to 455 MW of other power procured by the Authority from other sources. The 910 MW of power is available for allocations to eligible new and existing businesses and not-for-profit corporations under contracts of up to seven years.

The RNYPP legislation also authorizes the Authority, as deemed feasible and advisable by the Board of Trustees, to provide annual funding of $30 million for a Residential Consumer Discount Program (“RCDP”) for those customers that had previously received this hydropower. Revenues earned from the sale of unused RNYPP power into the wholesale market may be used to offset the cost of these residential discounts.

The Board of Trustees have authorized the release of a total $624 million for the period from August 2011 to December 2021 in support of RCDP. The Authority supplemented the market revenues used to fund the RCDP with internal funds, totaling cumulatively $54 million from August 2011 through June 30, 2021.

In March 2019, the Board of Trustees approved a seven-year extension of an agreement for the sale of firm hydroelectric power and energy from the St. Lawrence-FDR project to the Aluminum Company of America (“Alcoa”) at its West Plant facilities. The existing contract with Alcoa, for an aggregate of 240 MW, has been executed effective April 1, 2019, through March 31, 2026, replacing prior long-term contracts. The contract extension provides for monthly Base Energy Rate adjustments based upon the price of aluminum on the London Metal Exchange and contains provisions for employment (450 jobs) and capital commitments ($14 million).

Changes from the previous contract include: a reduced allocation of 240 MW, with the additional 5 MW being allocated to Arconic, a business independent of Alcoa, sold under a separate Preservation Power sale agreement; a monthly Clean Energy Standard (“CES”) charge relating to Zero Emission Credits (“ZEC”) and Renewable Energy Credits (“REC”) that NYPA purchases which are attributable to Alcoa’s load. The contract specifies a sharing mechanism for the CES charges between Alcoa, New York State and NYPA, whereby Alcoa’s share increases as the aluminum price increases. The Authority has entered into aluminum contracts to mitigate potential downside risk in that market and intends to continue to do so based upon prevailing economic conditions as appropriate.
The Authority estimates that the total costs associated with the relicensing of the St. Lawrence-FDR Project in 2003 for a period of 50 years will be an approximate total of $227 million, of which approximately $215 million has already been spent as of June 30, 2021. These total costs could increase in the future because of authorities reserved by the Federal Energy Regulatory Commission (“FERC”) in the license for the St. Lawrence-FDR Project issued in 2003. The Authority collects the amounts necessary to fund such relicensing costs through its rates from the sale of St. Lawrence-FDR power.

The Authority has also executed the relicensing of the Niagara Project in 2005 for a period of 50 years. The total approximate cost of $520 million, of which approximate of $479 million has already been spent as of June 30, 2021. The Authority is collecting in its rates for the sale of Niagara power amounts necessary to fund such relicensing costs.

Chapter 545 of the laws of 2014 enacted the “Northern New York Power Proceeds Act” (“NNYPPA.”) NNYPPA authorizes the Authority, as deemed feasible and advisable by the Board of Trustees, to deposit net earnings from the sale of unallocated St. Lawrence County Economic Development Power (“SLCEDP”) by the Authority in the wholesale energy market into an account known as the Northern New York Economic Development Fund (“NNYED Fund”) administered by the Authority, and to make awards to eligible applicants that propose eligible projects that satisfy applicable criteria. NNYPPA established a five-member allocation board appointed by the governor to review applications seeking NNYED Fund benefits and to make recommendations to the Authority concerning benefits awards.

SLCEDP consists of up to 20 MW of hydropower from the St. Lawrence-FDR Power Project which the Authority has made available for sale to the Town of Massena Electric Department (“MED”) for MED to sub-allocate for economic development purposes in accordance with a contract entered into in 2012 (the “Authority-MED Contact”).

NNYPPA defines “net earnings” as the aggregate excess of revenues received by the Authority from the sale of energy associated with SLCEDP sold by the Authority in the wholesale energy market over what revenues would have been received had such energy been sold to MED on a firm basis under the terms of the Authority-MED Contract. For the first five years after enactment, the amount of SLCEDP that the Authority could use to generate net earnings may not exceed the lesser of 20 MW or the amount of SLCEDP that has not been allocated by the Authority pursuant to the Authority-MED contract. Thereafter, the amount of SLCEDP that the Authority could use for such purpose may not exceed the lesser of 10 MW or the amount of SLCEDP that has not been allocated. The Authority’s estimates of payments from the Authority to the NNYED Fund have been incorporated into this Approved 2022 Budget and 2022-2025 Financial Plan.

The Western New York Power Proceeds Act (“WNYPPA”), which was enacted on March 30, 2012, authorizes the Authority to deposit net earnings from the sale of unused Expansion Power and Replacement Power from the Authority’s Niagara project into the Western New York Economic Development Fund (“WNY Fund”) as deemed feasible and advisable by the Board of Trustees. WNYPPA defines “Net earnings” as any excess revenue earned from such power sold into the wholesale market over the revenue that would have been received had the power been sold at the Expansion Power and Replacement Power rates. Proceeds from the WNY Fund may be used to support eligible projects undertaken within a 30-mile radius of the Niagara project that qualify under the applicable criteria. The WNYPPA established a five-member allocation board appointed by the governor. NYPA’s estimates of payments from the Authority to the WNY Fund have been incorporated into this Approved 2022 Budget and 2022-2025 Financial Plan.

**SENY (Southeastern New York) Customers**

Various municipalities, school districts and public agencies in New York City are served by the Authority’s combined-cycle Eugene W. Zeitzmann Power Project (“Zeitzmann”), the contracted output of the Astoria Energy II plant, and capacity and energy purchased by the Authority in the NYISO markets.

In 2017 and 2018, the Authority executed new supplemental long-term electricity supply agreements (Supplemental LTAs) with its eleven NYC Governmental Customers, including the Metropolitan Transportation Authority, the City of New York, the Port Authority of New York, and New Jersey (Port Authority), the New York City Housing Authority, and the New York State Office of General Services. Under these Supplemental LTAs, the NYC Governmental Customers agreed to purchase their electricity from the Authority through December 31, 2027, with the NYC Governmental Customers having the right to terminate at any time upon at least 12 months’ notice. Both the Authority and the NYC Governmental Customers may also terminate effective December 31, 2022, upon at least six months’ notice. Under the Supplemental LTAs, fixed costs were contractually set for each customer and are subject to renegotiation after five years. Variable costs, including fuel, purchased power and NYISO related costs, are to be set on a pro-forma cost of service basis and reconciled as a pass-through to each customer by an energy charge adjustment.

In 2008, NYPA entered into a long-term power purchase agreement with Astoria Energy II LLC for the purchase of the output of Astoria Energy II, a 550 MW plant, which commenced commercial operations on July 1, 2011, in Astoria, Queens, for the sole benefit of the NYC Governmental Customers. Although the Astoria Energy II power purchase contract goes through to 2031 and is beyond the electricity supply agreement under the Supplemental LTAs, the Authority’s contract with the NYC Governmental Customers served by the output of Astoria Energy II is coterminous with the power purchase agreement with Astoria Energy II LLC.
The energy generated by the Zeltmann and Astoria Energy II plants is sold into the NYISO market, and the proceeds are used to offset the cost associated with the production of energy and capacity from the plants. All net costs and benefits to the Authority for both facilities are directly passed through to the NYC Governmental customers. Approximately 35% and 23% of the NYC Governmental Customer load requirements are covered by Astoria Energy II and Zeltmann plants respectively, while the remainder, more than 41%, remain open to be sourced from the open market.

The Authority’s other SENY customers are Westchester County and numerous municipalities, school districts and other public agencies located in Westchester County (collectively, the “Westchester Governmental Customers.”) NYPA has entered into an evergreen supplemental electricity supply agreement with all 103 Westchester Governmental Customers. Among other things, provided by the agreement, customers can partially terminate service from the Authority with at least two months’ notice prior to the start of the NYISO capability periods. Full termination is allowed with at least one year’s notice, effective no sooner than January 1 following the one-year notice.

Westchester Governmental Customers are partially served by NYPA’s four small hydroelectric plants. The remainder of the Westchester Governmental Customers’ load requirements are supplied through energy and capacity purchased from the NYISO markets. Sales of energy generated by the small hydroelectric resources into the NYISO markets, as well as grandfathered and historic fixed priced transmission congestion contracts, all help to offset the cost of the energy purchased, with an energy charge adjustment mechanism in place for cost reconciliation.

**Blenheim-Gilboa**
The Blenheim-Gilboa project operates as a merchant plant, with all energy sold to the NYISO markets generally at the market-clearing price. This forecast assumes Blenheim-Gilboa will operate as a merchant plant for the upcoming years.

**Small Clean Power Plants (“SCPPs”)**
In the summer of 2001, NYPA placed into operation eleven (11) natural-gas-fueled SCPPs, ten (10) units in New York City and one (1) unit on Long Island, with a total nameplate rating of 47 MW. These units were put into operation to address a potential local reliability deficiency in the New York City metropolitan area and its potential impact on statewide reliability.

As a result of litigation relating to the Vernon Blvd., Queens, NY SCPP, the Authority has agreed under the settlement agreement to cease operations at the Vernon location, which houses two (2) units, under certain conditions and if the mayor of New York City directs such cessation. No such cessation direction has occurred. The settlement agreement also allows a landowner adjacent to the Vernon Blvd. SCPP to “put” their real property to the Authority under certain conditions. To date, no formal “put” notice has been received. The Authority and the adjacent landowner may enter into buy, sell or other types of agreements outside the terms of the settlement agreement.

For this Approved 2022 Budget and 2022-2025 Four-Year Plan, it is assumed that the capacity of the SCPPs may be used to meet NYPA’s customers’ capacity requirements, sold to other users via bilateral arrangements and/or sold into the NYISO capacity auctions. NYPA sells the energy produced by the SCPPs into the NYISO energy markets.

**Flynn**
The Flynn plant currently operates as a merchant plant, with capacity and energy output sold into the NYISO market. NYPA is in the process of finalizing an agreement with the Long Island Power Authority (“LIPA”) to attain at-cost reimbursement for the rewind of the combustion turbine generator and a power purchase agreement in which revenues will be shared.

**Transmission Projects**
The Authority owns approximately 1,400 circuit-miles of high-voltage transmission lines and associated substations operating at voltages of 115kV, 230kV, 345kV and 765kV. The Authority’s Backbone Transmission System consists of a large subset of these transmission facilities, with major circuits such as:

**765kV**
- MSU1 (Marcy-Massena)
- MSC-7040 (Massena-Chateauguay)

**345kV**
- UE1-7 (Marcy-Edic)
- UNS-18 (Marcy-New Scotland)
- VU19 (Volney-Marcy)
- NR-2 (Niagara-Rochester)
- NS-1 (Niagara-Somerset)
- Y-49 (Long Island Sound Cable)
- Q-35L&M (Queens-Manhattan)
230kV
• MA-1/MA-2 (Moses-Adirondack)
• MMS-1/MMS-2 (Moses-Massena)
• MW-1/MW-2 (Moses-Willis)

Cost Recovery for NYPA's Backbone Transmission System
Since the formation of the NYISO in November 1999, cost recovery for the Authority’s provision of transmission service over its facilities has been governed by the NYISO tariff, which included an annual transmission revenue requirement (“TRR”) for NYPA of $165.4 million. The Authority receives cost recovery through the NYISO tariff mechanism known as the NYPA Transmission Adjustment Charge (“NTAC”) recovering NYPA’s Backbone Transmission System costs on a statewide basis after accounting for NYPA’s revenues received from pre-existing customer transmission service contracts, Transmission Service Charge (“TSC”) assessed on customers in NYPA’s upstate load zone, and other sources.

In July 2012, the Authority filed for its first TRR increase with FERC. The Authority’s filing resulted in an uncontested settlement approved by FERC for a new, $175.5 million TRR applicable to the Authority, effective August 1, 2012. The increased TRR was necessary to cover increased operating and maintenance expenses of NYPA's bulk transmission system, and to make necessary capital improvements.

In January 2016, the Authority filed for a TRR formula rate with FERC. In March 2016, FERC accepted the filing and made it effective April 1, 2016, as requested, subject to hearing and settlement judge procedures. The Authority requested a formula rate to more efficiently recover its increased capital and operating expenditures needed to maintain the reliability of its transmission system.

The Authority filed an unopposed Offer of Settlement on September 30, 2016, that fully resolved the issues raised by interested parties in settlement negotiations concerning the formula rate. Separately, the annual TRR under the formula of $190 million initially made effective April 1 was updated on July 1, 2016, to $198.2 million pursuant to the formula rate annual update process.

Effective July 1, 2021, the Transmission Revenue Requirement is $278.9 million, which includes the revenue requirements for the Marcy South Series Compensation and AC Transmission (renamed as Central East Energy Connect) projects. Annual updates commensurate with projected costs are assumed to continue throughout the forecast period.

Smart Path Reliability Project
NYPA is replacing a major section of the Moses Adirondack line, one of the Authority’s Backbone Transmission System lines. This project is known as The Smart Path Reliability Project, and it covers 78 circuit-miles of 230kV transmission line from Massena to the Town of Croghan in Lewis County. The project includes the replacement of obsolete wood pole structures with higher, steel pole structures, as well as replacement of failing conductors with new conductors and insulators. The line will initially operate at its current 230kV level, but the conductors and insulators will accommodate for 345kV operation.

In July 2017, the Authority received authorization under the NYISO tariff to include the costs of this replacement project in its NTAC mechanism for cost recovery, which means the costs will be allocated to all ratepayers in the state. On November 14, 2019, the PSC granted the Authority’s Article VII certificate for the project. The Authority estimates a total project cost of $484 million. This Approved Budget and Four-Year Plan includes revenues and costs associated with this project.

Smart Path Connect Project
In October 2020, the PSC adopted criteria for identifying urgently needed transmission projects to meet the renewable energy goals of the Climate Leadership and Community Protection Act. The PSC identified the Authority’s proposed Northern New York Project (renamed the Smart Path Connect Project) as a high-priority project and referred it to NYPA for development and construction in accordance with the Accelerated Energy Growth and Community Benefit Act.

The Smart Path Connect Project is a multi-faceted project that includes completion of the second phase of NYPA’s 86-mile Smart Path Moses-Adirondack rebuild, rebuilding approximately 45 circuit-miles of transmission eastward from Massena to the Town of Clinton, rebuilding approximately 55 circuit-miles of transmission southward from Croghan to Marcy, and rebuilding and expanding several substations along the impacted transmission corridor.

The work falls largely within NYPA’s existing transmission rights of way. NYPA identified the multi-pronged Smart Path Connect Project earlier this year as work that is urgently needed to help unbottle existing renewable energy in the region.

The project is estimated to result in a reduction of more than 1.16 million tons of carbon dioxide emissions annually on a statewide basis, and an annual reduction of approximately 160 tons of nitrogen oxide emissions from downstate emissions sources. NYPA estimates that this project will result in more than $447 million in annual congestion savings in Northern New York and it is estimated to create hundreds of jobs in the North Country during construction. The costs and revenues associated with the Smart Path Connect Project are included as part of this Approved Budget and Four-Year Plan.
Approved 2022 Budget and 2022-2025 Financial Plan

Central East Energy Connect

On August 1, 2014, the Public Policy Transmission Planning Process administered by the NYISO invited solicitations to address the AC Transmission Public Policy need for new transmission lines to relieve the congested Central East and UPNY/SENY transmission interfaces. In June 2018, the Authority and North America Transmission ("NAT") entered into a Participation Agreement which granted the Authority the option to secure an ownership interest of up to 37.5% in the projects that they jointly proposed.

In April 2019, the NYISO board selected the project proposed by LS Power Grid New York, LLC ("LS Power") (formerly known as NAT) and the Authority for Segment A (also known as the Marcy to New Scotland Upgrade Project and AC Transmission) to increase transfer capability from central to eastern New York. The project proposed by NYPA, and LS Power includes the construction of more than 90 circuit-miles of new 345kV and 115kV transmission lines and two substations.

In August 2019, LS Power and the Authority submitted an Article VII application to the PSC. If the PSC authorizes the project, construction is targeted to begin early 2021. The transmission lines to be rebuilt as part of the Segment A project are expected to be energized as part of New York State’s electrical system by the end of 2023.

NYPA originally funded 33% of the Segment A project development costs and exercised its 37.5% purchase option in July 2021, bringing the Authority’s total estimated project costs to $276 million.

FERC authorized NYPA’s recovery of a facility charge for Central East Energy Connect project costs, adopted per a NYISO filing made on behalf of NYPA. The Authority is recovering its costs associated with Segment A of the project through its FERC-approved cost-recovery mechanisms in its TRR formula rate, which include an incentive rate of return applied to the Authority’s “Construction Work in Progress” balances for the project. This Approved Budget and Four-Year Plan models estimated revenues and costs associated with the project.

Y-49 Transmission Line

In October of 2021, the NYPA Board of Trustees authorized the Y-49 Transmission Line (Long Island Sound Cable) – Nassau Segment Reconductoring Project.

The Long Island Sound Cable traverses Westchester County, the Long Island Sound, and Nassau County, delivering 600 MW of power from upstate regions to Long Island communities. The circuit was commissioned in 1991 and throughout its near 30-year operating history has seen minimal investment outside of normal operational, maintenance, and emergent expenditures. Given the history of cable faults seen within the past few years, an effort was put into place to mitigate future faults by reconductoring.

The Reconductoring Project’s priority consists of the replacing the Y-49 cable segment in Nassau County, approximately 10 miles from Port Washington to East Garden City. This will alleviate the risk of cable faults. In addition to the reconductoring, the project includes enhancement of the cable system’s ancillary cable components and substation equipment, including upgrades to steel-pipe protection, fiber-optic replacements, manhole refurbishment, and replacement, or refurbishment of the oil-pump plants at two substation locations on the Nassau segment. This project’s estimated cost is $141.7M and will be recovered through NYPA’s Transmission Revenue Requirement.

Hudson Transmission Project

In 2011, the Board of Trustees authorized NYPA to enter into an agreement with Hudson Transmission Partners, LLC ("HTP"). The agreement known as the Firm Transmission Capacity Purchase Agreement (“FTCPA”) was entered into for the purchase of capacity to meet the long-term requirements of the Authority’s NYC Governmental Customers and to improve the transmission infrastructure serving New York City. The agreement is meeting this need through the transmission rights associated with HTP’s transmission line. The line extends from Bergen County, New Jersey at the PJM Interconnection, LLC ("PJM") transmission system, to the Consolidated Edison Company of New York, Inc.’s (“Con Edison”) West 49th Street substation.

Under the FTCPA, the Authority received entitlement to 75% of the line’s 660 MW capacity for 20 years while reimbursing HTP for the cost of interconnection and transmission upgrades in New York and New Jersey associated with the line. These upgrades have been completed at a total cost to the Authority of $335 million. NYPA’s obligations under the FTCPA also include payment of the Regional Transmission Enhancement Plan (“RTEP”) charges allocated to HTP, which are significant.

On March 31, 2017, the Authority and HTP amended the FTCPA to, among other changes, (a) create a mechanism for HTP to relinquish its Firm Transmission Withdrawal Rights and (b) increase the Authority’s leased portion of the line’s capacity to from 75% to 87.12% at a monthly capacity charge rate that represents a decrease in the unit price (on a $/MW-month basis) paid to HTP in the original FTCPA.

PJM’s RTEP cost allocation methodology for certain upgrades was challenged at FERC in numerous proceedings by Con Edison, the Authority, HTP and other New York parties. These challenges are pending before the D.C. Circuit Court of Appeals. It is estimated that the revenues derived from NYPA’s rights under the FTCPA will not be sufficient to cover the Authority’s costs during the 20-year term of the FTCPA. The Authority estimates HTP to be approximately $100 million per year net cost.
Renewable Energy Certificate (REC) Purchase Agreement
The CLCPA and NYPA's VISION2030 establish the goal to meet 70% of electricity demand from renewable resources by 2030. To meet this goal NYPA has engaged with the New York State Energy Research and Development Authority (NYSERDA) to procure RECs. Both NYPA and NYSERDA executed an agreement for purchase of RECs on August 30, 2021. On an annual basis, NYSERDA and NYPA will communicate the available REC supply and offtake ratios. NYPA will continue to evaluate its forecasted annual customer load and adjust the REC ratio appropriately. The initial REC offtake under the agreement will be for compliance year 2024.

Energy Efficiency - Bond Conduit Program
Long Term Financing Supplements (“LTFS”) have been prepared to conform with existing documentation for bond financing. Six customers have been identified for round one of this program, and the customers are working through their own processes to either repay their long-term debt obligations via their own financing or agree to proceed with the conduit financing program introduced. One on one customer discussions are ongoing. Potential round one offtake is sizing up to $250 million dependent on customer interest. Bond conduit rates are in line with market for each customer’s respective credit rating allowing for 10, 20, or 30-year amortizations tied to the remaining useful life of the project assets plus a NYPA servicing fee of 0.25%. Notice of discontinuance of NYPA's previous post construction financing program has been distributed to all customers in line with the introduction of this fixed-rate replacement option. A conversion of those loans on our balance sheet to a rate aligned with NYPA's long-term cost of borrowing is expected to be implemented in Q1 2022 when the long-term variable rate of financing is scheduled to reset. The targeted first issuance will be for Q1 2022.

Purchased Power Expenses
Energy, capacity, and ancillary service purchases made on behalf of customers (except for those made through previously approved purchased power agreements) are assumed to be transacted at the market clearing price in the wholesale market. For purposes of developing this Approved Budget and Four-Year Plan, projected energy rates are based on published forward price curves, while capacity rates are based on internally developed capacity curves using external pricing sources such as broker quotes and trading platforms.

Fuel Expenses
Fossil-fuel purchases in this Approved Budget and Four-Year Plan are based on expected net generation levels determined with an economic dispatch model for the Authority’s plants and on available forward fuel price curves. Fuel expenses also include the costs associated with emission credit requirements under the Regional Greenhouse Gas Initiative (“RGGI”). RGGI requires the Authority to buy emission credits for its fossil-fuel plants, and the Authority also purchases such credits for the contracted Astoria Energy II plant. The projections for RGGI costs are based on projected emission rates and forecasted consumption of natural gas and oil, with such costs recovered either through specific customer contract pass-through provisions or from the wholesale market.

Wheeling Expenses
Wheeling (i.e., the transmission and/or delivery of power and energy to customers over the lines of a third party) expenses are based on contractual and/or tariff rates of the service provider and are recovered through pass-through provisions in customer contracts.

Canal Corporation
Effective January 1, 2017, the Canal Corporation became a subsidiary of the Authority, and the Authority assumed certain powers and duties relating to the Canal System to be exercised through the Canal Corporation. The Canal Corporation operates at a loss and is expected to require substantial operating and maintenance support and capital investment. The Canal Corporation’s expenses are expected to be funded by transfers of funds from the Authority. Any transfer of funds would be subject to approval by the Authority’s Board of Trustees and compliance with the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented. Certain expenses eligible for reimbursement are expected to be reimbursed to the Authority by moneys held in the Canal Development Fund maintained by the State Comptroller and the Commissioner of Taxation and Finance. On January 29, 2020, the Board of Trustees authorized an investment of up to $300 million over five years for the Reimagine the Canals Initiative (“Reimagine the Canals”) and approved $30 million to fund Reimagine the Canals in 2020. Reimagine the Canals encompasses three prongs: (1) funding for economic development projects in communities along the Canal System, (2) funding for projects that will help prevent ice jams and related flooding, and (3) funding for projects related to mitigation of drought impacts on agriculture, expansion of fishing opportunities, flood mitigation, invasive species prevention and ecosystem restoration.

Given the age of the Canal System, the Authority expects significant maintenance and capital investments will be required to assure the Canal System’s continuing operation. The Authority’s budget and financial plan for the Canal System and the Reimagine the Canals initiative combined, for 2022-2025, includes operating expenditures and capital expenditures necessary to maintain the health, safety, and good repair of the system. The Authority will continue to evaluate the condition of the Canal System and expects to allocate additional funding if deemed necessary through its annual budgeting process or reduce funding if efficiencies are found.
AGILe
The Authority, in collaboration with the State utilities, NYSERDA and NYISO, developed the Advanced Grid Innovation Laboratory for Energy (“AGILe”) to create tools to better monitor, control, accommodate and respond to the evolving energy sector. On July 25, 2017, the Board of Trustees authorized capital expenditures of $20 million for the initial phase of AGILe, which has since commenced.

Costs to the Authority are not expected to exceed $50 million through final build-out of the facility. Upon completion, operating and maintenance costs are expected to be shared among the AGILe participants. As of June 30, 2021, approximately $6.6 million has been spent by the Authority.

Electric Vehicle Acceleration Initiative
In May 2018, the Authority's Board of Trustees approved an allocation of up to $250 million to be used through 2025 for an electric vehicle acceleration initiative called EVolve NY and authorized $40 million for the first phase of the initiative. The Authority will own and operate a charging network of 800 DC fast chargers across the state, the first of which became operational in September 2020. As of June 30, 2021, approximately $11.5 million has been spent.

Investment Income
Investment of the Authority’s funds is administered in accordance with the applicable provisions of the Bond Resolution and within the Authority’s investment guidelines. These guidelines comply with the New York State Comptroller’s investment guidelines for public authorities and were adopted pursuant to Section 2925 of the New York Public Authorities Law.

The Authority's investments include, but are not limited to (a) collateralized certificates of deposit, (b) direct obligations of or obligations guaranteed by the United States of America or the State of New York, (c) obligations issued or guaranteed by certain specified federal agencies and any agency controlled by or supervised by and acting as an instrumentality of the United States government, and (d) obligations of any state or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which is rated in any of the three highest long-term rating categories, or the highest short-term rating category, by nationally recognized rating agencies.

The Authority’s investments in the debt securities of Federal Home Loan Bank rated AAA by Moody’s Investors Services and AA+ by Standard & Poor’s; Federal National Mortgage Association, Federal Farm Credit Bank and Federal Home Loan Mortgage Corp. were rated AAA by Moody’s Investors Services, AAA by Fitch Ratings, and AA+ by Standard & Poor’s. All of the Authority’s investments in U.S. debt instruments are issued or explicitly guaranteed by the United States government.

Interest
After languishing for much of 2020 at multi-year lows, U.S. Treasury market rates have begun to creep ahead in recent months, driven by strong inflation, job gains and the fading of delta variant concerns. The Federal Open Market Committee is expected to raise the target range of the Federal Funds rate as early as late 2022, according to committee member projections.

<table>
<thead>
<tr>
<th>US Treasury Yield Curve Forecast</th>
<th>2 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>30 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>0.4</td>
<td>1.1</td>
<td>1.6</td>
<td>2.1</td>
</tr>
<tr>
<td>4Q ‘21</td>
<td>0.3</td>
<td>1.0</td>
<td>1.6</td>
<td>2.2</td>
</tr>
<tr>
<td>1Q ‘22</td>
<td>0.4</td>
<td>1.1</td>
<td>1.6</td>
<td>2.2</td>
</tr>
<tr>
<td>2Q ‘22</td>
<td>0.4</td>
<td>1.1</td>
<td>1.6</td>
<td>2.2</td>
</tr>
<tr>
<td>3Q ‘22</td>
<td>0.4</td>
<td>1.1</td>
<td>1.6</td>
<td>2.2</td>
</tr>
<tr>
<td>4Q ‘22</td>
<td>0.5</td>
<td>1.3</td>
<td>1.8</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Source: Goldman Sachs Global Investment Research, Bloomberg
Operations and Maintenance Expenses
NYPA’s O&M plan for 2022-2025 is as follows:

Operations and Maintenance Forecast by Cost Element
(In $ Millions)

<table>
<thead>
<tr>
<th>NYPA and Canals</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular Pay</td>
<td>$262.4</td>
<td>$269.4</td>
<td>$276.6</td>
<td>$284.1</td>
</tr>
<tr>
<td>Overtime</td>
<td>13.6</td>
<td>14.0</td>
<td>14.4</td>
<td>14.8</td>
</tr>
<tr>
<td>Other Payroll</td>
<td>7.1</td>
<td>7.2</td>
<td>7.3</td>
<td>7.4</td>
</tr>
<tr>
<td><strong>Total Payroll</strong></td>
<td>283.1</td>
<td>290.6</td>
<td>298.3</td>
<td>306.3</td>
</tr>
<tr>
<td>Other O&amp;M</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>93.9</td>
<td>107.5</td>
<td>110.4</td>
<td>113.5</td>
</tr>
<tr>
<td>Materials/Supplies</td>
<td>27.6</td>
<td>28.3</td>
<td>29.0</td>
<td>29.8</td>
</tr>
<tr>
<td>Fees</td>
<td>10.9</td>
<td>11.3</td>
<td>11.6</td>
<td>11.9</td>
</tr>
<tr>
<td>Office &amp; Stationary</td>
<td>27.6</td>
<td>28.3</td>
<td>29.1</td>
<td>29.9</td>
</tr>
<tr>
<td>Maintenance Repair, Service</td>
<td>222.2</td>
<td>228.7</td>
<td>238.0</td>
<td>243.7</td>
</tr>
<tr>
<td>Contracts &amp; Consultants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other</strong></td>
<td>382.2</td>
<td>404.0</td>
<td>418.1</td>
<td>428.8</td>
</tr>
<tr>
<td>Charges to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outside Agencies</td>
<td>10.0</td>
<td>8.9</td>
<td>9.1</td>
<td>9.3</td>
</tr>
<tr>
<td>Capital Programs</td>
<td>(53.1)</td>
<td>(54.5)</td>
<td>(55.9)</td>
<td>(57.4)</td>
</tr>
<tr>
<td><strong>Total Charges</strong></td>
<td>(43.1)</td>
<td>(45.6)</td>
<td>(46.9)</td>
<td>(48.1)</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>12.7</td>
<td>12.7</td>
<td>12.7</td>
<td>12.7</td>
</tr>
<tr>
<td><strong>Total NYPA/Canals O&amp;M</strong></td>
<td>$635.0</td>
<td>$661.8</td>
<td>$682.3</td>
<td>$699.6</td>
</tr>
</tbody>
</table>
## Detailed Breakout of 2022 O&M by Facility

(In $ Millions)

<table>
<thead>
<tr>
<th>Profit Center</th>
<th>Site O&amp;M</th>
<th>HQ</th>
<th>R&amp;D</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niagara</td>
<td>$65.5</td>
<td>$59.4</td>
<td>$3.2</td>
<td>$128.1</td>
</tr>
<tr>
<td>St. Lawrence</td>
<td>33.8</td>
<td>36.2</td>
<td>2.5</td>
<td>72.5</td>
</tr>
<tr>
<td>Blenheim-Gilboa</td>
<td>20.7</td>
<td>22.2</td>
<td>0.7</td>
<td>43.6</td>
</tr>
<tr>
<td>Small Clean Power Plants</td>
<td>22.9</td>
<td>4.1</td>
<td>0.1</td>
<td>27.1</td>
</tr>
<tr>
<td>Flynn</td>
<td>0.0</td>
<td>7.8</td>
<td>0.2</td>
<td>8.0</td>
</tr>
<tr>
<td>Small Hydro</td>
<td>6.1</td>
<td>6.7</td>
<td>0.2</td>
<td>13.0</td>
</tr>
<tr>
<td>Zeltmann</td>
<td>36.7</td>
<td>21.4</td>
<td>0.6</td>
<td>58.7</td>
</tr>
<tr>
<td>Recharge NY</td>
<td>2.8</td>
<td>4.6</td>
<td>0.1</td>
<td>7.5</td>
</tr>
<tr>
<td>SENY</td>
<td>25.9</td>
<td>8.3</td>
<td>0.3</td>
<td>34.5</td>
</tr>
<tr>
<td>Transmission</td>
<td>56.9</td>
<td>60.7</td>
<td>4.7</td>
<td>122.3</td>
</tr>
</tbody>
</table>

Total Sites, HQ and R&D: $271.3M | $231.4M | $12.7M | $515.4M

### Other O&M Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (in $ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CES</td>
<td>$22.0</td>
</tr>
<tr>
<td>NYEM</td>
<td>$6.6</td>
</tr>
<tr>
<td>Nonchargeable Profit Centers*</td>
<td>$5.8</td>
</tr>
</tbody>
</table>

Total NYPA O&M: $549.8M

Total Canals O&M: $85.2M

---

*Nonchargeable profit centers include: Green Power Supply Products and EV Charging Stations.*

## Further Breakout of NYPA 2022 Headquarters Expenses

NYPA Corporate & Operations Headquarters $231.4M

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (in $ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Headquarters</td>
<td>$62.1</td>
</tr>
<tr>
<td>Information Technology</td>
<td>$56.1</td>
</tr>
<tr>
<td>Human Resources and Administration</td>
<td>$42.2</td>
</tr>
<tr>
<td>Business Services</td>
<td>$27.2</td>
</tr>
<tr>
<td>Executive Office</td>
<td>$25.9</td>
</tr>
<tr>
<td>Corporate Strategy</td>
<td>$6.8</td>
</tr>
<tr>
<td>Commercial Operations</td>
<td>$6.5</td>
</tr>
<tr>
<td>NYPA Development</td>
<td>$2.8</td>
</tr>
<tr>
<td>Clean Energy Solutions</td>
<td>$2.0</td>
</tr>
</tbody>
</table>
Depreciation and Amortization Expenses
Depreciation of capital assets is generally provided on a straight-line basis over the estimated lives of the various classes of capital assets. The related depreciation provisions on December 31, 2020, expressed as a percentage of average depreciable capital assets was 2.6%.

Other Expenses
The Other Expenses category largely reflects various accruals and other miscellaneous expenses (e.g., payments to the NNYED and WNY funds) some of which require Board of Trustee authorization on a case-by-case basis.

(d) Self-Assessment of Budgetary Risks
Set forth below is a summary of key risks associated with the Authority’s assets and operations. The following discussion of risks is intended only as a summary and does not purport to identify all of the risk factors that may affect the Authority’s assets and operations. Any one or more of the factors discussed and others could adversely affect the Authority’s operations, assets, revenues, and expenses to an extent that cannot be determined at this time.

Our business units represent the first line of defense in identifying and mitigating risk within each of their verticals. This is complemented by a robust, ongoing assessment process, overseen by the Authority’s Risk group and through legal review.

During the annual budgeting process, the Financial Planning team is responsible for consolidating information received from various departments at NYPA that are input into our financial forecast. The team actively engages and challenges all assumptions as we work toward representing the most likely future financial outcome for the Authority. Additionally, the Board of Trustees authorized an enterprise-wide risk management program through an established Risk Management group that supports the business with the identification, assessment, mitigation and monitoring of risks.

Enterprise Level Risks

Regulatory Environment Risks
Congressional, State, and regulatory action for the increased regulation of air, water and contaminants is periodically considered, and there are potential legislative and regulatory proposals which may affect the electric utility industry, including the Authority. The impact on the Authority’s operations of any such proposals is not predictable or quantifiable.

On July 18, 2019, the state enacted the CLCPA as Chapter 106 of the Laws of 2019 (“Chapter 106”). The date upon which most provisions of Chapter 106 will become effective are dependent on the date that related legislation becomes effective.

Several provisions of Chapter 106 could potentially impact the Authority’s business and operations, such as the following: (1) provisions authorizing the state Department of Environmental Conservation to promulgate regulations establishing limits on statewide greenhouse gas (‘GHG”) emissions and to ensure compliance with such limits; (2) a requirement that specified state entities, including the Authority, adopt regulations to contribute to achieving statewide GHG emissions; (3) a requirement that state entities, including the Authority, assess and implement strategies to reduce GHG emissions; (4) consideration of whether actions that the Authority would undertake in the course of its operations are consistent with state GHG emission limits that will be established pursuant the enactment; and (5) potential allocation or realignment of resources to support the state’s clean energy and energy efficiency goals for disadvantaged communities.

Many of the provisions of Chapter 106 that could impact the Authority are not likely to be implemented for a number of years, based on deadlines established in the enactment. Therefore, the Authority cannot evaluate the impact of any particular provision of Chapter 106 on the Authority’s business and operations at this point.
**Legislative Environment Risks**

Section 1011 of the Power Authority Act ("Act") constitutes a pledge of the state to holders of Authority obligations not to limit or alter the rights vested in the Authority by the Act until such obligations together with the interest thereon are fully met and discharged or unless adequate provision is made by law for the protection of the holders thereof. Several bills have been introduced into the State Legislature, some of which propose to limit or restrict the powers, rights, and exemption from regulation which the Authority possesses under the Act and other applicable law, or otherwise would affect the Authority’s financial condition or its ability to conduct its business, activities, or operations, in the manner presently conducted or contemplated by the Authority.

It is not possible to predict whether any of such bills or other bills of a similar type which may be introduced will be enacted. In addition, from time to time, legislation is enacted into New York State Law that purports to impose financial and other obligations on the Authority, either individually or along with other public authorities or governmental entities. The applicability of such provisions to NYPA would depend upon, among other things, the nature of the obligations imposed and the applicability of the pledge of the state set forth in Section 1011 of the Act to such provisions. There can be no assurance that NYPA will be immune from the financial obligations imposed by any such provision.

Actions taken by the State Legislature or the Executive Branch, to cause voluntary contributions or other obligation upon the Authority, and which attempt to constrain the discretion of or bypass the Board of Trustees, could negatively affect net income and possibly harm the Authority’s credit ratings.

**Hydropower Generation Risk**

The Authority’s net income is highly dependent upon generation levels at its Niagara and St. Lawrence-FDR power projects. The generation levels are a function of the hydrological conditions prevailing on the Great Lakes; primarily, Lake Erie (Niagara Project) and Lake Ontario (St. Lawrence-FDR Project). The long-term generation level at the two projects is approximately 20.3 terawatt-hours ("TWH") annually. NYPA’s hydroelectric generation forecasts are as follows, 22.7 TWH in 2022, 22.6 TWH in 2023, 23.0 TWH in 2024, and 23.3 TWH in 2025.

Environmental or external factors (e.g., climate change, precipitation, flooding and ice conditions) can cause hydrological conditions to vary considerably from year to year. Hydropower generation may also face risks due to transmission line constraints within the region impacting the ability to generate energy and increased competitiveness of other types of renewable generation.

NYPA conducted high and low hydroelectric generation sensitivities for 2022-2025 that estimated the potential net income that could result over a reasonable range of hydroelectric generation occurrences. The sensitivities were calculated only for merchant generation, the portion of the portfolio that would be most impacted by varying hydroelectric levels. The effects on estimated net income, assuming all other factors remain unchanged, were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Merchant Hydroelectric Generation (In TWH)</th>
<th>NYPA Net Income Change (In $ Millions)</th>
<th>Net Merchant Hydroelectric Generation (In TWH)</th>
<th>NYPA Net Income Change (In $ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>6.1</td>
<td>($19.9)</td>
<td>7.3</td>
<td>$21.2</td>
</tr>
<tr>
<td>2023</td>
<td>5.7</td>
<td>($27.1)</td>
<td>7.6</td>
<td>$23.9</td>
</tr>
<tr>
<td>2024</td>
<td>6.5</td>
<td>($36.6)</td>
<td>8.5</td>
<td>$35.2</td>
</tr>
<tr>
<td>2025</td>
<td>6.6</td>
<td>($45.3)</td>
<td>9.1</td>
<td>$45.8</td>
</tr>
</tbody>
</table>
Sustained Margin Reduction and Commodity Market Volatility Risk

Through its participation in the NYISO and other commodity markets, NYPA is subject to electric energy price, fuel price, and electric capacity price risks that impact the revenue and purchased power streams of its facilities and customer market areas. Volatility can have detrimental effects on NYPA's financial condition.

To moderate cost impacts to its customers and itself, NYPA, at times, hedges market risks via the use of financial instruments and physical contracts. Hedges mitigate the cost of energy or related products needed; to mitigate uncertainty in the price of energy and related products sold by NYPA; to mitigate risk related to electric margins from electric sales versus fuel use where NYPA owns generation or other capacity; and mitigation of geographic cost differentials of energy procured or sold for transmission or transportation to an ultimate location.

Hedges effectuated on behalf of NYPA’s customers are passed through, at cost, as provided for in customer contracts. Commodities able to be hedged include, but are not limited to, natural gas, natural gas basis, electric energy, electric capacity, and congestion costs associated with the transmission of electricity.

On July 21, 2010, President Barack Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act ("DF Act") which addresses, among other things, interest rate and energy related commodity swap transactions of the type in which NYPA engages. The requirements and processes are set forth in regulations promulgated by the Commodities Futures Trading Commission ("CFTC"). Pursuant to CFTC rules, the Authority, as a public entity and electric utility which uses swaps solely to manage its risk, is exempt from posting collateral beyond that of any existing credit support annexes in support of its open over-the-counter hedge positions.

These CFTC rules are not anticipated to have significant impact on NYPA's liquidity and/or future risk mitigation activities. CFTC and DF Act rules are still being promulgated, and the Authority will continue to monitor their potential impact on its liquidity and/or future risk mitigation activities.

Disruptive Innovation and Customer Energy Choices

Transformative technologies and customer empowerment create uncertainty for the Authority and the electric utility industry that can produce new business opportunities or reduced demand for electric energy. Through its Strategic Planning and Risk Management processes, NYPA regularly evaluates its mission, objectives, and customer needs, and seeks to appropriately position itself to effectively meet the challenges of the transforming electric industry. This is done through initiatives such as a long-term asset management strategy and a suite of customer solutions, including new/modified product offerings. The impact on NYPA's operations of any such industry transformation is not predictable or quantifiable.

Attract and Retain a Qualified Workforce

Like many other industries, the power and utility sectors are seeing increased competition for, and a general shortage of, talent in high-skilled areas. This is expected to continue and be further impacted by transformations in the industry where new technologies are being developed and deployed.

The Authority recognizes the uncertainty with being able to attract and retain the skills and competencies needed to meet objectives. NYPA regularly evaluates and positions its recruiting, talent development and benefits programs accordingly, through its workforce planning strategic initiative and other ongoing efforts.

Cyber Security

The federal government recognizes the electric utility industry as critical infrastructure and works closely with the industry to ensure awareness of ongoing threats and that appropriate protections are in place against physical and cyber-attacks. NYPA constantly assesses the nature of these risks and adjusts its resources to best anticipate and respond to any threats.

Investments to harden physical and cyber assets, and their related infrastructure, are continually assessed to minimize potential adverse impacts to the bulk electric system, detect and deter sabotage attempts, and protect the Authority and its customer information. NYPA further mitigates its cyber risk through the purchase of insurance.
Business Continuity
A catastrophic natural event such as severe weather, flooding or an earthquake can negatively affect the operations of Authority assets and the bulk electric system. NYPA regularly evaluates the resiliency of its assets. In addition, the Authority has implemented disaster planning programs relating to Emergency Management, Disaster Recovery and Business Continuity. These plans utilize an all-hazards approach to ensure the Authority’s operating facilities and corporate offices are prepared to respond to any natural or man-made threat.

The Authority regularly conducts drills and exercises to ensure advance preparation for these types of events. NYPA maintains close working relationships with local first responders and government agencies to ensure its ongoing preparedness.

An outbreak of disease or similar public health threat, such as the COVID-19 pandemic, or fear of such an event, could have an adverse impact on the Authority's financial condition and operating results.

Canal Corporation
The Authority has identified key risk areas relating to the Canal Corporation and continues to employ and assess risk mitigation options across multiple enterprise risk fronts to manage or reduce potential exposures. As part of the ongoing Canals management strategy, the Authority will adjust and allocate resources accordingly.

COVID-19
The COVID-19 pandemic changed societal and business operation norms and impacted the risk profiles of organizations globally. Despite the uncertainty associated with COVID-19 (i.e., further vaccine development, vaccination status, treatment advancements, or additional COVID-19 variants) NYPA is mitigating its risk through proactive and robust pandemic responses plans. The Authority is well positioned to address future pandemic and business concerns by employing mitigation strategies such as an Incident Command System, Business Continuity Plans, and Return to Work procedural and physical modifications.

Critical Infrastructure
NYPA is exposed to potential critical infrastructure failure that may lead to service disruption, injury and/or degradation of system reliability, all of which could impact financial results. The Authority engages in several activities to mitigate these risks, including ISO 55001 Asset Management certification, the purchase of insurance, redundancy of major equipment, capital investments and a robust operations maintenance program.

Workforce Health and Safety
NYPA is exposed to a variety of health and safety risks. The health and safety of NYPA's workforce, customers, contractors, and the citizens of New York State are of the highest priority to the Authority. NYPA has multiple levels of controls, policies, procedures, and training programs in place to reduce and/or eliminate health and safety incidents.

Litigation Risk
St. Regis Litigation
In 1982 and 1989, several groups of Mohawk Indians, including a Canadian Mohawk tribe, filed lawsuits (the St. Regis litigation) against the state, the state’s governor, St. Lawrence and Franklin counties, the St. Lawrence Seaway Development Corporation, the Authority, and others. The plaintiffs claimed ownership of certain lands in St. Lawrence and Franklin counties and to Barnhart, Long Sault and Croil islands. The islands are within NYPA’s St. Lawrence-FDR Power Project and Barnhart Island is the location of significant NYPA facilities. Settlement discussions were held periodically between 1992 and 1998. In 1998, the federal government intervened on behalf of all Mohawk plaintiffs.

The parties agreed to a land claim settlement, dated February 1, 2005, which, if implemented, would have included the payment by the Authority of $2 million a year for 35 years to the tribal plaintiffs and the provision of up to 9 MW of low-cost NYPA power for use on the reservation. The legislation required to effectuate the settlement was not enacted and the litigation continued.
In 2013, all claims against NYPA were dismissed and the lawsuit against the Authority was concluded. On May 28, 2014, New York State, the St. Regis Mohawk Tribe, St. Lawrence County, and the Authority executed a Memorandum of Understanding (“St. Regis MOU”) that outlined a framework for the possible settlement of all the St. Regis land claims.

In the St. Regis MOU, the Authority endorses a negotiated settlement that, among other terms and conditions, would require NYPA to pay the tribe $2 million a year for 35 years and provide up to 9 MW of its hydropower at preference power rates to serve the needs of the tribe’s reservation. The St. Regis MOU would require an Act of Congress to forever extinguish all Mohawk land claims prior to such a settlement becoming effective.

Any settlement agreement, including the terms endorsed in the St. Regis MOU, would in the first instance need to be negotiated and agreed upon by all parties to the St. Regis litigation, including parties that did not execute the St. Regis MOU, such as the two other Mohawk groups, the federal government, and Franklin County. In addition, before any settlement becomes effective and NYPA would be obligated to make any payments contemplated by the St. Regis MOU, federal and state legislation must be enacted which approves the settlement and extinguishes all Mohawk land claims. NYPA is continuing settlement discussions with some of the parties to the St. Regis litigation.

**Miscellaneous**

Additional actions or claims against the Authority are pending for the taking of property in connection with its projects, for negligence, for personal injury (including asbestos-related injuries), in contract, and for environmental, employment and other matters. All such other actions or claims will, in NYPA's opinion, be disposed of within the amounts of the Authority’s insurance coverage, where applicable, or the amount which NYPA has available therefore and without any material adverse effect on its business.

**Economic Outlook and View on Energy Markets**

Energy markets indicate an expectation that in 2021 prices will rebound somewhat from 2020’s mild winter and the impact of COVID-19. Achieving long-term CLCPA goals will depress wholesale power prices, so upstate forward power prices are anticipated to be stagnant or decline from 2021 through 2023. Downstate, however, forward markets indicate that in the near-term, wholesale price depression due to CLCPA is not expected to overcome the effects of the retirement of Indian Point 3 this past year and the awaited unit retirements of New York City “peaker” plants due to the DEC’s new nitrogen oxide rule. Downstate energy prices will continue to correlate with natural gas prices.

Capacity prices are expected to remain low for New York City, and to decline off current highs in Upstate New York. Both cases are driven by the quadrennial Demand Curve Reset resulting in lower Reference Points. In 2021, the increase in the Installed Reserve Margin (“IRM”) raised Rest of State (“ROS”) prices, while the decrease in NYC’s Locational Capacity Requirement collapsed NYC prices. The current expectation for 2022 is that ROS prices will decline from the current highs, while NYC will recover somewhat.

Ancillary Services prices are expected to decline slightly over the next few years, as more flexible generation replaces Indian Point, and over the longer term as responsive energy storage comes online. Ancillary Services could rebound beyond the next few years as intermittent renewables represent a larger share of supply.

Revenues from NYISO sales are expected to remain fairly static over the next few years. As always, such a statement is subject to the usual fluctuations due to weather. An additional source of energy market uncertainty is the potential for a more robust carbon dioxide price.

The Regional Greenhouse Gas Initiative is a mature program at this point, but efforts by the NYISO to support decarbonization by assessing a carbon dioxide charge commensurate with the social cost of carbon, or a federal assessment at such levels, could shift wholesale power prices upwards. This represents an opportunity for renewable generators and providers of energy efficiency and energy management services.

Customer expectations are continuously evolving, as the needs for improved service levels and movements toward decarbonization, are growing. These increasingly complex needs are not fully met by current offerings and domestic and international entrants into New York State’s energy market are beginning to take share, raising the bar for all players with sophisticated customer solutions.
In addition, through continuous technology improvements, renewable energy sources are becoming more cost-competitive than traditional power sources, such as hydro and gas, and disrupting wholesale markets. New technologies such as electric vehicles, storage, and hydrogen are either beginning to scale or starting to emerge and change the landscape. In parallel, players across the power value chain are embracing digitization and automation in pursuit of efficiency and growth, enabling a more decentralized, two-way power ecosystem.

Competition in New York State’s ecosystem is taking shape as offshore wind solicitations are gathering momentum and downstream solar and storage are growing rapidly. The large and well-planned expansion of the transmission grid is widely recognized as a critical need and distribution utilities are taking actions to modernize their grids and provide new services, while new entrants are competing for business.

With the adoption of CLCPA, the state has set one of the most ambitious decarbonization agendas in the U.S., with significant implications for all participants in the state’s energy and cross-sector ecosystems.

Lastly, high uncertainty around a macroeconomic recovery from COVID-19 pandemic remains, while NYPA customers are facing new challenges and financial strains. The ways of working are being redefined and remote working may create substantial value even after COVID-19, in areas such as access to talent and operational efficiencies.
(e) Revised Forecast of 2021 Budget

Revised Forecast of 2021 Budget
(In $ Millions)

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>Original Budget 2021</th>
<th>Forecast 2021</th>
<th>Variance Fav. / (Unfav.) 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Revenues</td>
<td>$1,817.6</td>
<td>$1,852.2</td>
<td>$34.6</td>
</tr>
<tr>
<td>NYISO Market Revenues</td>
<td>695.6</td>
<td>861.3</td>
<td>165.6</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>27.4</td>
<td>27.0</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>2,540.6</strong></td>
<td><strong>2,740.5</strong></td>
<td><strong>199.8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Power</td>
<td>691.8</td>
<td>738.0</td>
<td>(46.2)</td>
</tr>
<tr>
<td>Fuel - Oil and Gas</td>
<td>119.2</td>
<td>222.2</td>
<td>(103.0)</td>
</tr>
<tr>
<td>Wheeling Expenses</td>
<td>642.2</td>
<td>655.3</td>
<td>(13.1)</td>
</tr>
<tr>
<td>O&amp;M Expenses</td>
<td>548.8</td>
<td>539.9</td>
<td>8.9</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>129.7</td>
<td>154.4</td>
<td>(24.7)</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>2,131.7</strong></td>
<td><strong>2,309.9</strong></td>
<td><strong>(178.2)</strong></td>
</tr>
</tbody>
</table>

**NET OPERATING INCOME**

<table>
<thead>
<tr>
<th>Other Income</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income</td>
<td>19.6</td>
<td>17.3</td>
<td>(2.3)</td>
</tr>
<tr>
<td>Other Income</td>
<td>0.0</td>
<td>(0.2)</td>
<td>(0.2)</td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td><strong>19.6</strong></td>
<td><strong>17.1</strong></td>
<td><strong>(2.5)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Operating Expenses</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and Amortization</td>
<td>258.4</td>
<td>269.1</td>
<td>(10.7)</td>
</tr>
<tr>
<td>Interest &amp; Other Expenses</td>
<td>129.3</td>
<td>120.4</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Total Non-Operating Expense</strong></td>
<td><strong>387.6</strong></td>
<td><strong>389.5</strong></td>
<td><strong>(1.9)</strong></td>
</tr>
</tbody>
</table>

**NET INCOME**

(f) Reconciliation of 2021 Budget and 2021 Revised Forecast

As of September 2021, year-end net income is forecasted to be $58.2 million, which is $17.3 million above budget. This variance is primarily due to higher than budgeted net generation at the SCPPs, increased value of capacity sales, favorable energy market prices and ancillary service revenue, which are partially offset by unfavorable hedge settlements, and lower than budgeted net generation at Niagara and St. Lawrence.

In addition, higher than budgeted Flexible Alternating Current Transmission Systems (“FACTS”) revenue of around $14 million resulting from higher congestion pricing, as well as an increase to NYPA’s ATRR of around $11 million effective with the new rate year beginning July 2021 and higher than budgeted HTP revenue of around $4 million along with a reduction in site operating and maintenance expense of around $16 million are all contributing to this favorable variance. This favorable variance is expected to continue through the remainder of 2021.
(g) Statement of 2020 Financial Performance

Net Income - Actual vs. Budgeted for the Year ended December 31, 2020  
(In $ Millions)

<table>
<thead>
<tr>
<th></th>
<th>Actual 2020</th>
<th>Budget 2020</th>
<th>Variance Fav. / (Unfav.) 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Revenues</td>
<td>$1,594.7</td>
<td>$1,786.5</td>
<td>($191.7)</td>
</tr>
<tr>
<td>NYISO Market Revenues</td>
<td>651.5</td>
<td>763.7</td>
<td>(112.1)</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>18.7</td>
<td>30.1</td>
<td>(11.4)</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>2,265.0</td>
<td>2,580.3</td>
<td>(315.3)</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Power</td>
<td>483.6</td>
<td>670.7</td>
<td>187.1</td>
</tr>
<tr>
<td>Fuel Consumed - Oil &amp; Gas</td>
<td>109.0</td>
<td>158.7</td>
<td>49.7</td>
</tr>
<tr>
<td>Wheeling</td>
<td>649.9</td>
<td>644.1</td>
<td>(5.8)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>599.0</td>
<td>612.6</td>
<td>13.6</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>127.5</td>
<td>119.8</td>
<td>(7.7)</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>258.1</td>
<td>262.5</td>
<td>4.4</td>
</tr>
<tr>
<td>Allocation to Capital</td>
<td>(38.7)</td>
<td>(22.2)</td>
<td>16.5</td>
</tr>
<tr>
<td>Asset Impairment Charge</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>2,188.3</td>
<td>2,446.2</td>
<td>257.9</td>
</tr>
<tr>
<td><strong>NET OPERATING INCOME</strong></td>
<td>76.7</td>
<td>134.1</td>
<td>(57.4)</td>
</tr>
<tr>
<td><strong>Other Income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>26.8</td>
<td>28.4</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Other Income</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td>26.8</td>
<td>28.4</td>
<td>(1.6)</td>
</tr>
<tr>
<td><strong>Non-Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution to New York State</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Interest and Other Expenses</td>
<td>120.5</td>
<td>120.9</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Total Non-Operating Expenses</strong></td>
<td>120.5</td>
<td>120.9</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>NET INCOME:</strong></td>
<td>($17.0)</td>
<td>$41.5</td>
<td>($58.5)</td>
</tr>
</tbody>
</table>

Net Income for the year ended December 31, 2020, was negative $17 million, which was $58.5 million lower than the budget of $41.5 million. The decrease in operating income resulted from lower market-based energy sales due to lower market prices and the pass through of lower power costs to customers as well as lower customer consumption. The decrease in operating expenses was primarily due to lower purchase power costs and lower fuel prices, partially offset by RTEP charges allocated to the HTP. The decreases in O&M expenses were primarily due to lower direct operating costs associated with a decline in operating revenue and cost containment measures, initiated by management across broad categories of expenses, partially offset by incremental expenses of $20 million, net related to the COVID-19 pandemic.
(h) Employee Data – Number of Employees, Full Time, FTEs, and Functional Classification

NYPA Headcount Projections 2022-2025

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headquarters</td>
<td>639</td>
<td>639</td>
<td>639</td>
<td>639</td>
</tr>
<tr>
<td>Power Generation</td>
<td>1,177</td>
<td>1,177</td>
<td>1,177</td>
<td>1,177</td>
</tr>
<tr>
<td>Transmission</td>
<td>218</td>
<td>218</td>
<td>218</td>
<td>218</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total NYPA:</strong></td>
<td><strong>2,048</strong></td>
<td><strong>2,048</strong></td>
<td><strong>2,048</strong></td>
<td><strong>2,048</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canals</td>
<td>482</td>
<td>482</td>
<td>482</td>
<td>482</td>
</tr>
<tr>
<td><strong>Total NYPA &amp; CANALS</strong>*:</td>
<td><strong>2,530</strong></td>
<td><strong>2,530</strong></td>
<td><strong>2,530</strong></td>
<td><strong>2,530</strong></td>
</tr>
</tbody>
</table>

*Authorized positions including vacancies.

(i) Gap-Closing Initiatives – Revenue Enhancement or Cost-Reduction Initiatives

When building a multi-year operating plan, NYPA has developed a series of contingency plans to adapt to unforeseen changes in its financial results. The Authority projects positive net income for the 2022-2025 period, constructed upon a level of expenses outlined within this Four-Year Financial Plan. If that net income projection materially changes during the forecast period, NYPA will take actions if deemed appropriate.

Moving into 2022, the risk of additional COVID-19 waves does exist; however, it is expected that any impact on finances or operations should be greatly reduced, due to the amount of planning conducted in preparation for such an event. This plan does not assume another shutdown within the financial forecast.

(j) Material Non-Recurring Resources – Source and Amount

Except as discussed elsewhere in this report, there are no material non-recurring resources expected in the 2022-2025 period.

(k) Shift in Material Resources

There are no anticipated shifts in material resources from one year to another.

(l) Debt Service

New York Power Authority Projected Debt Outstanding (FYE)

(In $ Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Bonds</td>
<td>$1,562,240</td>
<td>$1,850,817</td>
<td>$1,835,927</td>
<td>$1,820,182</td>
</tr>
<tr>
<td>Adjustable Rate Tender Notes</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Subordinated Notes</td>
<td>$38,530</td>
<td>$37,010</td>
<td>$35,440</td>
<td>$33,825</td>
</tr>
<tr>
<td>Commercial Paper Notes</td>
<td>$436,771</td>
<td>$436,771</td>
<td>$436,771</td>
<td>$436,771</td>
</tr>
<tr>
<td><strong>Grand Total:</strong></td>
<td><strong>$2,037,541</strong></td>
<td><strong>$2,324,598</strong></td>
<td><strong>$2,308,138</strong></td>
<td><strong>$2,290,778</strong></td>
</tr>
</tbody>
</table>
## Debt Service as Percentage of Pledged Revenues (Accrual Based)

*In $ Thousands*

<table>
<thead>
<tr>
<th></th>
<th>2022 Debt Service</th>
<th>2023 Debt Service</th>
<th>2024 Debt Service</th>
<th>2025 Debt Service</th>
<th>% of Revenue</th>
<th>% of Revenue</th>
<th>% of Revenue</th>
<th>% of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Bonds</strong></td>
<td>$28,258</td>
<td>$54,149</td>
<td>$81,360</td>
<td>$81,359</td>
<td>1%</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Adjustable Rate Tender Notes</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Subordinated Notes</strong></td>
<td>$2,999</td>
<td>$2,996</td>
<td>$2,999</td>
<td>$2,996</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Commercial Paper Notes</strong></td>
<td>$4,368</td>
<td>$4,368</td>
<td>$4,368</td>
<td>$4,368</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Grand Total Debt Service:</strong></td>
<td><strong>$35,625</strong></td>
<td><strong>$61,513</strong></td>
<td><strong>$88,727</strong></td>
<td><strong>$88,723</strong></td>
<td>1%</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Debt Service Coverage Ratio:**

- 2022: 13.2X
- 2023: 9.5X
- 2024: 6.6X
- 2025: 7.1X

*2022-2025 excludes Capitalized Interest expense.*

### Scheduled Debt Service Payments (Accrual Basis) Outstanding (Issued) Debt

*In $ Thousands*

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$1,490</td>
<td>$34,135</td>
<td>$35,625</td>
</tr>
<tr>
<td>2023</td>
<td>$3,430</td>
<td>$58,083</td>
<td>$61,513</td>
</tr>
<tr>
<td>2024</td>
<td>$16,576</td>
<td>$72,151</td>
<td>$88,727</td>
</tr>
<tr>
<td>2025</td>
<td>$17,484</td>
<td>$71,240</td>
<td>$88,723</td>
</tr>
</tbody>
</table>

### Proposed Debt

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2023</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2024</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2025</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Total Debt

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$1,490</td>
<td>$34,135</td>
<td>$35,625</td>
</tr>
<tr>
<td>2023</td>
<td>$3,430</td>
<td>$58,083</td>
<td>$61,513</td>
</tr>
<tr>
<td>2024</td>
<td>$16,576</td>
<td>$72,151</td>
<td>$88,727</td>
</tr>
<tr>
<td>2025</td>
<td>$17,484</td>
<td>$71,240</td>
<td>$88,723</td>
</tr>
</tbody>
</table>
### New York Power Authority Planned Use of Debt Issuances

**In $ Thousands**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>Amount</th>
<th>Interest Rate</th>
<th>Project / Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Period January 1, 2022 - December 31, 2022:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Exempt Commercial Paper</td>
<td>$0</td>
<td>0%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Taxable Commercial Paper</td>
<td>$0</td>
<td>0%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Tax Exempt Revenue Bonds</td>
<td>$0</td>
<td>0%</td>
<td>Transmission</td>
</tr>
<tr>
<td>Taxable Revenue Bonds</td>
<td>$0</td>
<td>0%</td>
<td>Robert Moses Power Plant</td>
</tr>
<tr>
<td><strong>Total Issued 2022</strong></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Period January 1, 2023 - December 31, 2023:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Exempt Commercial Paper</td>
<td>$0</td>
<td>0%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Taxable Commercial Paper</td>
<td>$0</td>
<td>0%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Tax Exempt Revenue Bonds</td>
<td>$249,089</td>
<td>4%</td>
<td>Transmission</td>
</tr>
<tr>
<td>Taxable Revenue Bonds</td>
<td>$39,488</td>
<td>5%</td>
<td>Robert Moses Power Plant</td>
</tr>
<tr>
<td><strong>Total Issued 2023</strong></td>
<td>$288,577</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Period January 1, 2024 - December 31, 2024:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Exempt Commercial Paper</td>
<td>$0</td>
<td>0%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Taxable Commercial Paper</td>
<td>$0</td>
<td>0%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Tax-Exempt Revenue Bonds</td>
<td>$0</td>
<td>0%</td>
<td>Transmission</td>
</tr>
<tr>
<td>Taxable Revenue Bonds</td>
<td>$0</td>
<td>0%</td>
<td>Robert Moses Power Plant</td>
</tr>
<tr>
<td><strong>Total Issued 2024</strong></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Period January 1, 2025 - December 31, 2025:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Exempt Commercial Paper</td>
<td>$0</td>
<td>0%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Taxable Commercial Paper</td>
<td>$0</td>
<td>0%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Tax-Exempt Revenue Bonds</td>
<td>$0</td>
<td>0%</td>
<td>Transmission</td>
</tr>
<tr>
<td>Taxable Revenue Bonds</td>
<td>$0</td>
<td>0%</td>
<td>Robert Moses Power Plant</td>
</tr>
<tr>
<td><strong>Total Issued 2025</strong></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: The full faith and credit of the Authority are pledged for the payment of bonds and notes in accordance with their terms and provisions of their respective resolutions. The Authority has no taxing power, and its obligations are not debts of the State or any political subdivision of the State other than the Authority. The Authority’s debt does not constitute a pledge of the faith and credit of the State or of any political subdivision thereof, other than the Authority.*
(m) Capital Commitments and Sources of Funding

The Authority’s commitments for various capital improvements are approximately $2.7 billion over the financial period 2022-2025. NYPA anticipates these improvements will be funded with existing construction funds, internally generated funds, and additional borrowings. Additionally, the Authority is projecting to spend approximately $1.3 billion in Energy Efficiency Services projects for our customers, which will be separately financed. Projected capital commitments during this period include those listed in the table below.

### 2022-2025 Capital Commitments by Function

#### (In $ Millions)

<table>
<thead>
<tr>
<th>NYP A</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert Moses LEM (NextGen Niagara)</td>
<td>$38.9</td>
<td>$62.1</td>
<td>$73.2</td>
<td>$53.1</td>
</tr>
<tr>
<td>STL 90T &amp; 300T Crane Replacements</td>
<td>$0.8</td>
<td>$0.6</td>
<td>$13.1</td>
<td>$13.1</td>
</tr>
<tr>
<td>Lewiston Pump Generating Plant LEM</td>
<td>$14.1</td>
<td>$4.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Niagara Fire Detection System</td>
<td>$11.6</td>
<td>$5.8</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Long Sault Dam Capital Program</td>
<td>$0.5</td>
<td>$5.0</td>
<td>$5.0</td>
<td>$5.0</td>
</tr>
<tr>
<td>LPGP 150T Crane Upgrade</td>
<td>$0.5</td>
<td>$11.0</td>
<td>$0.9</td>
<td>$0.0</td>
</tr>
<tr>
<td>Other Generation</td>
<td>$81.1</td>
<td>$61.3</td>
<td>$56.5</td>
<td>$35.1</td>
</tr>
<tr>
<td><strong>Transmission</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smart Path Connect</td>
<td>$158.4</td>
<td>$165.0</td>
<td>$165.0</td>
<td>$110.0</td>
</tr>
<tr>
<td>Transmission LEM</td>
<td>$51.8</td>
<td>$55.9</td>
<td>$44.0</td>
<td>$32.8</td>
</tr>
<tr>
<td>Smart Path</td>
<td>$121.6</td>
<td>$39.5</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Y-49 LEM</td>
<td>$60.8</td>
<td>$75.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Central East Energy Connect</td>
<td>$92.1</td>
<td>$41.8</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Convertible Static Compensator</td>
<td>$3.6</td>
<td>$15.3</td>
<td>$25.1</td>
<td>$0.0</td>
</tr>
<tr>
<td>NNY to Ontario Phase Shifter Replacement</td>
<td>$11.6</td>
<td>$1.2</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Other Transmission</td>
<td>$44.8</td>
<td>$30.3</td>
<td>$17.0</td>
<td>$18.4</td>
</tr>
<tr>
<td><strong>Headquarters</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital, Network &amp; Cyber</td>
<td>$64.3</td>
<td>$29.9</td>
<td>$23.8</td>
<td>$30.2</td>
</tr>
<tr>
<td>Decarbonization (Evolve, EGT Hybrid &amp; Battery)</td>
<td>$36.8</td>
<td>$22.1</td>
<td>$21.9</td>
<td>$41.6</td>
</tr>
<tr>
<td>White Plains Office Infrastructure</td>
<td>$14.3</td>
<td>$7.0</td>
<td>$4.2</td>
<td>$42.6</td>
</tr>
<tr>
<td>Reimagine the Canals</td>
<td>$23.0</td>
<td>$51.3</td>
<td>$71.1</td>
<td>$64.0</td>
</tr>
<tr>
<td>Other HQ</td>
<td>$13.4</td>
<td>$9.0</td>
<td>$4.6</td>
<td>$2.6</td>
</tr>
<tr>
<td><strong>Canal Corporation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canals</td>
<td>$39.7</td>
<td>$39.7</td>
<td>$39.7</td>
<td>$39.7</td>
</tr>
<tr>
<td><strong>Total NYP A &amp; Canals Funded:</strong></td>
<td>$883.7</td>
<td>$733.0</td>
<td>$565.2</td>
<td>$488.3</td>
</tr>
<tr>
<td><strong>Energy Efficiency Services - Separately Financed:</strong></td>
<td>$302.9</td>
<td>$315.2</td>
<td>$326.6</td>
<td>$317.0</td>
</tr>
<tr>
<td>Niagara Capital Projects: $89.5M</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RM CONTROLS LEM</td>
<td>$14.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEWISTON PUMP GENER. PLANT LEM</td>
<td>$14.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RM MECHANICAL &amp; ELECTRICAL LEM</td>
<td>$12.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPP FIRE DETECTION SYSTEM</td>
<td>$11.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RM PENSTOCK LEM</td>
<td>$6.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALL OTHER PROJECTS</td>
<td>$30.5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>St. Lawrence Capital Projects: $27.7M</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MINOR ADDITIONS GENERAL PLANT</td>
<td>$4.6</td>
</tr>
<tr>
<td>LICENSE COMPLIANCE &amp; IMPLEMENTATION-STL</td>
<td>$4.4</td>
</tr>
<tr>
<td>HATCH COVER DECK SURFACE UPGRADE</td>
<td>$3.8</td>
</tr>
<tr>
<td>STL 10 YEAR RELICENCING EVALUATION</td>
<td>$2.5</td>
</tr>
<tr>
<td>LSD GATE HOIST AUTOMATION</td>
<td>$2.2</td>
</tr>
<tr>
<td>ALL OTHER PROJECTS</td>
<td>$10.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Blenheim-Gilboa Capital Projects: $13.7M</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TRAINING AND EOC CENTER (BG)</td>
<td>$3.4</td>
</tr>
<tr>
<td>REPLACE BG 2-4 UNIT BREAKERS</td>
<td>$2.3</td>
</tr>
<tr>
<td>BG ADMIN BLDG HVAC UPGRADE</td>
<td>$1.9</td>
</tr>
<tr>
<td>RELICENSING AND IMPLEMENTATION (BG)</td>
<td>$1.5</td>
</tr>
<tr>
<td>MINOR ADDITIONS GENERAL PLANT</td>
<td>$1.4</td>
</tr>
<tr>
<td>ALL OTHER PROJECTS</td>
<td>$3.3</td>
</tr>
</tbody>
</table>
### Zeltmann Capital Projects: $9.7M

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUEL OIL SUPPRESSION SYSTEM (500 MW)</td>
<td>$3.2</td>
</tr>
<tr>
<td>ZEL - ADMIN BUILDING LEM</td>
<td>$1.5</td>
</tr>
<tr>
<td>ZEL ONSITE RENEWABLES</td>
<td>$1.2</td>
</tr>
<tr>
<td>500 FACILITY ROOF SYSTEM REPLACEMENT</td>
<td>$1.1</td>
</tr>
<tr>
<td>GSU TRANSFORMER OVERHAUL</td>
<td>$0.7</td>
</tr>
<tr>
<td>ALL OTHER PROJECTS</td>
<td>$1.9</td>
</tr>
</tbody>
</table>

### Small Clean Power Plant Capital Projects: $5.1M

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1 EMP SUBSTATION HARDENING</td>
<td>$1.1</td>
</tr>
<tr>
<td>HR INLET HEATING SYSTEM UPGRADE</td>
<td>$0.8</td>
</tr>
<tr>
<td>GOWANUS BULKHEAD RESTORATION</td>
<td>$0.6</td>
</tr>
<tr>
<td>HR GAS COMPRESSOR CONTROLS UPGRADE</td>
<td>$0.6</td>
</tr>
<tr>
<td>HG GAS COMPRESSOR CONTROLS UPGRADE</td>
<td>$0.6</td>
</tr>
<tr>
<td>ALL OTHER PROJECTS</td>
<td>$1.4</td>
</tr>
</tbody>
</table>

### Small Hydro Capital Projects: $1.8M

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>VISCHER FERRY RELICENSING</td>
<td>$0.5</td>
</tr>
<tr>
<td>JARVIS RELICENSING</td>
<td>$0.5</td>
</tr>
<tr>
<td>CRESCENT RELICENSING</td>
<td>$0.4</td>
</tr>
<tr>
<td>VISCHER FERRY UNITS 1 AND 2 LEM</td>
<td>$0.2</td>
</tr>
<tr>
<td>PHYSICAL SECURITY UPGRADE</td>
<td>$0.2</td>
</tr>
<tr>
<td>ALL OTHER PROJECTS</td>
<td>$0.0</td>
</tr>
</tbody>
</table>
Headquarters Capital Projects: $128.8M

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRATEGIC EV CHARGING STATIONS INSTalls</td>
<td>$25.2</td>
</tr>
<tr>
<td>CUSTOMER DIGITAL EXPERIENCE SOFTWARE</td>
<td>$8.3</td>
</tr>
<tr>
<td>CYBER RESILIENCE</td>
<td>$7.1</td>
</tr>
<tr>
<td>COMMON APPLICATION LEM</td>
<td>$6.8</td>
</tr>
<tr>
<td>ECC EMS SYSTEM REPLACEMENT</td>
<td>$6.1</td>
</tr>
<tr>
<td>ALL OTHER PROJECTS</td>
<td>$75.1</td>
</tr>
</tbody>
</table>

Energy Services Capital Projects: $302.9M

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SENY GOVERNMENTAL SERVICES PROGRAM</td>
<td>$193.5</td>
</tr>
<tr>
<td>ENERGY SERVICES PROGRAM</td>
<td>$107.1</td>
</tr>
<tr>
<td>OTHER POCR PROGRAMS (POCR FUNDED)</td>
<td>$1.0</td>
</tr>
<tr>
<td>MUNICIPAL ELECTRIC VEHICLES</td>
<td>$1.0</td>
</tr>
<tr>
<td>POCR REBATE PROGRAM (POCR FUNDED)</td>
<td>$0.3</td>
</tr>
<tr>
<td>ALL OTHER PROJECTS</td>
<td>$0.0</td>
</tr>
</tbody>
</table>

Transmission Capital Projects: $544.7M

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMART PATH CONNECT</td>
<td>$158.4</td>
</tr>
<tr>
<td>MA1 &amp; MA2 TRANSMISSION LINE UPGRADE</td>
<td>$121.6</td>
</tr>
<tr>
<td>CENTRAL EAST ENERGY CONNECT</td>
<td>$92.1</td>
</tr>
<tr>
<td>Y-49 LEM</td>
<td>$60.8</td>
</tr>
<tr>
<td>TRANSMISSION LEM (NIA)</td>
<td>$21.6</td>
</tr>
<tr>
<td>ALL OTHER PROJECTS</td>
<td>$90.2</td>
</tr>
</tbody>
</table>
Reimagine Canals Capital Projects: $23M

- CR GUY PARK MANOR RESTORATION: $6.8
- REIMAGINE WESTERN IRRIGATION: $2.4
- CR CAYUGA WATERCOURSE DEVELOPMENT: $2.1
- ICONIC LIGHTING: $2.0
- LITTLE FALLS SKYWALK: $1.2
- ALL OTHER PROJECTS: $8.4

Canals Capital Projects $39.7M

- PALMYRA GANARGUA CREEK AQUADUCT-REH: $3.0
- VESSEL REPLACEMENT/ADDITION PROGRAM: $2.3
- COURT STREET DAM REHABILITATION: $1.8
- EEP - LOCKPORT: $1.6
- MADISON RESERVOIR DAM REHAB: $1.6
- ALL OTHER CAPITAL PROJECTS: $29.4
(n) Credit Agency Rating Discussion

Maintaining a strong relationship with the capital markets is critical to how NYPA operates. Fitch Ratings and S&P Global Ratings assign a AA rating to the Authority’s long-term bonds, while Moody’s Investor Services assigns a Aa2 rating to the Authority’s long-term bonds, which is among the highest rating given to public electric utilities. This allows us to borrow money for capital projects at competitive rates and to continue to offer low-cost financing to qualified customers to help fund impactful energy initiatives. The Authority’s long-term bonds are issued pursuant the “General Resolution Authorizing Revenue Obligations” (as amended and supplemented up to the present time, the Bond Resolution). The Bond Resolution covers all of NYPA's projects, which it defines as any project, facility, system, equipment or material related to or necessary or desirable in connection with the generation, production, transportation, transmission, distribution, delivery, storage, conservation, purchase or use of energy or fuel, whether owned jointly or singly by the Authority, including any output in which NYPA has an interest authorized by the Act or by other applicable state statutory provisions, provided, however, that the term “Project” shall not include any Separately Financed Project as that term is defined in the Bond Resolution.

NYPA has covenanted with bondholders under the Bond Resolution that at all times the Authority shall maintain rates, fees, or charges, and any contracts entered into by the Authority for the sale, transmission, or distribution of power shall contain rates, fees, or charges sufficient together with other monies available therefor (including the anticipated receipt of proceeds of sale of Obligations, as defined in the Bond Resolution, issued under the Bond Resolution or other bonds, notes or other obligations or evidences of indebtedness of the Authority that will be used to pay the principal of Obligations issued under the Bond Resolution in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of any Project), to meet the financial requirements of the Bond Resolution.

NYPA's revenues (excluding revenues attributable directly or indirectly to the ownership or operation for Separately Financed Projects and after deductions for operating expenses and reserves, including reserves for working capital, operating expenses or compliance purposes) are applied first to the payment of, or accumulation as a reserve for payment of, interest on and the principal or redemption price of Obligations issued under the Bond Resolution and the payment of Parity Debt issued under the Bond Resolution.

The Bond Resolution also provides for withdrawal for any lawful corporate purpose as determined by NYPA, including but not limited to the retirement of Obligations issued under the Bond Resolution, from amounts in the Operating Fund in excess of the operating expenses, debt service on Obligations and Parity Debt issued under the Bond Resolution, and subordinated debt service requirements.

To support our Aa2/AA/AA bond ratings and all of the advantages it offers the Authority and its customers, NYPA sets certain targets which are consistent with other peer-rated organizations. In May 2011, the Authority’s Board of Trustees adopted a policy statement (Policy Statement) which relates to, among other things, voluntary contributions, transfers, or other payments to the State by the Authority after that date.

The Policy Statement provides, among other things, that in deciding whether to make such contributions, transfers, or payments, NYPA shall use as a reference point the maintenance of a debt service coverage ratio of at least 2.0X (this reference point should not be interpreted as a covenant to maintain any particular coverage ratio), in addition to making the other determinations required by the Bond Resolution. The Policy Statement may at any time be modified or eliminated at the discretion of the Board of Trustees.
December 7, 2021

To the Board of Trustees
Power Authority of the State of New York

To the best of my knowledge and belief after reasonable inquiry, I, the undersigned, certify that the “Authority’s Method of Estimation of Approved 2022 Budget and 2022-2025 Financial Plan” is based on reasonable assumptions and methods of estimation and that the regulations enumerated in Part 203, “Budget and Financial Plan Format, Supporting Documentation and Monitoring - Public Authorities” have been satisfied.

______________________________
Joseph Kessler
Chief Operating Officer

______________________________
Adam Barsky
Chief Financial Officer
4f. Audit Committee Report: (Chair Eugene Nicandri)

[Oral Report Only]
Informational Item: Digital Utility Strategic Partnership Outcomes and Deliverables

Ricardo da Silva
VP Strategic Operations

December 7, 2021
Digital Utility Strategic Partnership – Genesis

**Sept. 2017**

**Goal**
- **Partnership Creation**
  - 1. Management Consultant
  - 2. Technology Implementation
  - 3. iSOC/ NYEM

**Focus Areas**
- 1. Accenture
- 2. C3 IoT
- 3. GE
- 4. GP Strategies
- 5. Indigo
- 6. Lockheed Martin
- 7. MaRS - Advanced Energy Center
- 8. PA Consulting
- 9. Siemens
- 10. Talisen

**Aggregate Value Increase**

**Dec. 2020**

- **Partnership Creation**
  - 1. Data Analytics, Artificial Intelligence, Industrial IoT and Cloud Based Services
  - 2. Synchrophasor Applications
  - 3. Robotic Process Automation
  - 4. Digital Logbook and Shift Turnovers
  - 5. Augmented Reality, Virtual Reality, Mobile App Creation and Support

**Dec. 2021**

- **Partnership Creation**
  - 1. ChaiOne
  - 2. Digital Engineering
  - 3. Doble Engineering Company
  - 4. Electric Power Group
  - 5. Hexagon PPM
  - 6. mPrest
  - 7. Trove Predictive Data Science
  - 8. Uptake Technologies
  - 9. Utegration
  - 10. Vrinda

**Goal**
- **Partnership Creation**
  - Increase aggregate amount from $50m to $59m.

**Duration Extension**

- Increase aggregate to $75m.
- Mix of Capital / O&M
- Increase contract term from 5 years to 8 years total.
## Digital Utility Strategic Partnership – Value Tracking

### 1. Strategic Initiatives
- **APM** Asset Performance Management
- **iSOC** Integrated Smart Operations Centre
- **Digital Worker** Digitizing the Field
- **AGILe** Advanced Grid Lab
- **AI/ML** Artificial Intelligence / Machine Learning
- **CDEX** Digitizing Customer Experience
- **NYEM** NY Energy Manager, Grid Flex, VPP

### 2. Core Capabilities
- **Increased reliability and resiliency**
- **Enhanced situational awareness**
- **Optimize transmission assets**
- **Optimize generation assets**
- **Integration of bulk renewables**

### 3. Value
- Advanced monitoring, control and protection
- Predictive maintenance across assets
- Improved **system flexibility**, efficiency and operator effectiveness
- AI/ML applications including automatic controls
- Development of bulk renewables with advanced operational technology
- Asset optimization and reduced capital expenditure
- Replacement of legacy mechanical to electrical components
- Digital Worker Application including Logbooks, Wearables, 3D printing and scanning
- Trusted advisors and improved customer satisfaction
- New Products & Services e.g., Virtual Power Plants
- **Digital Customer Engagement** with refined online presence (CDEx)
Value To Date – Utility Ops Use Case

One capability the Integrated Smart Operations Center (iSOC) is and has been delivering on is **Asset Health Monitoring & Diagnostics** – other capabilities include Network Operations, NYEM, Physical Security and Cyber Security.

Progress is being made to increase the value, insights and functionality of the iSOC as the journey evolves. Achievements range from expanding the iSOC **organization structure**, further **cost avoidance**, planning and setting asset performance management (APM) governance, and solving problems with cross functional teams.

- **601** New Models / Digital Twins created across assets
- **$43m** Total Cost Avoidance since inception. Q3 - $43,440,859
- **3** Customer Assets to be Monitored
- **2** New Screens, e.g. geographic information system (GIS) for Aerial Activity Monitoring
- **97k** New Pi Points active
End-to-end APM Transformation – maximizing the value of our asset information

More Data
More actionable information than ever is available

Work Orders & Asset Data
Asset Condition
Asset Condition (TOA)
Asset Condition (Mobile)
RCM Plans
Generation Outages

New Tools & Analysis
APM has provided powerful new ways to analyze and use our data

Health Module
Consolidating condition information to monitor asset health

Strategy Module

Asset Answers
Peer benchmarking of asset performance

Reliability
Advanced Pattern Recognition for predictive maintenance and Case Management

Enterprise Impact
Monitoring rotating equipment

Data-driven Operations
Enabling standardized, data-driven decision making across NYPA

Daily Work Plans
Monthly Planning Meetings
Opex Projects
Outage

Plant Ops
Reliability
Availability
Capital
O&M

Optimized Assets
Resulting in balanced performance, cost and risk

Providing the right information to the right people, at the right time to optimize operations and long-term decision making
Case Study: Niagara Project Generator Step-Up Transformer

**PROBLEM**
Dissolved gas analysis trending poorly

**LONG-TERM BENEFIT**
- $8M in avoided lost production
- $3M in avoided equipment cost
- Reduced environmental & safety risks

**Players**
- **iSOC**
- **WPO Engineering**
- **NIA Engineering**
- **OEM**

**Analytic models provided an alert**
- Mar. 29, 2019

**Investigation confirmed dissolved gasses in transformer oil**
- Mar. 30, 2019

**Subject-matter expertise confirmed internal overheating**
- Apr. 4, 2019

**Transformer replaced during maintenance outage with a plant spare**
- May 10, 2019

**Description**
- Overheated Electrical Connections

Informational Item: NYPA Ventures - Business Lines Update

Sarah Orban Salati
Executive Vice President & Chief Commercial Officer

December 7, 2021
NYPA Ventures’ Strategic Context

- Highly dynamic market; technology and customer needs evolving at rapid pace
- New innovative ventures require different management to incubate and scale
  - Agile product development
  - Customer co-development
  - Entrepreneurial and lean
- e-Mobility and New York Energy Manager moving under NYPA Ventures unit
  - Internal Executive Board
  - External network of resources
  - Light touch within clear strategic and risk parameters
NY Energy Manager – Business Line Update

Emilie Bolduc
Vice President, NYEM & Clean Energy Advisory Services

December 7, 2021
NY Energy Manager

Focus on development and rapid growth

- Customer-sited solar PV + storage
- Distributed energy resources as grid resources
  - Buildings
  - Solar PV
  - Storage
- Data-driven pathways to customer decarbonization

NYPA’s 2030 CLCPA targets

500 MW
Distributed Solar PV

150 MW
Distributed Energy Storage Systems

11 TBtu
Energy Savings
NY Energy Manager

Energy Analytics

• BuildSmart NY 2025 goal and project tracking platform
• Automated dynamic load management
• Virtual Power Plants - use building assets, solar PV, energy storage systems, and EV charging stations as economically-viable, grid resources (planned for Q4 2022 / Q1 2023)

Customer Sited Solar + Storage

• NY City Solar + Storage (29 MWs of solar PV and 6.5 MWs of ESS)
• OGS Oneida County Solar (30+ MWs of solar PV)
• Port Authority JFK Solar + Storage (13.5 MWs of solar PV + 7.5 MWs of ESS)
• Westchester County Community Solar (15 MWs of solar PV)
Empowering our customers to decarbonize by reducing, optimizing, and orchestrating their assets in an integrated grid
E-Mobility – Business Line Update

Fabio Mantovani
VP Head of e-Mobility

December 7, 2021
e-Mobility aligned with NYPA Vision2030 – our focus is to decarbonize Transportation, the most polluting sector, to meet SOTS & CLCPA goals.

NYPA Vision2030 Priority

**E-Mobility**

- Light-duty passenger cars & trucks contribute over half of overall transportation emissions!
- $800M+ macro-economic value to NYS to all utility customers and EV drivers in lower energy costs through 2030
- 20% + increase in electricity demand from electrification through 2050
EVolve NY Update: 33 chargers operational; 100 expected by EOY, 150 by H1 2022

Tailwinds:
• Utilization of EVolve NY charging infrastructure increased 256% in the last 10 months; in line with increase of EV penetration in NYS

Headwinds:
• Supply chain disruptions are impacting both new construction as well as availability and lead times of replacement parts for existing chargers
• Utility and building permitting also key cause for delays
Date: December 7, 2021
To: THE TRUSTEES
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Diversity, Equity, and Inclusion Evaluation and Incentive Plan

SUMMARY

The Trustees are requested to authorize the Authority to:

1. Consider positive diversity, equity, and inclusion ("DEI") impacts when evaluating applications and making recommendations to the Trustees for allocations of power under the Recharge New York ("RNY"), Expansion Power ("EP"), Replacement Power ("RP") and Preservation Power ("PP") programs (collectively, "Economic Development Power" or "EDP" Programs), as more particularly described below.

2. As part of the application evaluation process for the EDP Programs, provide for enhanced scoring for qualifying applicants and projects as more particularly described below.

3. Modify applications used for the EDP Programs as staff determines to be appropriate to enable the Authority to collect relevant information from applicants related to DEI impacts.

4. Apply the DEI evaluation and incentive plan prospectively to applications under the EDP Programs for: (a) allocations to support new load (e.g., new projects and expansion projects); and (b) retention-based allocations for load that is not already served by the Authority.

DISCUSSION

The authorizing statutes for each of the EDP Programs require application of criteria intended to assess job impacts that would result from an allocation of program power, such as the type and number of jobs that would be created and retained resulting from an allocation (collectively, “Job Impact Criteria”). See Public Authorities Law (“PAL”) § 1005(13)(a); Economic Development Law (“EDL”) § 188-a(c).

New York State energy and economic development policies have evolved since the enactment of these statutes and seek to encourage DEI for businesses and jobs in New York. For example, Chapter 735 of the Laws of 2019, as amended, established a 16-member Permanent Environmental Justice Advisory Group ("EJ Advisory Group") consisting of representatives from environmental justice communities, the business community, environmental conservation offices and other stakeholder groups to adopt a model environmental justice policy for state agencies that engage in activities or operations that may have a significant effect on the environment, and to provide advice and recommendations to
state entities on environmental justice policies. See Environmental Conservation Law (“ECL”) § 48-0105.

Earlier in 2019, the State enacted the New York State Climate Leadership and Community Protection Act (“CLCPA”). In passing the CLCPA, the Legislature found and declared, among other things:

7. Climate change especially heightens the vulnerability of disadvantaged communities, which bear environmental and socioeconomic burdens as well as legacies of racial and ethnic discrimination. Actions undertaken by New York state to mitigate greenhouse gas emissions should prioritize the safety and health of disadvantaged communities, control potential regressive impacts of future climate change mitigation and adaptation policies on these communities and prioritize the allocation of public investments in these areas.

***

10. Ensuring career opportunities are created and shared geographically and demographically is necessary to ensure increased access to good jobs for marginalized communities while making the same neighborhoods more resilient. Climate change has a disproportionate impact on low-income people, women, and workers. It is in the interest of the state of New York to protect and promote the interests of these groups against the impacts of climate change and severe weather events and to advance our equity goals by ensuring quality employment opportunities in safe working environments.

The CLCPA also created a Climate Justice Working Group which, in consultation with state entities and the Advisory Group, is charged with establishing criteria to identify disadvantaged communities for the purposes of co-pollutant reductions, greenhouse gas emissions reductions, regulatory impact statements, and the allocation of investments. ECL § 75-0111.

The CLCPA also establishes goals for the investments of available and relevant programmatic resources by state entities in the areas of housing, workforce development, pollution reduction, low income energy assistance, energy, transportation and economic development.

The Authority’s Vision2030 Strategic Plan provides that the Authority’s strategic priorities will be supported by five foundational pillars, including “Diversity, Equity and Inclusion,” which “encompasses an organization’s mission, strategies and practices to support a diverse workplace, community and supply chain.” Vision2030 also establishes a 10-point Diversity, Equity and Inclusion Plan.

Consistent with these policies and principles, the Trustees are requested to authorize staff to undertake the following measures to implement the Authority’s DEI evaluation and incentive plan:

1. Supplement the application evaluation criteria for each of the EDP Programs to enable the Authority to consider DEI commitments based on the following criteria (“Qualifying Criteria”):

   • Applicant is a certified Minority and Women Owned Business Enterprise;
   • Applicant is a certified Service-Disabled Veteran Owned Business; and/or
• Applicant’s facility is or will be located in a disadvantaged community in New York State.

2. As part of the application evaluation process for the EDP Programs, provide enhanced scoring credit based on consideration of the Qualifying Criteria in addition to the evaluation of EDP Program criteria.

3. Apply the DEI evaluation and incentive plan prospectively to applications under the EDP Programs for: (a) allocations to support new load (e.g., new projects and expansion projects); and (b) retention-based allocations for load that is not already served by the Authority.

4. Make appropriate modifications to the applications and related process documents used for the EDP Programs to enable the Authority to collect relevant information from applicants related to DEI.

At its meeting on December 6, 2021, the Economic Development Power Allocation Board (“EDPAB”) approved the evaluation of DEI impacts under RNY Power program application evaluation criteria, and authorized staff to make changes to the RNY Power application to enable the collection of DEI-related information to facilitate consideration of DEI impacts.

If the Trustees authorize these changes, staff will prepare the appropriate updates to the applications and the review and evaluation processes for each EDP Program for implementation effective prospectively starting with EDP Program allocations recommended after January 1, 2022.

Staff believes that the recommendations contained herein are appropriate and supportive of State and Authority policies aimed at supporting and encouraging DEI in New York. The DEI evaluation and incentive plan is not intended to limit the Authority’s evaluation of other pertinent considerations under Authority or State law, regulation or policy.

FISCAL INFORMATION

The actions recommended herein will not have a negative impact on the Authority’s finances.

RECOMMENDATION

The Senior Vice President, Clean Energy Solutions recommends that the Trustees authorize staff to undertake the following measures to implement the DEI evaluation incentive plan described above:

1. Supplement the application evaluation criteria for each of the EDP Programs to enable the Authority to consider DEI commitments based on the following Qualifying Criteria:

   • Applicant is a certified Minority and Women Owned Business Enterprise;
   • Applicant is a certified Service-Disabled Veteran Owned Business; and/or
• Applicant’s facility is or will be located in a disadvantaged community in New York State.

2. As part of the application evaluation process for the EDP Programs, provide enhanced scoring credit based on consideration of the Qualifying Criteria in addition to the evaluation of EDP Program criteria.

3. Apply the DEI evaluation and incentive plan prospectively to applications under the EDP Programs for: (a) allocations to support new load (e.g., new projects and expansion projects); and (b) retention-based allocations for load that is not already served by the Authority.

4. Make appropriate modifications to the applications and related process documents used for the EDP Programs to enable the Authority to collect relevant information from applicants related to DEI.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
RESOLUTION

RESOLVED, That the Trustees hereby authorize Authority staff to: (1) supplement the application evaluation criteria for each of the Authority’s Economic Development Power ("EDP") Programs to enable the Authority to consider diversity, equity, and inclusion ("DEI") commitments based on the following criteria ("Qualifying Criteria"): applicant is a certified Minority and Women Owned Business Enterprise; applicant is a certified Service-Disabled Veteran Owned Business; and/or applicant’s facility is or will be located in a disadvantaged community in New York State; (2) provide enhanced scoring credit based on consideration of the Qualifying Criteria in addition to evaluation of EDP Program criteria; (3) apply the DEI evaluation and incentive plan prospectively to applications under the EDP Programs for allocations to support new load and retention-based allocations for load that is not already served by the Authority; and (4) make appropriate modifications to the applications and related process documents used for the EDP Programs to enable the Authority to collect relevant information from applicants related to DEI; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim 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 Interim Executive Vice President and General Counsel.
Date: December 7, 2021

To: TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Awards of Fund Benefits from the Northern New York Economic Development Fund Recommended by the Northern New York Power Proceeds Allocation Board

SUMMARY

The Trustees are requested to accept the recommendations of the Northern New York Power Proceeds Allocation Board (the “Allocation Board”) and make awards of Fund Benefits from the Northern New York Economic Development Fund to North Country Children’s Museum (“NCCM”) and Atlantic Testing Laboratories, Limited (“Atlantic”) and authorize the other actions described herein with respect to the applicants and recommended awards. The Applicant’s projects and the amount of the awards being recommended are summarized in Exhibit “A” and discussed in further detail below and in Exhibits “A-1” and “A-2”.

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 two chapters of consolidated law, 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 which 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 EP, RP and PP 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 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 established a schedule of dates through the end of 2021 on which the Allocation Board would 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/NNYPAB 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 October 13, 2021 meeting, the Allocation Board considered an application from NCCM seeking $100,000 in Fund Benefits, and an application from Atlantic seeking $220,000 in Fund Benefits.

Allocation Board staff analyzed the applications and made recommendations to the Allocation Board based on eligibility requirements and Program Criteria. The Program Criteria are described in Exhibit “B”. A copy of the recommendation memoranda provided to the Allocation Board for the NCCM and Atlantic projects are attached as Exhibits “A-1” and “A-2”, respectively. The applications have also been made available to the Trustees for review.

As detailed in Exhibit “A-1”, the NCCM application seeks Fund Benefits to support an expansion to the second floor of its current location in Potsdam, St. Lawrence County. The expansion would include renovation of the second floor space, the addition of permanent exhibits, a program room, office space, storage, an elevator, restrooms, and other improvements. The Applicant indicates that it would spend approximately $1.9M on this project.

As detailed in Exhibit “A-2”, the Atlantic application seeks Fund Benefits to support the renovation of an industrial building located in Canton, St. Lawrence County, in a Brownfield Opportunity Zone and Downtown Revitalization Corridor. Renovations are required to improve the building’s structure and make it more functional in order to facilitate growth. Project costs include reconfiguring structural steel, lowering and replacing the roof, securing the middle portion of the building and adding new machinery and equipment. Included as part of the project is the installation of energy efficient materials and equipment, such as foam insulation and a new HVAC system. The applicant indicates it would retain 22 and create 4 new full time positions over 5 years and spend approximately $2.4M on this project. A Fund Benefits award would target the energy efficiency materials and equipment and allow NYPA to access the component of the Fund that is reserved for energy-related projects, programs and services.

The Allocation Board has recommended the Applicants receive a Fund Benefit award in the amounts indicated on Exhibit “A”. Given the nascent stage of the proposed projects, it was not possible to make recommendations concerning the terms and conditions that would be
applicable to the awards and memorialized in an Award Contract between the Authority and the applicant.

If these Applicants receive a Fund Benefit award, it is anticipated that Authority staff would negotiate final terms and conditions with the applicants after 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 NCCM and Atlantic in the amounts recommended in Exhibits “A”, “A-1” and “A-2”, conditioned upon an agreement to be negotiated with the applicants 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 his designee, as to form;

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

(3) the EVP Chief Commercial Officer, or such official’s designee, be authorized to execute on behalf of the Authority an Award Contract for the awards listed on Exhibits “A”, “A-1” and “A-2” subject to the forgoing conditions.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
RESOLUTION

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 the eligible applicants listed in Exhibit "A" in the amounts indicated in Exhibit "A";

Now Therefore Be It Resolved, That the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to the applicants listed in Exhibits "A", "A-1" and "A-2" in the amounts indicated for the reasons set forth in the attached memorandum and the exhibit and other information referred to therein, conditioned upon an agreement between the Authority and the applicants 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 each applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel or his designee, as to form; and be it further

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

Resolved, That the EVP Chief Commercial Officer, or such official's designee, is authorized to execute on behalf of the Authority an Award Contract for the awards listed on Exhibit “A” subject to the foregoing conditions; and be it further
RESOLVED, That the Chairman, the Vice Chairman, the Interim 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 Interim Executive Vice President and General Counsel.
## Applicants Recommended for an Award of Fund Benefits by the NNY Proceeds Allocation Board

<table>
<thead>
<tr>
<th>Line</th>
<th>Business</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>Project Description</th>
<th>Project Type</th>
<th>Recommended Award Amount</th>
<th>Total Project Cost</th>
<th>Jobs Retained</th>
<th>Jobs Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>North Country Children's Museum</td>
<td>Potsdam</td>
<td>SLC</td>
<td>North Country</td>
<td>STEM Museum Expansion</td>
<td>Business Investment</td>
<td>$30,000</td>
<td>$1,900,000</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Atlantic Testing Laboratories, Limited</td>
<td>Canton</td>
<td>SLC</td>
<td>North Country</td>
<td>Expansion</td>
<td>Business Investment</td>
<td>$220,000</td>
<td>$2,400,000</td>
<td>22</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Total:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$250,000</td>
<td>$4,300,000</td>
<td>22</td>
<td>5</td>
</tr>
</tbody>
</table>

Total Jobs Created & Retained: 27

December 7, 2021
Northern New York Economic Development Fund Recommendation Memo

EXHIBIT A-1

<table>
<thead>
<tr>
<th>Applicant Name:</th>
<th>North Country Children’s Museum (&quot;NCCM&quot;)</th>
<th>REDC Region:</th>
<th>North Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Type:</td>
<td>Business Investment</td>
<td>County:</td>
<td>St. Lawrence</td>
</tr>
<tr>
<td>Industry:</td>
<td>Not-for-Profit</td>
<td>Locality:</td>
<td>Potsdam</td>
</tr>
<tr>
<td>Amount Requested:</td>
<td>$100,000</td>
<td>Start Date:</td>
<td>October, 2021</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Finish Date:</td>
<td>April, 2023</td>
</tr>
</tbody>
</table>

**RECOMMENDED OFFER**

<table>
<thead>
<tr>
<th>Recommended Total Award:</th>
<th>$30,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost:</td>
<td>$1,900,000</td>
</tr>
<tr>
<td>% of Project Cost Recommended:</td>
<td>2%</td>
</tr>
</tbody>
</table>

**PROJECT BUDGET (Proposed by Applicant)**

<table>
<thead>
<tr>
<th>Use of funds</th>
<th>Amount</th>
<th>Source of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Floor Renovation</td>
<td>$837,000</td>
<td>NNYEDF</td>
<td>$100,000</td>
</tr>
<tr>
<td>Exhibit Design, Fab., Installation</td>
<td>$780,000</td>
<td>Committed:</td>
<td></td>
</tr>
<tr>
<td>Building Contingency</td>
<td>$90,000</td>
<td>NYS DRI</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>Architect &amp; Engineering</td>
<td>$75,000</td>
<td>Equity</td>
<td>$70,000</td>
</tr>
<tr>
<td>Plumbing &amp; Electrical</td>
<td>$73,000</td>
<td>John Ben Snow Foundation</td>
<td>$10,000</td>
</tr>
<tr>
<td>HAZMAT Removal/Abatement</td>
<td>$45,000</td>
<td>National Grid</td>
<td>$2,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Potential:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>USDA</td>
<td>$168,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SLC, IMLS</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

**Total:** $1,900,000

**REGIONAL IMPACT MEASUREMENTS**

<table>
<thead>
<tr>
<th>Job Commitments:</th>
<th>Applicant will create 1 full time equivalent (&quot;FTE&quot;) at the project location over three years.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Salary of Jobs:</td>
<td>$38,000</td>
</tr>
<tr>
<td>Indirect Jobs Created</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**PROJECT DESCRIPTION (Adapted from Application)**

Since opening in 2018, the NCCM has attracted some 20,000 visitors and 600 member families annually and has outgrown its 3,500 sq. ft. space. The NCCM continues to see strong demand for its offerings and plans to expand into the second floor of its current location by adding permanent exhibits, a program room, office space, storage, an elevator, restrooms and making other improvements.

**OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED**

| NYS DRI | $1,400,000 | National Grid | $2,000 |

**PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED**

| TYPE | AMOUNT | STATUS |
## Northern New York Economic Development Fund Recommendation Memo

### EXHIBIT A-1

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NNYEDF (Proceeds)</td>
<td>$140,000</td>
</tr>
<tr>
<td>ESD</td>
<td>$120,000</td>
</tr>
<tr>
<td>RVRDA</td>
<td>$75,000</td>
</tr>
<tr>
<td>National Grid</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

### BASIS FOR RECOMMENDATION

The Project:

- Expands regional tourism impact by creating a facility projected to double current attraction rates within five years;
- Supports an organization that currently contributes ~$700K in spinoff revenue to area businesses. The project is expected to increase this benefit to area restaurants, hotels, and shops to ~$1M;
- Helps revitalize Potsdam’s Market Street National Historic Register district and adds to a growing County-wide tourism revitalization;
- Supports strategies and priorities indicated by the NCREDC such as:
  - Promotes tourism as a pathway to diversifying the economy and attracting private investment that revitalizes communities;
  - Encourages adaptive reuse of an existing structure located in or near a village, and;
  - Broadens access points for arts and culture.

### ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the applicant for a portion of costs associated with completing the project. It is anticipated that funds will be disbursed in arrears and payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of approximately $1,900,000.
Northern New York Economic Development Fund Recommendation Memo

EXHIBIT A-2

Applicant Name: Atlantic Testing Laboratories, Limited (“Atlantic”)

REDC Region: North Country

Project Type: Business Investment

County: St. Lawrence

Industry: For Profit Engineering Support and Testing

Locality: Canton

Amount Requested: $220,000

Start Date: March, 2022

Finish Date: August, 2022

RECOMMENDED OFFER

Recommended Total Award: $220,000

Total Project Cost: $2,400,000

% of Project Cost Recommended: 9%

PROJECT BUDGET (Proposed by Applicant)

<table>
<thead>
<tr>
<th>Use of funds</th>
<th>Amount</th>
<th>Source of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Costs</td>
<td>$1,723,670</td>
<td>NNYEDF</td>
<td>$220,000</td>
</tr>
<tr>
<td>Track Drill, Trailer and Tooling</td>
<td>$450,000</td>
<td>Committed:</td>
<td></td>
</tr>
<tr>
<td>Demolition</td>
<td>$226,330</td>
<td>Bank Loan</td>
<td>$1,460,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Equity</td>
<td>$240,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Potential:</td>
<td>$480,000</td>
</tr>
<tr>
<td>Total:</td>
<td>$2,400,000</td>
<td>Total:</td>
<td>$2,400,000</td>
</tr>
</tbody>
</table>

REGIONAL IMPACT MEASUREMENTS

Job Commitments:

Applicant will retain 22 and create 4 full time equivalent positions (“FTE”) at the project location over five years.

Average Salary of Jobs: $65,787

Indirect Jobs Created: n/a

Other Impact

PROJECT DESCRIPTION (Adapted from Application)

In 2010 the Applicant purchased an unoccupied industrial building located at 80 Lincoln Street in Canton where it is currently running its drilling, equipment fabrication and vehicle maintenance operations. The facility is located in a designated Brownfield Opportunity Area and downtown revitalization corridor and is in need of substantial repairs to maintain the structure and make it more functional to accommodate growth. The Applicant has created a five-year, four phase redevelopment plan, the first two phases of which are the subject of this project and described as:

Phase 1
  • Reconfigure structural steel in the rear of building;
  • Lower roof line;
  • Replace roof, siding, doors, and windows;
  • Install insulation and new energy efficient lighting.
Northern New York Economic Development Fund Recommendation Memo

**EXHIBIT A-2**

### Phase 2
- Secure middle of the building, which is used for equipment and materials storage and mobilization/demobilization operations;
- Purchase drill rig to allow growth and job creation of 4 employees.

Repairs and will include the installation of foam insulation, roof insulation and an upgraded HVAC system.

### OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

| ESD CFA (Pending) | $480,000 |

### PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

<table>
<thead>
<tr>
<th>TYPE</th>
<th>AMOUNT</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td>Current</td>
</tr>
</tbody>
</table>

### BASIS FOR RECOMMENDATION
- Without an award, ATL may vacate 80 Lincoln Street, outsource mechanical maintenance and repairs activities and relocate its Drilling Division, resulting in the loss of up to 22 jobs in St. Lawrence County. The Project also proposes to create 4 full time positions over the next 5 years at an average annual salary of ~$66K.
- The Canton Drilling Division currently contributes substantially to service revenue and profitability. The fabrication and maintenance shops provide Atlantic with a competitive advantage that often allows it to win challenging projects. A Proceeds award will support continued growth and expansion in a key area, which will help Atlantic increase market share and service offerings.
- An award supports a company that utilizes regional workforce development programs to help the unemployed fill its job gaps. ATL offers high-paying skilled job opportunities with little or no prior experience and offers paid training courses, on-the-job training, and license/certification support.
- An award supports capital investment of $2.4M in a Brownfield Opportunity Area and Downtown Revitalization Corridor.
- The Project aligns well with NCREDC strategies and priorities. It:
  - Has been identified as a priority project;
  - Revitalizes and strengthens the local economy by encouraging redevelopment of an underutilized property;

### ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the applicant for a portion of costs associated with completing the project. It is anticipated that funds will be disbursed in arrears and payment will be made upon presentation to NYPAP of invoices and such other documentation acceptable to NYPAP verifying the applicant has incurred eligible expenses of approximately $2,400,000.
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
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.
Date: December 7, 2021

To: THE TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Recharge New York Power – New, Extended and Modified Allocations

SUMMARY

The Trustees are requested to:

(a) authorize the extension of the 17 allocations of Recharge New York (“RNY”) Power awarded to the businesses listed in Exhibit “A” as described below for a term of 7 years, to commence on the expiration of each such allocation, or in the Authority’s discretion, on a date to be agreed upon by the Authority and the customer for a term not to exceed 7 years (collectively, the “Extended Term”), subject to the following conditions: A customer whose allocation would be extended would have to agree to provide supplemental commitments for, among other things, jobs and capital investments, as it has in its current RNY Power agreement(s) with the Authority (collectively, “Current RNY Power Agreement”) for the length of any Extended Term, through the incorporation of such supplemental commitments in the proposed final contract that is executed by the parties. With respect to capital investments, the vast majority of RNY Power customers (i.e., those who do not have project/expansion capital investment commitments) would be expected to meet a minimum capital investment commitment;

(b) approve modifications related to the previously approved RNY Power allocation extension and/or supplemental commitments for the customer listed in Exhibit “B”;

(c) award new allocations of RNY Power available for “retention” purposes to the businesses listed in Exhibit “C” in the amounts indicated therein;

(d) award new allocations of RNY Power available for “expansion” purposes to the businesses listed in Exhibit “D” in the amounts indicated therein; and

(e) award new allocations of RNY Power available for eligible small businesses and/or not-for-profit corporations to the entities listed in Exhibit “E” in the amounts indicated therein.

The sale of any extended or new allocation as proposed herein would be governed by the form of the RNY Power contract that was approved by the Trustees on March 26, 2019, and existing Authority Service Tariff RNY-1.

All the above actions have been recommended by the Economic Development Power Allocation Board (“EDPAB”) at its December 6, 2021 meeting.

BACKGROUND
On April 14, 2011, the RNY Power Program was signed into law as part of Chapter 60 (Part CC) of the Laws of 2011. The RNY Power Program is codified primarily in Economic Development Law (“EDL”) § 188-a and Public Authorities Law § 1005(13-a) (the “RNY Statutes”). The program makes available 910 megawatts (“MW”) of “RNY Power,” 50% of which will be provided by certain Authority hydropower resources and 50% of which will be procured by the Authority from other sources. RNY Power contracts can be for a term of up to 7 years in exchange for job and capital investment commitments. RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion and attraction.

As part of New York State’s initiative to foster business activity and streamline economic development, applications for all statewide economic development programs, including the RNY Power Program, have been incorporated into a single on-line Consolidated Funding Application (“CFA”) marking a fundamental shift in how State economic development resources are marketed and allocated. Beginning in September 2011, the CFA was available to applicants. The CFA continues to serve as an efficient and effective tool to streamline and expedite the State’s efforts to generate sustainable economic growth and employment opportunities. All applications that are considered for an RNY Power allocation are submitted through the CFA process.

RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion and attraction purposes. Specifically, Chapter 60 provides that at least 350 MW of RNY Power shall be dedicated to facilities in the service territories served by the New York State Electric and Gas, National Grid, and Rochester Gas and Electric utility companies; and at least 200 MW of RNY Power shall be dedicated to the purpose of attracting new businesses and encouraging expansion of existing businesses statewide. In July 2021, legislation was enacted increasing the dedicated amount of RNY Power from 100 MW to no more than 150 MW for eligible not-for-profit corporations and eligible small businesses statewide.

“Eligible applicant” is defined by statute to mean an eligible business, eligible small business, or eligible not-for-profit corporation, however, an eligible applicant shall not include retail businesses as defined by EDPAB, including, without limitation, sports venues, gaming or entertainment-related establishments or places of overnight accommodations.

RNY Power allocation awards are comprised of 50% hydropower and 50% Authority-procured market power. Prior to entering into a contract with an eligible applicant for the sale of RNY power, and prior to the provision of electric service relating to the RNY power allocation, the Authority shall offer each eligible applicant the option to decline to purchase the RNY market power component of such allocation. If an eligible applicant declines to purchase the RNY market power component, the Authority has no responsibility for supplying such market power to the eligible applicant.

Under applicable law, applications for RNY Power are first considered by EDPAB. EDPAB is authorized to recommend applicants to the Authority’s Trustees that it believes should receive an award of RNY Power based on applicable statutory criteria and other pertinent considerations. The criteria provided for in the RNY Statutes are summarized in Exhibit “H” to this memorandum. An allocation recommended by EDPAB qualifies the subject applicant to enter a contract with the Authority for the purchase of the RNY Power if the Authority makes an allocation award.

In arriving at recommendations for EDPAB’s consideration, Staff, among other things, attempted to maximize the economic benefits of low-cost NYPA hydropower, the critical state asset at the core of the RNY Power Program, while attempting to ensure that each recipient receives a meaningful RNY Power allocation.
Unless otherwise noted in Exhibits “C”, “D”, and “E” (recommendations for new RNY Power allocations), new business applicants with relatively high scores were recommended for allocations of retention RNY Power of 50% of the requested amount or average historic demand, whichever was lower. These allocations were capped at 10 MW for any recommended allocation. Not-for-profit corporation applicants that score relatively high are typically recommended for allocations of 33% of the requested amount or average historic demand, whichever is lower. These allocations are capped at 5 MW. Applicants currently receiving hydropower allocations under other Authority power programs are typically recommended for allocations of RNY Power of 25% of the requested amount, subject to the caps as stated above.

RNY Power allocation extensions have been awarded by the Trustees on twelve prior occasions spanning from October 2018 through July 2021. These recommendations pertain to existing RNY Power customers receiving an Extended Term of 7 years.

RNY Power allocations pertaining to new applicants have been awarded by the Trustees on thirty-two prior occasions spanning from April 2012 through July 2021. Currently, approximately 20.4 MW of RNY Power remains unallocated. This figure reflects Trustee actions taken on RNY Power applications prior to any actions the Trustees take today. If today’s recommendations are approved by the Trustees, it is anticipated that approximately 2 MW of RNY Power will remain unallocated.

EDPAB, at its meeting held on December 6, 2021, recommended that:

(a) the Trustees approve extensions for the 17 RNY Power allocations that are listed in Exhibit “A” for a term of 7 years;

(b) the Trustees approve the modifications related to the RNY Power allocation extension and/or supplemental commitments listed in Exhibit “B” for the reasons discussed in Exhibit B; and

(c) each of the applicants identified in Exhibits “C”, “D”, and “E” be awarded an RNY Power allocation in the amount indicated for a term of 7 years.¹

Consistent with the RNY Statutes, EDPAB recommended that the contracts for the sale of extended and new allocations contain:

(1) provisions for effective periodic audits of the recipient of an allocation for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an allocation if the recipient fails to maintain commitments, relating to such things as employment levels, power utilization, capital investments, and/or energy efficiency measures;

(2) requirements for an agreement by the recipient of an allocation undertake at its own expense an energy audit of its facilities at which the allocation is consumed modified by the Authority on a showing of good cause by the recipient, and that the recipient provide the Authority with a copy of any such audit or a report describing the results of such audit;

¹ EDPAB determined that the applicants listed in Exhibit “F” are not eligible to receive an RNY Power allocation for the reasons discussed in Exhibit “F”. EDPAB also terminated the application review process for the applicants listed in Exhibit “G” for the reasons discussed in Exhibit “G”. No action is required by the Trustees on these matters.
(3) a requirement for an agreement by the recipient of an allocation to make its facilities available at reasonable times and intervals for energy audits and related assessments that the Authority desires to perform; and

(4) a recommendation shall require that if the actual metered load at the facility where the allocation is utilized is less than the allocation, such allocation will be reduced accordingly.

The sale of RNY Power allocations that are awarded by the Trustees today would be governed by the form of RNY Power contract that was approved by the Trustees on March 26, 2019, and Authority Service Tariff RNY-1. The terms and conditions in the RNY Power contract form are consistent with the terms and conditions recommended by EDPAB as described above.

**DISCUSSION**

1. **Extension of Existing RNY Power Allocations**

For the current round of recommendations, Authority Staff has reviewed applications from 17 RNY Power customers listed in Exhibit “A” who are seeking extensions, and a copy of each application has been made available to the Board. Staff’s review has consisted of a review on a customer-specific basis of such issues as the amount of each allocation that would be extended, the supplemental commitments that these customers have made under their Current RNY Power Agreement and are prepared to make as consideration for an extension, and the customer’s compliance status under its Current RNY Power Agreement, including its compliance with supplemental commitments for jobs and capital investments.

In summary, the businesses listed in Exhibit “A” which are located throughout the State bring valuable benefits to the State. In total, the allocations listed in Exhibit “A” are supporting the retention of more than 4,100 jobs and $83 million in capital investments throughout New York State, and the Authority will require customers to commit to the same or substantially similar supplemental commitments for jobs and capital investments that are summarized in Exhibit “A” for the Extended Term.

Based on the foregoing discussion and EDPAB’s recommendations, Staff recommends that the Trustees extend the allocations listed in Exhibit “A” as described above and in Exhibit “A” subject to the following conditions:

(a) The sale of any allocation extended as proposed herein will be governed by the RNY Power contract form that was approved by the Trustees on March 26, 2019, and Authority Service Tariff RNY-1.

(b) In order to receive an extension of its allocation, the customer must agree, for the Extended Term, to provide the supplemental commitments for jobs and capital investments that are the same or substantially similar to those that are summarized generally in Exhibit “A” (subject to adjustments described above), through the incorporation of such supplemental commitments in the final contract that is executed by the parties. With respect to capital investments, RNY Power customers who do not have current project/expansion capital investment commitments would be expected to meet a minimum capital investment commitment which may be satisfied through capital expenditures made over a five-year period.

(c) Unless otherwise noted in Exhibit “A”, the customer is in compliance with its contractual obligations to the Authority under its Current RNY Power Agreement.
Staff believes that an extension of each allocation listed in Exhibit “A” is appropriate and is consistent with the applicable statutory criteria listed in Exhibit “H”. In addition, the terms and conditions in the RNY Power contract form approved by the Trustees on March 26, 2019 are consistent with the terms and conditions recommended by EDPAB.

2. Modifications to Existing Extension Allocations and/or Related Supplemental Commitments

At its meeting held on December 6, 2021, EDPAB recommended that the Trustees approve modifications relating to the previously-approved RNY Power allocation extension listed in Exhibit “B” for Sorrento Lactalis, Inc. This company was previously approved for a retention-based RNY Power allocation extension in the amount of 660 kW for its Buffalo facility. The associated commitments are 550 retained jobs and $12 million in capital spending. Since the extension approval in October 2018, the customer has experienced load growth, has added jobs, and is planning capital investments beyond its original commitment. For this reason, the customer has applied for additional retention-based RNY Power.

Staff has reviewed this request and is recommending that the company’s retention-based RNY Power allocation extension be modified from 660 kW to 1,120 kW, that the company’s job retention commitment be modified from 550 jobs to 582 jobs, and that the company’s capital investment commitment be modified from $12 million to $23 million as reflected in Exhibit “B”.

3. Retention-Based RNY Power Allocations

The Trustees are asked to address applications submitted via the CFA process for RNY Power retention-based allocations. Unless otherwise indicated in Exhibit “C”, these applications seek an RNY Power allocation for job retention purposes only.

Consistent with the evaluation process as described above, EDPAB recommended, at its December 6, 2021 meeting, that RNY Power retention allocations be awarded to the businesses listed in Exhibit “C.” Each business has committed to retain jobs in New York State and to make capital investments at their facilities in exchange for the recommended RNY Power allocations.

Staff recommends that the Trustees accept EDPAB’s recommendations and award RNY Power allocations to each of the businesses listed in Exhibit “C” in the amounts and terms indicated therein.

4. Expansion-Based RNY Power Allocations

The Trustees are also asked to address applications requesting RNY Power allocations for expansion purposes. Allocations for this purpose would be sourced from the 200 MW block of RNY Power dedicated by statute for “for-profit” businesses that propose to expand existing businesses or create new business in the State. Unless otherwise indicated in Exhibit “D”, these applications seek an RNY Power allocation to support expansion of an existing business or a new business/facility. EDPAB recommended, at its December 6, 2021 meeting, that RNY Power expansion-based allocations be made to the businesses listed in Exhibit “D.” Each such allocation would be for a term of 7 years unless otherwise indicated.

As with the evaluation process used for the retention recommendations described above, applications for the expansion-based RNY Power were scored based on the statutory criteria, albeit with a focus on information regarding each applicants’ specific project to expand
or create their new facility or business (e.g., the expansion project’s cost, associated job creation, and new electric load due to the expansion).

The proposed amounts of the expansion-based allocations listed in Exhibit “D” are largely intended to provide approximately 70% of the individual expansion projects’ estimated new electric load. Because these projects have estimated new electric load amounts, and to ensure that an applicant’s overestimation of the amount needed would not cause that applicant to receive a higher proportion of RNY Power to new load, the allocations in Exhibit “D” are recommended based on an “up to” amount basis. Each of these applicants would be required to, among other commitments, add the new electric load as stated in its application, and would be allowed to use up to the amount of their RNY Power allocation in the same proportion of the RNY Power allocation to requested load as stated in Exhibit “D.”

Staff recommends that the Trustees accept EDPAB’s recommendations and award RNY Power allocations to each of the businesses listed in Exhibit “D” in the amounts indicated therein.

5. Small Business and/or Not-for-Profit-Based RNY Power Allocations

The Trustees are also asked to address applications for RNY Power for eligible small businesses and/or not-for-profit corporations.

Consistent with the evaluation process described above, EDPAB recommended, at its December 6, 2021 meeting, that RNY Power allocations be awarded to the small businesses and/or not-for-profit applicants listed in Exhibit “E.” These applicants have committed to retain or create jobs in New York State and make capital investments to the extent indicated in Exhibit “E” in exchange for the recommended RNY Power allocations as described in Exhibit “E.” The RNY Power allocations identified in Exhibit “E” are recommended for a term of 7 years unless otherwise indicated.

Staff recommends that the Trustees accept EDPAB’s recommendations and award RNY Power allocations to each of the not-for-profit entities and/or small businesses listed in Exhibit “E” in the amounts indicated therein.

6. Applicants Not Eligible

At its meeting on December 6, 2021, EDPAB determined that the applicants listed in Exhibit “F” are not eligible to receive an RNY Power allocation for the reasons listed in Exhibit “F”. No action by the Trustees is required on this matter.

7. Termination of Application/Review Process

At its meeting on December 6, 2021, EDPAB terminated the application review process for the applicants listed in Exhibit “G” for the reasons listed in Exhibit “G”. No action by the Trustees is required on this matter. In the past, some applicants in these circumstances have refiled if able to advance a more complete RNY Power application.

FISCAL INFORMATION

The actions recommended herein will not have a negative impact on the Authority’s finances.
RECOMMENDATION

The Senior Vice President – Clean Energy Solutions recommends that the Trustees accept the recommendations of EDPAB and:

(1) authorize the extension of each of the existing 17 allocations of RNY Power in the manner described above for the customers listed in Exhibit “A” for a term of 7 years to commence on the expiration of the allocation, or commencing on a date to be agreed upon by the parties for a term not to exceed 7 years, subject to the conditions described above;

(2) approve the modifications related to the RNY Power allocation extension and/or supplemental commitments described in Exhibit “B” for the reasons discussed above and in Exhibit “B”;

(3) award the new allocations of RNY Power for retention purposes to the businesses listed in Exhibit “C” as indicated therein;

(4) award the new allocations of RNY Power for expansion purposes to the businesses listed in Exhibit “D” as indicated therein; and

(5) award the new allocations of RNY Power to the small business and/or not-for-profit applicants identified in Exhibit “E” for retention and/or expansion purposes as indicated therein.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
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 17 Recharge New York (“RNY”) Power allocations previously awarded to the customers listed in Exhibit “A” in the manner described in the accompanying memorandum of the Interim President and Chief Executive Officer (“Memorandum”) for a term of 7 years, to commence on (1) the expiration of the term of the allocation, or (2) in the Authority’s discretion, commencing on a date to be agreed upon by the Authority and the customer for a term not to exceed 7 years (collectively, the “Extended Term”), subject to the following conditions:

(a) the sale of the allocations as extended hereunder shall be made pursuant to the contract form approved by the Board on March 26, 2019, and Authority Service Tariff RNY-1; and

(b) in order to receive an extension of its allocation, the customer agrees to provide the supplemental commitments for jobs, capital investment and power utilization that are the same or determined by the Authority to be substantially similar to those contained in Exhibit “A” (subject to adjustments described above) for the Extended Term, through the incorporation of such supplemental commitments in the final contract that is executed by the parties, and RNY Power customers who do not have an ongoing project/expansion capital investment commitment shall 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 recommendation of the EDPAB and approve the modifications/adjustments to the RNY Power allocation extension and/or
supplemental commitments described in Exhibit “B” for the reasons indicated in the Memorandum and Exhibit “B”; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the new RNY Power allocations for retention purposes to the applicants listed in Exhibit “C” in the amounts indicated therein for the reasons indicated in the Memorandum and Exhibit “C”; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the new RNY Power allocations for expansion purposes to the applicants listed in Exhibit “D” in the amounts indicated therein for the reasons indicated in the Memorandum and Exhibit “D”; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the new RNY Power allocations for retention and/or expansion purposes to the small businesses and/or not-for-profit applicants listed in Exhibit “E” in the amounts indicated therein for the reasons indicated in the Memorandum and Exhibit “E”; and be it further

RESOLVED, That the Chief Commercial Officer – Commercial Operations, 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 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 Chairman, the Vice Chairman, the Interim 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 Interim Executive Vice President and General Counsel.
## Retention-Based Allocations

<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>Current kW Amount</th>
<th>Recommended kW Amount</th>
<th>Job Commitments</th>
<th>Capital Investment Commitment ($)</th>
<th>Contract Term (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dot Foods, Inc.</td>
<td>Liverpool</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Foodservice redistribution center</td>
<td>320</td>
<td>320</td>
<td>250</td>
<td>$500,000</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>John Mezzalingua Associates, LLC</td>
<td>Liverpool</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Manufacturer of wireless communication solutions</td>
<td>696</td>
<td>696</td>
<td>150</td>
<td>$2,000,000</td>
<td>(2) 7</td>
</tr>
<tr>
<td>3</td>
<td>Southern Glazer's Wine and Spirits of Upstate New York, LLC</td>
<td>Syracuse</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Distribution facility for wine &amp; spirits</td>
<td>50</td>
<td>50</td>
<td>610</td>
<td>$3,000,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Central New York Region Sub-totals:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,066</td>
<td>1,066</td>
<td>1,010</td>
<td>$23,500,000</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Ferro Corporation</td>
<td>Penn Yan</td>
<td>Yates</td>
<td>Finger Lakes</td>
<td>NYSEG</td>
<td>Manufacturer of color pigments</td>
<td>1,536</td>
<td>1,536</td>
<td>136</td>
<td>$2,000,000</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Hammer Packaging Corp.</td>
<td>West Henrietta</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Manufacturer of printed labels</td>
<td>1,060</td>
<td>1,060</td>
<td>185</td>
<td>$5,000,000</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>RED-Rochester, LLC</td>
<td>Rochester</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Industrial business park</td>
<td>2,000</td>
<td>2,000</td>
<td>70</td>
<td>$12,000,000</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Thermo Fisher Scientific Inc.</td>
<td>Rochester</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Manufacturer of life sciences products</td>
<td>1,750</td>
<td>1,750</td>
<td>1,000</td>
<td>$30,000,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Finger Lakes Region Sub-totals:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,346</td>
<td>6,346</td>
<td>1,391</td>
<td>$49,000,000</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>DRI Relays Inc.</td>
<td>Hauppauge</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of hermetically sealed relays</td>
<td>266</td>
<td>266</td>
<td>75</td>
<td>$750,000</td>
<td>(1) 7</td>
</tr>
<tr>
<td>9</td>
<td>Food Authority Inc.</td>
<td>Hauppauge</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Full-service wholesale food distributor</td>
<td>150</td>
<td>150</td>
<td>85</td>
<td>$4,000,000</td>
<td>(1) 7</td>
</tr>
<tr>
<td>10</td>
<td>Haig Press, Inc.</td>
<td>Hauppauge</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Commercial printing services</td>
<td>220</td>
<td>220</td>
<td>38</td>
<td>$150,000</td>
<td>(1) 7</td>
</tr>
<tr>
<td>11</td>
<td>RSM Electron Power, Inc.</td>
<td>Deer Park</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of semiconductor products</td>
<td>246</td>
<td>246</td>
<td>68</td>
<td>$250,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Long Island Region Sub-totals:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>882</td>
<td>882</td>
<td>266</td>
<td>$5,150,000</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>The Gap, Inc.</td>
<td>Fishkill</td>
<td>Dutchess</td>
<td>Mid-Hudson</td>
<td>CHUD</td>
<td>Distribution center for apparel products</td>
<td>2,480</td>
<td>2,480</td>
<td>908</td>
<td>$625,000</td>
<td>(2) 7</td>
</tr>
<tr>
<td></td>
<td><strong>Mid-Hudson Region Sub-totals:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,480</td>
<td>2,480</td>
<td>908</td>
<td>$625,000</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Confer Plastics, Inc.</td>
<td>North Tonawanda</td>
<td>Niagara</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Manufacturer of pool ladders &amp; steps</td>
<td>420</td>
<td>420</td>
<td>175</td>
<td>$1,500,000</td>
<td>7</td>
</tr>
<tr>
<td>14</td>
<td>Dunkirk Metal Products of WNY, LLC</td>
<td>Dunkirk</td>
<td>Chautauqua</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Precision sheet metal fabrication &amp; stamping</td>
<td>40</td>
<td>40</td>
<td>32</td>
<td>$500,000</td>
<td>7</td>
</tr>
<tr>
<td>Line</td>
<td>Company</td>
<td>City</td>
<td>County</td>
<td>Economic Development Region</td>
<td>IOU</td>
<td>Description</td>
<td>Current kW Amount</td>
<td>Recommended kW Amount</td>
<td>Job Commitments</td>
<td>Capital Investment Commitment ($)</td>
<td>Contract Term (Years)</td>
</tr>
<tr>
<td>------</td>
<td>----------------------------------</td>
<td>--------</td>
<td>---------</td>
<td>-------------------------------</td>
<td>------</td>
<td>-------------------------------------------------------</td>
<td>-------------------</td>
<td>-----------------------</td>
<td>-------------------</td>
<td>-----------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>15</td>
<td>FeedMore WNY Foundation, Inc.</td>
<td>Buffalo</td>
<td>Erie</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Provides meals to individuals in need</td>
<td>86</td>
<td>86</td>
<td>223</td>
<td>$825,000</td>
<td>7</td>
</tr>
<tr>
<td>16</td>
<td>JJP Contract Packaging, Inc.</td>
<td>Buffalo</td>
<td>Erie</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Packaging solutions for chemical products</td>
<td>76</td>
<td>76</td>
<td>54</td>
<td>$1,000,000</td>
<td>7</td>
</tr>
<tr>
<td>17</td>
<td>SolEpoxy Inc.</td>
<td>Olean</td>
<td>Cattaraugus</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Manufacturer of thermoset epoxy compounds</td>
<td>780</td>
<td>780</td>
<td>70</td>
<td>$1,250,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Western New York Region Sub-totals:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,402</td>
<td>1,402</td>
<td>554</td>
<td>$5,075,000</td>
<td>7</td>
</tr>
</tbody>
</table>

(1) The company's extension-related job commitment is below the evaluation threshold as compared to their original employment commitment. However, at this time, a reduction to the extension kW amount is not being recommended.
(2) The recommendation and associated commitments will apply to multiple facilities/addresses. This configuration will be implemented accordingly in the customer's power contract.
Retention-Based Allocations

<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>Recommended kW Amount</th>
<th>Final Job Commitments</th>
<th>Final Capital Investment Commitment ($)</th>
<th>Contract Term (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sorrento Lactalis, Inc.</td>
<td>Buffalo</td>
<td>Erie</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Manufacturer of cheese products</td>
<td>1,120 (1)</td>
<td>582</td>
<td>$23,000,000</td>
<td>7</td>
</tr>
</tbody>
</table>

(1) Represents modified recommended kW, job commitment, and capital investment commitment. The customer was previously approved for a retention-based RNY Power allocation extension in the amount of 660 kW with commitments of 550 retained jobs and $12 million in capital spending. Due to load growth, and additional job and capital investment commitments, the customer is being recommended for extension-related modifications to 1,120 kW, 582 retained jobs committed, and $23 million in capital spending. The revisions will be implemented accordingly in the customer's power contract.
<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation</th>
<th>Jobs Retained</th>
<th>Jobs Created</th>
<th>Capital Investment ($)</th>
<th>Contract Term (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regeneron Pharmaceuticals, Inc.</td>
<td>Sleepy Hollow</td>
<td>Westchester</td>
<td>Mid-Hudson</td>
<td>CONED</td>
<td>Pharmaceutical research &amp; development</td>
<td>753</td>
<td>376</td>
<td>500</td>
<td>0</td>
<td>$5,000,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Mid-Hudson Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>B &amp; B Lumber Company Inc.</td>
<td>McConnellsville</td>
<td>Oneida</td>
<td>Mohawk Valley</td>
<td>NGRID</td>
<td>Manufacturer of lumber products</td>
<td>661</td>
<td>330</td>
<td>22</td>
<td>0</td>
<td>$7,550,000</td>
<td>(1) 7</td>
</tr>
<tr>
<td></td>
<td>Mohawk Valley Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>United Precious Metal Refining, Inc.</td>
<td>Alden</td>
<td>Erie</td>
<td>Western New York</td>
<td>NYSEG</td>
<td>Precious metal refining services</td>
<td>833</td>
<td>416</td>
<td>88</td>
<td>0</td>
<td>$1,500,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Western New York Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,122</td>
<td>610</td>
<td>0</td>
<td></td>
<td>$14,050,000</td>
<td></td>
</tr>
</tbody>
</table>

(1) This company is also recommended for an expansion-related allocation of RNY for separate and distinct job creation and capital investment commitments associated with the proposed business expansion.
<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation (1)</th>
<th>Base Employment (2)</th>
<th>Job Creation Commitment</th>
<th>Project Capital Investment ($)</th>
<th>Contract Term (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Saratoga Biochar Solutions LLC</td>
<td>South Glens Falls</td>
<td>Saratoga</td>
<td>Capital District</td>
<td>NGRID</td>
<td>Conversion of waste into fertilizer</td>
<td>1,534</td>
<td>1,300</td>
<td>0</td>
<td>13</td>
<td>$12,030,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Capital District Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Greenway Products and Services, LLC</td>
<td>Farmingdale</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of pallet products</td>
<td>500</td>
<td>350</td>
<td>0</td>
<td>40</td>
<td>$5,000,000</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Sysco Long Island, LLC</td>
<td>Central Islip</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Food service distributor</td>
<td>430</td>
<td>300</td>
<td>228</td>
<td>3</td>
<td>$250,000</td>
<td>(3) 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Long Island Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Cafe Spice, LLC</td>
<td>Beacon</td>
<td>Dutchess</td>
<td>Mid-Hudson</td>
<td>CHUD</td>
<td>Manufacturer &amp; distributor of prepared meals</td>
<td>1,740</td>
<td>1,216</td>
<td>0</td>
<td>127</td>
<td>$10,000,000</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>The Gap, Inc.</td>
<td>Fishkill</td>
<td>Dutchess</td>
<td>Mid-Hudson</td>
<td>CHUD</td>
<td>Distribution center for apparel products</td>
<td>108</td>
<td>76</td>
<td>908</td>
<td>150</td>
<td>$65,000,000</td>
<td>(3), (6) 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mid-Hudson Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>B &amp; B Lumber Company Inc.</td>
<td>McConnellsville</td>
<td>Oneida</td>
<td>Mohawk Valley</td>
<td>NGRID</td>
<td>Manufacturer of lumber products</td>
<td>100</td>
<td>70</td>
<td>22</td>
<td>5</td>
<td>$3,620,000</td>
<td>(4) 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mohawk Valley Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>BT STNY, LLC</td>
<td>Binghamton</td>
<td>Broome</td>
<td>Southern Tier</td>
<td>NYSEG</td>
<td>Healthcare linen processing facility</td>
<td>450</td>
<td>316</td>
<td>50</td>
<td>30</td>
<td>$21,193,644</td>
<td>(5) 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Southern Tier Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Calspan Corporation</td>
<td>Buffalo</td>
<td>Erie</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Automobile &amp; aircraft safety testing</td>
<td>831</td>
<td>580</td>
<td>15</td>
<td>15</td>
<td>$13,500,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Western New York Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Totals |        |        |        |                          |        |                                      |            |                        |                      |                          |                          |                          |
|        | 4,208  | 444    | 383    |                          |        |                                      |            |                        |                      |                          | $130,593,644             |                          |

(1) All expansion-based RNY Power allocations are recommended to be “up to” the amount indicated pending the applicant’s compliance with contractual commitments, including commitments relating to job creation, capital investment spending and power.
(2) The number of new jobs committed will be above a base employment level specified in the power sale contract with the applicant.
(3) These applicants were previously approved for an RNY Power allocation. The base employment level refers to the applicant's current retained jobs, most or all of which are already associated with an existing power allocation.
(4) This company is also being recommended for a retention-based RNY Power allocation associated with separate and distinct contractual commitments relating to such matters as job retention, capital investment spending, and power utilization associated with an existing business.
(5) The applicant's expansion-based allocation recommendation will contain a base employment level to accommodate existing employees relocating to the expansion project site.
(6) The recommendation and associated commitments will apply to multiple facilities/addresses. This configuration will be implemented accordingly in the customer's power contract.
### Retention-Based Allocations

<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation</th>
<th>Jobs Retained</th>
<th>Jobs Created</th>
<th>Capital Investment ($)</th>
<th>Contract Term (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pallidus, Inc.</td>
<td>Albany</td>
<td>Albany</td>
<td>Capital District</td>
<td>NGRID</td>
<td>Manufacturer of silicon carbide wafers</td>
<td>203</td>
<td>130</td>
<td>15</td>
<td>0</td>
<td>$5,500,000</td>
<td>(1)</td>
</tr>
<tr>
<td></td>
<td>Capital District Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Alkeny Machine, LLC</td>
<td>Rochester</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Sheet metal fabrication &amp; machining services</td>
<td>196</td>
<td>96</td>
<td>43</td>
<td>0</td>
<td>$2,500,000</td>
<td>(1)</td>
</tr>
<tr>
<td></td>
<td>Finger Lakes Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Clifton Springs Hospital &amp; Clinic</td>
<td>Clifton Springs</td>
<td>Ontario</td>
<td>Finger Lakes</td>
<td>NYSEG</td>
<td>Hospital &amp; healthcare services</td>
<td>1,052</td>
<td>350</td>
<td>451</td>
<td>0</td>
<td>$25,000,000</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Lynn-Elle &amp; Sons, Inc.</td>
<td>Kent</td>
<td>Orleans</td>
<td>Finger Lakes</td>
<td>NGRID</td>
<td>Vegetable farm</td>
<td>114</td>
<td>56</td>
<td>90</td>
<td>0</td>
<td>$9,800,000</td>
<td>(1), (5)</td>
</tr>
<tr>
<td>5</td>
<td>McQuillen Manufacturing LLC</td>
<td>Honeoye Falls</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>NGRID</td>
<td>Precision machining &amp; assembly services</td>
<td>213</td>
<td>106</td>
<td>8</td>
<td>2</td>
<td>$50,000</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Newark-Wayne Community Hospital</td>
<td>Newark</td>
<td>Wayne</td>
<td>Finger Lakes</td>
<td>NYSEG</td>
<td>Hospital &amp; healthcare services</td>
<td>1,934</td>
<td>640</td>
<td>695</td>
<td>0</td>
<td>$25,000,000</td>
<td>(5)</td>
</tr>
<tr>
<td>7</td>
<td>The Rochester General Hospital</td>
<td>Rochester</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Hospital &amp; healthcare services</td>
<td>8,256</td>
<td>2,750</td>
<td>5,456</td>
<td>0</td>
<td>$221,000,000</td>
<td>(5)</td>
</tr>
<tr>
<td>8</td>
<td>The Unity Hospital of Rochester</td>
<td>Rochester</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Hospital &amp; healthcare services</td>
<td>4,232</td>
<td>1,410</td>
<td>2,404</td>
<td>0</td>
<td>$72,500,000</td>
<td>(5)</td>
</tr>
<tr>
<td>9</td>
<td>United Memorial Medical Center</td>
<td>Batavia</td>
<td>Genesee</td>
<td>Finger Lakes</td>
<td>NGRID</td>
<td>Hospital &amp; healthcare services</td>
<td>907</td>
<td>300</td>
<td>490</td>
<td>0</td>
<td>$25,000,000</td>
<td>(5)</td>
</tr>
<tr>
<td></td>
<td>Finger Lakes Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,708</td>
<td>9,637</td>
<td>2</td>
<td></td>
<td>$380,850,000</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Cafe Spice, LLC</td>
<td>New Windsor</td>
<td>Orange</td>
<td>Mid-Hudson</td>
<td>CHUD</td>
<td>Manufacturer &amp; distributor of prepared meals</td>
<td>297</td>
<td>146</td>
<td>118</td>
<td>0</td>
<td>$750,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Mid-Hudson Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>146</td>
<td>118</td>
<td>0</td>
<td></td>
<td>$750,000</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>The Trustees of Columbia University in the City of New York</td>
<td>New York</td>
<td>New York</td>
<td>New York City</td>
<td>CONED</td>
<td>Academic medical center</td>
<td>11,329</td>
<td>3,776</td>
<td>10,520</td>
<td>0</td>
<td>$25,000,000</td>
<td>(5)</td>
</tr>
<tr>
<td>12</td>
<td>The Museum of Modern Art</td>
<td>New York</td>
<td>New York</td>
<td>New York City</td>
<td>CONED</td>
<td>Art museum &amp; cultural institution</td>
<td>3,017</td>
<td>1,006</td>
<td>670</td>
<td>0</td>
<td>$17,925,000</td>
<td>(5)</td>
</tr>
<tr>
<td></td>
<td>New York City Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,782</td>
<td>11,190</td>
<td>0</td>
<td></td>
<td>$42,925,000</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>CSI Sands (N.E.) Ltd.</td>
<td>Buffalo</td>
<td>Erie</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Sand storage &amp; sorting facility</td>
<td>287</td>
<td>140</td>
<td>25</td>
<td>0</td>
<td>$250,000</td>
<td>(1)</td>
</tr>
<tr>
<td></td>
<td>Western New York Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>140</td>
<td>25</td>
<td>0</td>
<td></td>
<td>$250,000</td>
<td></td>
</tr>
</tbody>
</table>

**Retention-Based Totals:**

- **Total kW Request:** 10,906
- **Total kW Recommendation:** 20,985
- **Total Jobs Retained:** 2
- **Total Capital Investment ($):** $430,275,000
## Expansion-Based Allocations

<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation (2)</th>
<th>Base Employment</th>
<th>Job Creation Commitment</th>
<th>Project Capital Investment ($)</th>
<th>Contract Term (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Pallidus, Inc.</td>
<td>Albany</td>
<td>Albany</td>
<td>Capital District</td>
<td>NGRID</td>
<td>Manufacturer of silicon carbide wafers</td>
<td>1,785</td>
<td>1,160</td>
<td>15</td>
<td>70</td>
<td>$40,000,000</td>
<td>(1), (3) 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Capital District Region Sub-totals:</td>
<td>1,160</td>
<td>0</td>
<td>70</td>
<td>$40,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Punch and Die Metal Fabrication LLC</td>
<td>Syracuse</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Sheet metal fabrication services</td>
<td>50</td>
<td>26</td>
<td>5</td>
<td>10</td>
<td>$840,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Central New York Region Sub-totals:</td>
<td>26</td>
<td>5</td>
<td>10</td>
<td>$840,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Alkemy Machine, LLC</td>
<td>Rochester</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Sheet metal fabrication &amp; machining services</td>
<td>88</td>
<td>40</td>
<td>43</td>
<td>20</td>
<td>$4,000,000</td>
<td>(1), (3) 7</td>
</tr>
<tr>
<td>17</td>
<td>Burly Brothers Land and Cattle Company L.L.C.</td>
<td>Attica</td>
<td>Wyoming</td>
<td>Finger Lakes</td>
<td>NGRID</td>
<td>Meat processing facility</td>
<td>100</td>
<td>50</td>
<td>0</td>
<td>5</td>
<td>$1,453,000</td>
<td>7</td>
</tr>
<tr>
<td>18</td>
<td>Lynn-Elle &amp; Sons, Inc.</td>
<td>Kent</td>
<td>Orleans</td>
<td>Finger Lakes</td>
<td>NGRID</td>
<td>Vegetable farm</td>
<td>150</td>
<td>76</td>
<td>90</td>
<td>7</td>
<td>$742,000</td>
<td>(1), (3) 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Finger Lakes Region Sub-totals:</td>
<td>166</td>
<td>0</td>
<td>32</td>
<td>$6,195,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Allstate Apple Exchange, Inc.</td>
<td>Milton</td>
<td>Ulster</td>
<td>Mid-Hudson</td>
<td>CHUD</td>
<td>Apple farm &amp; orchard</td>
<td>100</td>
<td>50</td>
<td>50</td>
<td>3</td>
<td>$500,000</td>
<td>(4) 7</td>
</tr>
<tr>
<td>20</td>
<td>Radio Catskill, Inc.</td>
<td>Liberty</td>
<td>Sullivan</td>
<td>Mid-Hudson</td>
<td>NYSEG</td>
<td>Public radio station</td>
<td>30</td>
<td>10</td>
<td>3</td>
<td>3</td>
<td>$500,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mid-Hudson Region Sub-totals:</td>
<td>60</td>
<td>33</td>
<td>6</td>
<td>$1,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Next Generation Creamery</td>
<td>Henderson</td>
<td>Jefferson</td>
<td>North Country</td>
<td>NGRID</td>
<td>Production of milk &amp; dairy products</td>
<td>45</td>
<td>20</td>
<td>5</td>
<td>5</td>
<td>$480,400</td>
<td>7</td>
</tr>
<tr>
<td>22</td>
<td>McRez Packing International (MPI) LLC</td>
<td>Lyons Falls</td>
<td>Lewis</td>
<td>North Country</td>
<td>NGRID</td>
<td>Meat processing facility</td>
<td>125</td>
<td>60</td>
<td>0</td>
<td>40</td>
<td>$1,300,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>North Country Region Sub-totals:</td>
<td>80</td>
<td>5</td>
<td>45</td>
<td>$1,780,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>CSI Sands (N.E.) Ltd.</td>
<td>Buffalo</td>
<td>Erie</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Sand storage &amp; sorting facility</td>
<td>300</td>
<td>150</td>
<td>25</td>
<td>12</td>
<td>$4,400,000</td>
<td>(1), (3) 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Western New York Region Sub-totals:</td>
<td>150</td>
<td>0</td>
<td>12</td>
<td>$4,400,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Expansion-Based Totals

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,642</td>
<td>43</td>
<td>175</td>
<td></td>
<td>$54,215,400</td>
</tr>
</tbody>
</table>

### Retention & Expansion-Based Totals

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12,548</td>
<td>21,028</td>
<td>177</td>
<td></td>
<td>$484,490,400</td>
</tr>
</tbody>
</table>

1. The applicants are being recommended for both RNY retention and expansion-based allocations.
2. All expansion-based RNY Power allocations are recommended to be “up to” the amount indicated pending the applicant’s compliance with contractual commitments, including commitments relating to job creation, capital investment spending, and power utilization.
3. The number of new jobs committed will be above a base employment level specified in the applicant's retention-based allocation recommendation.
4. The applicant was previously approved for an RNY Power allocation. The base employment level refers to the applicant's current retained jobs, some of which are already associated with an existing power allocation.
5. The recommendation and associated commitments will apply to multiple facilities/addresses. This configuration will be implemented accordingly in the customer's power contract.
<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bella Bella Market Corp.</td>
<td>Brooklyn</td>
<td>Kings</td>
<td>New York City</td>
<td>CONED</td>
<td>Convenience store</td>
<td>The applicant's business falls within EDPAB's definition of a retail business. Specifically, the applicant operates a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services.</td>
</tr>
<tr>
<td>2</td>
<td>Serendipity Coffee Inc.</td>
<td>Brooklyn</td>
<td>Kings</td>
<td>New York City</td>
<td>CONED</td>
<td>Coffee shop</td>
<td>The applicant's business falls within EDPAB's definition of a retail business. Specifically, the applicant operates a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services.</td>
</tr>
</tbody>
</table>
### Informational Item - Terminate Application/Review Process

<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Access to the Arts</td>
<td>Dunkirk</td>
<td>Chautauqua</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Art gallery &amp; cultural institution</td>
<td>Applicant submitted an incomplete application.</td>
</tr>
<tr>
<td>2</td>
<td>Pure International Ministries, Inc</td>
<td>New York</td>
<td>New York</td>
<td>New York City</td>
<td>CONED</td>
<td>Community advocacy for the underserved</td>
<td>Applicant submitted an incomplete application.</td>
</tr>
<tr>
<td>3</td>
<td>The Majora Carter Group LLC</td>
<td>Bronx</td>
<td>Bronx</td>
<td>New York City</td>
<td>CONED</td>
<td>Real estate development &amp; consulting</td>
<td>Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application.</td>
</tr>
<tr>
<td>4</td>
<td>Westchester Multicultural Chamber of Commerce, Inc.</td>
<td>New Rochelle</td>
<td>Westchester</td>
<td>Mid-Hudson</td>
<td>CONED</td>
<td>Community development organization</td>
<td>Applicant submitted an incomplete application.</td>
</tr>
<tr>
<td>Line</td>
<td>Criteria Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>----------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>The significance of the cost of electricity to the applicant's overall cost of doing business, and the impact that a Recharge New York power allocation will have on the applicant's operating costs;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>The extent to which a Recharge New York power allocation will result in new capital investment in the state by the applicant;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The extent to which a Recharge New York power allocation is consistent with any regional economic development council strategies and priorities;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>The type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>The applicant's payroll, salaries, benefits and number of jobs at the facility for which a Recharge New York power allocation is requested;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>The number of jobs that will be created or retained within the state in relation to the requested Recharge New York power allocation, and the extent to which the applicant will agree to commit to creating or retaining such jobs as a condition to receiving a Recharge New York power allocation;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Whether the applicant, due to the cost of electricity, is at risk of closing or curtailing facilities or operations in the state, relocating facilities or operations out of the state, or losing a significant number of jobs in the state, in the absence of a Recharge New York power allocation;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>The significance of the applicant's facility that would receive the Recharge New York power allocation to the economy of the area in which such facility is located;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>The extent to which the applicant has invested in energy efficiency measures, will agree to participate in or perform energy audits of its facilities, will agree to participate in energy efficiency programs of the authority, or will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving a Recharge New York power allocation;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Whether the applicant receives a hydroelectric power allocation or benefits supported by the sale of hydroelectric power under another program administered in whole or in part by the New York Power Authority;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>The extent to which a Recharge New York power allocation will result in an advantage for an applicant in relation to the applicant’s competitors within the state; and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>In addition to the foregoing criteria, in the case of a not-for-profit corporation, whether the applicant provides critical services or substantial benefits to the local community in which the facility for which the Recharge New York power allocation is requested is located.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Date: December 7, 2021

To: THE TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Transfer of RNY Power Allocations

SUMMARY

The Trustees are requested to approve the transfer of the following Recharge New York (“RNY”) Power allocations awarded by the New York Power Authority (“Authority”):

1. Transfer of a 140 kilowatt (“kW”) RNY Power allocation, 136 kW RNY Power allocation, and pending 276 kW RNY Power allocation,\(^1\) awarded to Crown I Enterprises Inc. (“Crown”), for use at its 85 & 87 Saxon Avenue, Bay Shore, New York facilities, to Sysco Long Island, LLC (“SLI”), to address organizational changes.

2. Transfer of a 1,600 kW RNY Power allocation awarded to International Paper Company (“IP”), for use at its 568 Shore-Airport Road, Ticonderoga, New York facilities, to Sylvamo North America, LLC (“SNA”), to address organizational changes.

3. Transfer of a 90 kW and a 130 kW RNY Power allocation awarded to Prevost Car (US) Inc. (“Prevost”) for use at its facility located at 260 Banker Road, Plattsburgh, New York to Nova Bus (US) Inc. (“Nova”), to address organizational changes.

The Economic Development Power Allocation Board (“EDPAB”), at its December 6, 2021 meeting, approved the transfer of the RNY Power allocations. Transfers of RNY Power are subject to EDPAB review and approval.

The Trustees have previously approved transfers of Authority power allocations in similar circumstances.

DISCUSSION

The following discussion describes the facts relating to the recommended transfers.

1) Crown I Enterprises Inc.

Crown was awarded 140 kW, 136 kW and 276 kW RNY Power allocations for use at its facilities at 85 & 87 Saxon Avenue, Bay Shore. This facility manufactures food for the food services industry in New York.

\(^1\) Under the Authority’s Temporary Power Assistance (“TPA”) Initiative, part of its Economic Development Customer Assistance Program (“EDCAP”), Crown applied for and received a temporary supplemental increase to this allocation in the amount of 130 kW. The transfer of the 276 kW RNY Power allocation would include the right to receive supplemental increase on applicable terms and conditions.
On August 12, 2019, SLI purchased all of Crown’s stock, and in doing so, acquired Crown’s business operations.

Due to the sale of Crown’s business operations to SLI, the companies have asked that the 140 kW RNY Power allocation, 136 kW RNY Power allocation, and 276 kW RNY Power allocations be transferred to SLI. The sale of the business has not resulted in changes to operations at the Bay Shore facility, and SLI has indicated that it will honor all commitments made by Crown under its RNY and EDCAP TPA RNY Power sale agreements with the Authority if the transfers are approved.

2) International Paper Company

IP was awarded a 1,600 kW RNY Power allocation for use at its facilities at 568 Shore-Airport Road, Ticonderoga, New York where it manufactures paper and paper products.

On October 1, 2021, IP spun-off its printing paper manufacturing business into a stand-alone company, Sylvamo Corporation, whose subsidiary, SNA, has the US business operations. SNA has continued operations at the same facility with the same employees and equipment as IP.

Both companies have asked that the 1,600 kW RNY Power allocation be transferred to SNA to support the ongoing business operations assumed by SNA. SNA has indicated it will honor all terms and commitments made by IP under its RNY Power sale agreement with the Authority.

3) Prevost Car (US) Inc.

Prevost Car (US) Inc. was awarded a 90 kW and a 130 kW RNY Power allocation, for use at its facilities at 260 Banker Road, Plattsburgh. Prevost has manufactured hybrid and all-electric transit buses for the North American market at this location.

Prevost is a subsidiary of Volvo Group and Nova Bus was a division of Prevost. On October 1st Nova became a separate legal and operating entity within Volvo Group and will assume responsibility for the business operations at 568 Shore-Airport Road.

Both companies have requested that the 90 kW and 130 kW RNY Power allocations be transferred from Prevost to Nova. Nova has indicated it will honor all commitments including employment, power utilization, and capital investment commitments associated with Prevost’s 90 kW and 130 kW RNY Power allocations.

RECOMMENDATION

Staff recommends that the Trustees approve the transfers discussed above, subject to the following conditions: (1) there be no material reductions in the base employment level or capital investment commitment associated with the allocations that would be transferred; and (2) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate the transfers.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
RESOLUTION

RESOLVED, That the transfer of a 140 kilowatt ("kW") Recharge New York ("RNY") Power allocation, a 136 kW RNY Power allocation, and a pending 270 kW RNY Power allocation as modified under TPA/EDCAP, awarded to Crown I Enterprises Inc., for use at its facilities located at 85 & 87 Saxon Avenue, Bay Shore, New York to Sysco Long Island, LLC, for use at the same facilities, as described in the foregoing memorandum of the Interim President and Chief Executive Officer ("Memorandum") be, and hereby is, approved subject to (i) such terms and conditions as are set forth in the foregoing Memorandum, and (ii) 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 transfers; and be it further

RESOLVED, That the transfer of the 1,600 kW RNY Power allocation awarded to International Paper Company for use at its facility at 568 Shore-Airport Road, Ticonderoga, New York, to Sylvamo North America, LLC for use at the same facility, as described in the foregoing Memorandum be, and hereby is, approved subject to (i) such terms and conditions as are set forth in the foregoing Memorandum, and (ii) such terms and conditions as are contained in contract documents prepared by the Authority to effectuate the transfer; and be it further

RESOLVED, That the transfer of 90 kW and a 130 kW RNY Power allocations awarded to Prevost Car (US) Inc., for use at its facility at 260 Banker Road, Plattsburgh, New York, to Nova Bus (US) Inc. for use at the same facility, as described in the foregoing Memorandum be, and hereby is, approved subject to (i) such terms and conditions as are set forth in the foregoing
Memorandum, and (ii) such terms and conditions as are contained in contract documents prepared by the Authority to effectuate the transfer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim 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/Interim General Counsel.
Memorandum

Date: December 7, 2021
To: THE TRUSTEES
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Contracts for the Sale of Hydropower – Final Approval and Transmittal to the Governor

SUMMARY

The Trustees are requested to:


2. Authorize transmittal of the Contracts to the Governor for her review and requested authorization for the New York Power Authority (the “Authority”) to execute the Contracts pursuant to Public Authorities Law (“PAL”) §1009.

BACKGROUND

Under PAL §1005(13), the Authority may allocate and sell directly or by sale for resale, 250 megawatts (“MW”) of EP and 445 MW of Replacement Power (collectively, “WNY Hydropower”) to businesses located within 30 miles of the Niagara Power Project, provided that the amount of EP allocated to businesses in Chautauqua County on January 1, 1987 shall continue to be allocated in such county.

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 in each week during such period 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 “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

At their meeting on May 25, 2021, the Trustees awarded an 830 kW EP allocation for a term of ten years to Americold to support a new cold storage facility at 4053 Williams Street, Dunkirk, NY (Chautauqua County). Americold has committed to make a capital investment of at least $40,400,000 at its facilities that would receive the allocation, and employ at least 60 full-time, permanent employees at the facilities for the term of the allocation (“Supplemental Commitments”).

At their meeting on July 27, 2021, the Trustees awarded a 300 kW EP allocation to Polymer for a term of ten years to support medical device contract manufacturing at Polymer’s facilities at 5732 Big Tree Road, Orchard Park, NY (Erie County). Polymer’s Supplemental Commitments include agreements to make a capital investment of at least $10,500,000 at its facilities that would receive the allocation, and employ at least 45 full-time, permanent employees above a base of 120 full-time employees at the facilities for the term of the allocation.

At their meeting on May 25, 2021, the Trustees awarded a 750 kW EP allocation to SGS for a term of ten years to support a manufacturing process that converts recycled materials into Process Engineered Fuel that is used in the cement industry that will occur at SGS’s facilities at 4870 Packard Road, Niagara Falls, NY (Niagara County). SGS’s Supplemental Commitments include agreements to make a capital investment of at least $4,900,000 at the facilities that would receive the allocation, and employ at least 12 full-time, permanent employees above a base of 21 full-time employees at the facilities for the term of the allocation.

At their meeting on July 27, 2021, the Trustees awarded a 640 kW EP allocation to Surmet for a term of ten years to support manufacturing of transparent armor products for the defense and security industries at Surmet’s facilities at 699 Hertel Avenue, Buffalo, NY (Erie County). Surmet has agreed to Supplemental Commitments that include agreements to make a capital investment of at least $13,000,000 at the facilities that would receive the allocation and employ at least 18 full-time, permanent employees above a base of 14 full-time employees at the facilities for the term of the allocation.

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

- The term of the EP allocation is ten (10) years from commencement of electric service subject to termination/cancellation as provided for in the Contracts.

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

- The Contracts would provide 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 WNY-2, previously approved by the Trustees.

- The Contracts provide for the sale of additional allocations of WNY Hydropower to the customer in appropriate circumstances by incorporating new allocations into Schedule A of the Contracts. The Trustees approved this convention in the 2010
long-term extension contract for hydropower, which simplifies contract administration.

- 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 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 relating to its purchase of Zero Emission Credits and Renewable Energy Credits attributable to the load of the customer.

- 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 Americold, Polymer, SGS and Surmet was held on September 22, 2021, at 535 Washington Street, Buffalo, NY 14203. A copy of the official transcript of the public hearing including any written submittals is attached as Exhibits “E.”

**FISCAL INFORMATION**

All the allocations are new allocations, and therefore their sale would result in additional revenues for the Authority.

**RECOMMENDATION**

The Senior Vice President - Clean Energy 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  
Interim President and Chief Executive Officer
RESOLUTION

RESOLVED, That the contracts for the sale of 830 kilowatts ("kW") of Expansion Power ("EP") to Americold Real Estate, L.P., 300 kW of EP to Polymer Conversions, Inc., 750 kW of EP to SGS Recovery, LLC, and 640 kW of EP to Surmet Ceramics Corporation (collectively, the "Contracts"), are in the public interest and hereby approved, and in accordance with Public Authorities Law § 1009 the Contracts should 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, 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 Chairman 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 – Clean Energy Solutions, or his 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 Contracts as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chair, the Interim 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 Interim Executive Vice President and General Counsel.
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

Americold Real Estate, L.P.
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 Americold Real Estate, L.P. ("Customer") with offices and principal place of business at 4053 Williams Street, Dunkirk, NY 14048. 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 (i) the transmission of the allocation, and (ii) 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

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

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]


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 V
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: 
   Facsimile: ______
   Attention: Manager – Business Power Allocations and Compliance

   To: The Customer

   Americold Real Estate, L.P.
   4053 Williams Street
   Dunkirk, NY 14048
   Email: 
   Facsimile: 
   Attention:

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:

AMERICOLD REAL ESTATE, L.P.

By: ________________________________
Title: _______________________________
Date: ______________________________

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: ________________________________
   John R. Koelmel, Chairman
Date: ______________________________
<table>
<thead>
<tr>
<th>Type of Allocation</th>
<th>Allocation Amount (kW)</th>
<th>Facility and Address</th>
<th>Trustee Approval Date</th>
<th>Allocation Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EP</td>
<td>830 kW</td>
<td>4053 Williams Street Dunkirk, New York 14048</td>
<td>May 25, 2021</td>
<td>Ten (10) years from the date of commencement of Electric Service</td>
</tr>
</tbody>
</table>
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 60 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 $40,400,000 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:
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cold storage machinery and equipment</td>
<td>$31,094,000</td>
</tr>
<tr>
<td>Infrastructure &amp; associated upgrades</td>
<td>$8,148,000</td>
</tr>
<tr>
<td>Land purchase</td>
<td>$1,158,000</td>
</tr>
<tr>
<td><strong>Total Minimum Expansion Project Capital Investment Commitment:</strong></td>
<td><strong>$40,400,000</strong></td>
</tr>
</tbody>
</table>

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 25, 2024 (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

Date of Issue: December 11, 2018
Date Effective: January 1, 2019

Issued by Keith T. Hayes, Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
# Table of Contents

## Schedule of Rates for Firm Power Service

- **I. Applicability** ................................................................. 3
- **II. Abbreviations and Terms** ........................................... 3
- **III. Monthly Rates and Charges** ........................................ 5
  - A. Expansion Power (EP) and Replacement Power (RP) Base Rates .............................................. 5
  - B. EP and RP Rates no Lower than Rural/Domestic Rate ................................................................. 5
  - C. Monthly Base Rates Exclude Delivery Service Charges ............................................................... 5
  - D. Minimum Monthly Charge ................................................................................................................ 5
  - E. Estimated Billing .................................................................................................................................. 6
  - F. Adjustments to Charges ........................................................................................................................ 7
  - G. Billing Period ....................................................................................................................................... 7
  - H. Billing Demand .................................................................................................................................. 7
  - I. Billing Energy ....................................................................................................................................... 7
  - J. Contract Demand ................................................................................................................................ 7
- **IV. General Provisions** ...................................................... 8
  - A. Character of Service ............................................................ 8
  - B. Availability of Energy ............................................................ 8
  - C. Delivery .............................................................................................................................................. 8
  - D. Adjustment of Rates ........................................................................................................................... 8
  - E. Billing Methodology and Billing ......................................................................................................... 9
  - F. Payment by Customer to Authority ................................................................................................... 10
    1. Demand and Energy Rates, Taxes ..................................................................................................... 10
    2. Transmission Charge ........................................................................................................................... 10
    3. NYISO Transmission and Related Charges ......................................................................................... 10
    4. Taxes Defined ...................................................................................................................................... 11
    5. Substitute Energy ............................................................................................................................... 11
    6. Payment Information ........................................................................................................................... 11
    7. Billing Disputes .................................................................................................................................. 12
  - G. Rendition and Payment of Bills .......................................................................................................... 12
  - H. Adjustment of Charges – Distribution Losses .................................................................................... 13
  - I. Conflicts ................................................................................................................................................ 13
- **V. Annual Adjustment Factor** ............................................ 14
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:

<table>
<thead>
<tr>
<th>Billing Period</th>
<th>Demand ($/kW)</th>
<th>Energy ($/MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January – June 2019</td>
<td>7.60</td>
<td>13.00</td>
</tr>
</tbody>
</table>

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. For Customer with hourly billing: 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. For Customer with monthly billing: 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 (10th) 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**

<table>
<thead>
<tr>
<th>Index Value</th>
<th>Measuring Year</th>
<th>Measuring Year - 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>171.2</td>
<td>167.8</td>
</tr>
<tr>
<td>February</td>
<td>172.8</td>
<td>167.6</td>
</tr>
<tr>
<td>March</td>
<td>171.6</td>
<td>168.2</td>
</tr>
<tr>
<td>April</td>
<td>173.8</td>
<td>168.6</td>
</tr>
<tr>
<td>May</td>
<td>175.1</td>
<td>171.6</td>
</tr>
<tr>
<td>June</td>
<td>185.7</td>
<td>180.1</td>
</tr>
<tr>
<td>July</td>
<td>186.4</td>
<td>182.7</td>
</tr>
<tr>
<td>August</td>
<td>184.7</td>
<td>179.2</td>
</tr>
<tr>
<td>September</td>
<td>185.5</td>
<td>181.8</td>
</tr>
<tr>
<td>October</td>
<td>175.5</td>
<td>170.2</td>
</tr>
<tr>
<td>November</td>
<td>172.2</td>
<td>168.8</td>
</tr>
<tr>
<td>December</td>
<td>171.8</td>
<td>166.6</td>
</tr>
</tbody>
</table>

- **Average**
  - Measuring Year: 177.2
  - Measuring Year - 1: 172.8
  - Ratio of MY/MY-1: 1.03
## Index 2 – EIA Industrial Rate

<table>
<thead>
<tr>
<th>State</th>
<th>Revenues ($000s)</th>
<th>Sales (MWh)</th>
<th>Avg. Rate (cents/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measuring Year (2012)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CT</td>
<td>590,972</td>
<td>6,814,757</td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>1,109,723</td>
<td>13,053,806</td>
<td></td>
</tr>
<tr>
<td>ME</td>
<td>328,594</td>
<td>4,896,176</td>
<td></td>
</tr>
<tr>
<td>NH</td>
<td>304,363</td>
<td>2,874,495</td>
<td></td>
</tr>
<tr>
<td>NJ</td>
<td>1,412,665</td>
<td>15,687,873</td>
<td></td>
</tr>
<tr>
<td>NY</td>
<td>2,001,588</td>
<td>26,379,314</td>
<td></td>
</tr>
<tr>
<td>OH</td>
<td>3,695,978</td>
<td>78,496,166</td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>3,682,192</td>
<td>63,413,968</td>
<td></td>
</tr>
<tr>
<td>RI</td>
<td>152,533</td>
<td>1,652,593</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td>155,903</td>
<td>2,173,679</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>13,434,511</td>
<td>215,442,827</td>
<td>6.24</td>
</tr>
</tbody>
</table>

| **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*
### New York Power Authority

**Original Leaf No. 18**

**Service Tariff No. WNY-2**

*Date of Issue: December 11, 2018*  
*Date Effective: January 1, 2019*

Issued by Keith T. Hayes, Vice President  
Power Authority of the State of New York  
30 South Pearl Street, Albany, NY 12207

---

- **Index 3 – Producer Price Index, Industrial Commodities Less Fuel**

<table>
<thead>
<tr>
<th>Measuring Year</th>
<th>Measuring Year -1</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Year 2013</th>
<th>Year 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>190.1</td>
<td>187.2</td>
</tr>
<tr>
<td>February</td>
<td>190.9</td>
<td>188.0</td>
</tr>
<tr>
<td>March</td>
<td>191.6</td>
<td>188.7</td>
</tr>
<tr>
<td>April</td>
<td>192.8</td>
<td>189.9</td>
</tr>
<tr>
<td>May</td>
<td>194.7</td>
<td>191.8</td>
</tr>
<tr>
<td>June</td>
<td>195.2</td>
<td>192.3</td>
</tr>
<tr>
<td>July</td>
<td>195.5</td>
<td>192.3</td>
</tr>
<tr>
<td>August</td>
<td>196.0</td>
<td>193.1</td>
</tr>
<tr>
<td>September</td>
<td>196.1</td>
<td>193.2</td>
</tr>
<tr>
<td>October</td>
<td>196.2</td>
<td>193.8</td>
</tr>
<tr>
<td>November</td>
<td>196.6</td>
<td>193.7</td>
</tr>
<tr>
<td>December</td>
<td>196.7</td>
<td>194.0</td>
</tr>
</tbody>
</table>

Average: 194.4 191.5

Ratio of MY/MY-1: 1.02

**STEP 2**

Determine AAF by Summing the Weighted Indices

<table>
<thead>
<tr>
<th>Index</th>
<th>Ratio of MY to MY-1</th>
<th>Weight</th>
<th>Weighted Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPI Industrial Power</td>
<td>1.03</td>
<td>0.35</td>
<td>0.361</td>
</tr>
<tr>
<td>EIA Industrial Rate</td>
<td>1.00</td>
<td>0.40</td>
<td>0.400</td>
</tr>
<tr>
<td>PPI Industrial Commodities less fuel</td>
<td>1.02</td>
<td>0.25</td>
<td>0.255</td>
</tr>
<tr>
<td>AAF</td>
<td></td>
<td></td>
<td><strong>1.016</strong></td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th></th>
<th>Demand $/kW-mo.</th>
<th>Energy $/MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Rate Year Base Rate</td>
<td>7.56</td>
<td>12.91</td>
</tr>
<tr>
<td>New Rate Year Base Rate</td>
<td>7.68</td>
<td>13.12</td>
</tr>
</tbody>
</table>
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

Polymer Conversions, 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 Polymer Conversions, Inc. ("Customer") with offices and principal place of business at 5732 Big Tree Road, Orchard Park, NY 14127. 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 (i) the transmission of the allocation, and (ii) 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

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

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:

2
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]


   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: 
Facsimile: ______
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Polymer Conversions, Inc.
5732 Big Tree Road
Orchard Park, NY 14127
Email: 
Facsimile: 
Attention: 

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:

POLYMER CONVERSIONS, 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**

<table>
<thead>
<tr>
<th>Type of Allocation</th>
<th>Allocation Amount (kW)</th>
<th>Facility and Address</th>
<th>Trustee Approval Date</th>
<th>Allocation Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EP</td>
<td>300 kW</td>
<td>5732 Big Tree Road, Orchard Park, New York 14127</td>
<td>July 27, 2021</td>
<td>Ten (10) years from the date of commencement of Electric Service</td>
</tr>
</tbody>
</table>
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 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.
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 165 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 $10,500,000 to construct, furnish and/or expand the Facility ("Expansion Project Capital Investment Commitment"). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office space, cleanroom, &amp; manufacturing costs</td>
<td>$ 6,500,000</td>
</tr>
<tr>
<td>Injection molding machinery &amp; equipment</td>
<td>$ 4,000,000</td>
</tr>
<tr>
<td><strong>Total Minimum Expansion Project Capital</strong></td>
<td><strong>$10,500,000</strong></td>
</tr>
<tr>
<td>Investment Commitment:</td>
<td></td>
</tr>
</tbody>
</table>

b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than July 27, 2024 (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 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 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
# Table of Contents

Schedule of Rates for Firm Power Service

<table>
<thead>
<tr>
<th>Section</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.  Applicability</td>
<td>3</td>
</tr>
<tr>
<td>II. Abbreviations and Terms</td>
<td>3</td>
</tr>
<tr>
<td>III. Monthly Rates and Charges</td>
<td>5</td>
</tr>
<tr>
<td>A. Expansion Power (EP) and Replacement Power (RP) Base Rates</td>
<td>5</td>
</tr>
<tr>
<td>B. EP and RP Rates no Lower than Rural/Domestic Rate</td>
<td>5</td>
</tr>
<tr>
<td>C. Monthly Base Rates Exclude Delivery Service Charges</td>
<td>5</td>
</tr>
<tr>
<td>D. Minimum Monthly Charge</td>
<td>5</td>
</tr>
<tr>
<td>E. Estimated Billing</td>
<td>6</td>
</tr>
<tr>
<td>F. Adjustments to Charges</td>
<td>7</td>
</tr>
<tr>
<td>G. Billing Period</td>
<td>7</td>
</tr>
<tr>
<td>H. Billing Demand</td>
<td>7</td>
</tr>
<tr>
<td>I. Billing Energy</td>
<td>7</td>
</tr>
<tr>
<td>J. Contract Demand</td>
<td>7</td>
</tr>
<tr>
<td>IV. General Provisions</td>
<td>8</td>
</tr>
<tr>
<td>A. Character of Service</td>
<td>8</td>
</tr>
<tr>
<td>B. Availability of Energy</td>
<td>8</td>
</tr>
<tr>
<td>C. Delivery</td>
<td>8</td>
</tr>
<tr>
<td>D. Adjustment of Rates</td>
<td>8</td>
</tr>
<tr>
<td>E. Billing Methodology and Billing</td>
<td>9</td>
</tr>
<tr>
<td>F. Payment by Customer to Authority</td>
<td>10</td>
</tr>
<tr>
<td>1. Demand and Energy Rates, Taxes</td>
<td>10</td>
</tr>
<tr>
<td>2. Transmission Charge</td>
<td>10</td>
</tr>
<tr>
<td>3. NYISO Transmission and Related Charges</td>
<td>10</td>
</tr>
<tr>
<td>4. Taxes Defined</td>
<td>11</td>
</tr>
<tr>
<td>5. Substitute Energy</td>
<td>11</td>
</tr>
<tr>
<td>6. Payment Information</td>
<td>11</td>
</tr>
<tr>
<td>7. Billing Disputes</td>
<td>12</td>
</tr>
<tr>
<td>G. Rendition and Payment of Bills</td>
<td>12</td>
</tr>
<tr>
<td>H. Adjustment of Charges – Distribution Losses</td>
<td>13</td>
</tr>
<tr>
<td>I. Conflicts</td>
<td>13</td>
</tr>
<tr>
<td>V. Annual Adjustment Factor</td>
<td>14</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Billing Period</th>
<th>Demand ($/kW)</th>
<th>Energy ($/MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January – June 2019</td>
<td>7.60</td>
<td>13.00</td>
</tr>
</tbody>
</table>

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. For Customer with hourly billing: 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. For Customer with monthly billing: 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 (10th) 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**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>171.2</td>
<td>167.8</td>
</tr>
<tr>
<td>February</td>
<td>172.8</td>
<td>167.6</td>
</tr>
<tr>
<td>March</td>
<td>171.6</td>
<td>168.2</td>
</tr>
<tr>
<td>April</td>
<td>173.8</td>
<td>168.6</td>
</tr>
<tr>
<td>May</td>
<td>175.1</td>
<td>171.6</td>
</tr>
<tr>
<td>June</td>
<td>185.7</td>
<td>180.1</td>
</tr>
<tr>
<td>July</td>
<td>186.4</td>
<td>182.7</td>
</tr>
<tr>
<td>August</td>
<td>184.7</td>
<td>179.2</td>
</tr>
<tr>
<td>September</td>
<td>185.5</td>
<td>181.8</td>
</tr>
<tr>
<td>October</td>
<td>175.5</td>
<td>170.2</td>
</tr>
<tr>
<td>November</td>
<td>172.2</td>
<td>168.8</td>
</tr>
<tr>
<td>December</td>
<td>171.8</td>
<td>166.6</td>
</tr>
</tbody>
</table>

Average 177.2 172.8

Ratio of MY/MY-1 1.03
### Index 2 – EIA Industrial Rate

<table>
<thead>
<tr>
<th>State</th>
<th>Revenues ($000s)</th>
<th>Sales (MWh)</th>
<th>Avg. Rate (cents/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measuring Year (2012)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CT</td>
<td>590,972</td>
<td>6,814,757</td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>1,109,723</td>
<td>13,053,806</td>
<td></td>
</tr>
<tr>
<td>ME</td>
<td>328,594</td>
<td>4,896,176</td>
<td></td>
</tr>
<tr>
<td>NH</td>
<td>304,363</td>
<td>2,874,495</td>
<td></td>
</tr>
<tr>
<td>NJ</td>
<td>1,412,665</td>
<td>15,687,873</td>
<td></td>
</tr>
<tr>
<td>NY</td>
<td>2,001,588</td>
<td>26,379,314</td>
<td></td>
</tr>
<tr>
<td>OH</td>
<td>3,695,978</td>
<td>78,496,166</td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>3,682,192</td>
<td>63,413,968</td>
<td></td>
</tr>
<tr>
<td>RI</td>
<td>152,533</td>
<td>1,652,593</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td>155,903</td>
<td>2,173,679</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>13,434,511</td>
<td>215,442,827</td>
<td><strong>6.24</strong></td>
</tr>
</tbody>
</table>

| 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**

Date of Issue: December 11, 2018
Date Effective: January 1, 2019
Index 3 – Producer Price Index, Industrial Commodities Less Fuel

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January 190.1</td>
<td>187.2</td>
</tr>
<tr>
<td>February 190.9</td>
<td>188.0</td>
</tr>
<tr>
<td>March 191.6</td>
<td>188.7</td>
</tr>
<tr>
<td>April 192.8</td>
<td>189.9</td>
</tr>
<tr>
<td>May 194.7</td>
<td>191.8</td>
</tr>
<tr>
<td>June 195.2</td>
<td>192.3</td>
</tr>
<tr>
<td>July 195.5</td>
<td>192.3</td>
</tr>
<tr>
<td>August 196.0</td>
<td>193.1</td>
</tr>
<tr>
<td>September 196.1</td>
<td>193.2</td>
</tr>
<tr>
<td>October 196.2</td>
<td>193.8</td>
</tr>
<tr>
<td>November 196.6</td>
<td>193.7</td>
</tr>
<tr>
<td>December 196.7</td>
<td>194.0</td>
</tr>
</tbody>
</table>

Average 194.4 191.5

Ratio of MY/MY-1 1.02

STEP 2

Determine AAF by Summing the Weighted Indices

<table>
<thead>
<tr>
<th>Index</th>
<th>Ratio of MY to MY-1</th>
<th>Weight</th>
<th>Weighted Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPI Industrial Power</td>
<td>1.03</td>
<td>0.35</td>
<td>0.361</td>
</tr>
<tr>
<td>EIA Industrial Rate</td>
<td>1.00</td>
<td>0.40</td>
<td>0.400</td>
</tr>
<tr>
<td>PPI Industrial Commodities less fuel</td>
<td>1.02</td>
<td>0.25</td>
<td>0.255</td>
</tr>
<tr>
<td>AAF</td>
<td></td>
<td></td>
<td><strong>1.016</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Demand $/kW-mo.</th>
<th>Energy $/MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Rate Year Base Rate</td>
<td>7.56</td>
<td>12.91</td>
</tr>
<tr>
<td>New Rate Year Base Rate</td>
<td>7.68</td>
<td>13.12</td>
</tr>
</tbody>
</table>
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

SGS Recovery, LLC
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 SGS Recovery, LLC (“Customer”) with offices and principal place of business at 4870 Packard Road, Niagara Falls, NY 14304. 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 (i) the transmission of the allocation, and (ii) 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

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

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]


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:
    Facsimile: ______
    Attention: Manager – Business Power Allocations and Compliance

    To: The Customer

    SGS Recovery, LLC
    4870 Packard Road
    Niagara Falls, NY 14304
    Email:
    Facsimile:
    Attention:

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 purporte
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:

SGS RECOVERY, LLC

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

<table>
<thead>
<tr>
<th>Type of Allocation</th>
<th>Allocation Amount (kW)</th>
<th>Facility and Address</th>
<th>Trustee Approval Date</th>
<th>Allocation Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EP</td>
<td>750 kW</td>
<td>4870 Packard Road Niagara Falls, New York 14304</td>
<td>May 25, 2021</td>
<td>Ten (10) years from the date of commencement of Electric Service</td>
</tr>
</tbody>
</table>
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 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.
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, 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 33 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 $4,900,000 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shredding machinery and equipment</td>
<td>$ 4,900,000</td>
</tr>
<tr>
<td><strong>Total Minimum Expansion Project Capital Investment Commitment:</strong></td>
<td><strong>$ 4,900,000</strong></td>
</tr>
</tbody>
</table>

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 25, 2024 (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
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

Issued by Keith T. Hayes, Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY  12207
Table of Contents

Schedule of Rates for Firm Power Service

I. Applicability .......................................................................................................................... 3

II. Abbreviations and Terms ...................................................................................................... 3

III. Monthly Rates and Charges ............................................................................................... 5

A. Expansion Power (EP) and Replacement Power (RP) Base Rates ..................................... 5
B. EP and RP Rates no Lower than Rural/Domestic Rate ....................................................... 5
C. Monthly Base Rates Exclude Delivery Service Charges ..................................................... 5
D. Minimum Monthly Charge .................................................................................................... 5
E. Estimated Billing ..................................................................................................................... 6
F. Adjustments to Charges .......................................................................................................... 7
G. Billing Period .......................................................................................................................... 7
H. Billing Demand ...................................................................................................................... 7
I. Billing Energy .......................................................................................................................... 7
J. Contract Demand .................................................................................................................... 7

IV. General Provisions ............................................................................................................... 8

A. Character of Service .............................................................................................................. 8
B. Availability of Energy ............................................................................................................. 8
C. Delivery .................................................................................................................................. 8
D. Adjustment of Rates ............................................................................................................. 8
E. Billing Methodology and Billing .......................................................................................... 9
F. Payment by Customer to Authority ...................................................................................... 10
   1. Demand and Energy Rates, Taxes ............................................................................... 10
   2. Transmission Charge ..................................................................................................... 10
   3. NYISO Transmission and Related Charges .................................................................. 10
   4. Taxes Defined .................................................................................................................. 11
   5. Substitute Energy ............................................................................................................ 11
   6. Payment Information ....................................................................................................... 11
   7. Billing Disputes ............................................................................................................... 12
G. Rendition and Payment of Bills .......................................................................................... 12
H. Adjustment of Charges – Distribution Losses .................................................................... 13
I. Conflicts .................................................................................................................................. 13

V. Annual Adjustment Factor .................................................................................................. 14
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:

<table>
<thead>
<tr>
<th>Billing Period</th>
<th>Demand ($/kW)</th>
<th>Energy ($/MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January – June 2019</td>
<td>7.60</td>
<td>13.00</td>
</tr>
</tbody>
</table>

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. For Customer with hourly billing: 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. For Customer with monthly billing: 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 (10th) 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

<table>
<thead>
<tr>
<th>Measuring Year</th>
<th>Measuring Year - 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>171.2</td>
</tr>
<tr>
<td>February</td>
<td>172.8</td>
</tr>
<tr>
<td>March</td>
<td>171.6</td>
</tr>
<tr>
<td>April</td>
<td>173.8</td>
</tr>
<tr>
<td>May</td>
<td>175.1</td>
</tr>
<tr>
<td>June</td>
<td>185.7</td>
</tr>
<tr>
<td>July</td>
<td>186.4</td>
</tr>
<tr>
<td>August</td>
<td>184.7</td>
</tr>
<tr>
<td>September</td>
<td>185.5</td>
</tr>
<tr>
<td>October</td>
<td>175.5</td>
</tr>
<tr>
<td>November</td>
<td>172.2</td>
</tr>
<tr>
<td>December</td>
<td>171.8</td>
</tr>
</tbody>
</table>

Average 177.2 172.8

Ratio of MY/MY-1 1.03
• Index 2 – EIA Industrial Rate

<table>
<thead>
<tr>
<th>State</th>
<th>Revenues ($000s)</th>
<th>Sales (MWh)</th>
<th>Avg. Rate (cents/kWh)</th>
</tr>
</thead>
</table>

**Measuring Year (2012)**

<table>
<thead>
<tr>
<th>State</th>
<th>Revenues ($000s)</th>
<th>Sales (MWh)</th>
<th>Avg. Rate (cents/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT</td>
<td>590,972</td>
<td>6,814,757</td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>1,109,723</td>
<td>13,053,806</td>
<td></td>
</tr>
<tr>
<td>ME</td>
<td>328,594</td>
<td>4,896,176</td>
<td></td>
</tr>
<tr>
<td>NH</td>
<td>304,363</td>
<td>2,874,495</td>
<td></td>
</tr>
<tr>
<td>NJ</td>
<td>1,412,665</td>
<td>15,687,873</td>
<td></td>
</tr>
<tr>
<td>NY</td>
<td>2,001,588</td>
<td>26,379,314</td>
<td></td>
</tr>
<tr>
<td>OH</td>
<td>3,695,978</td>
<td>78,496,166</td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>3,682,192</td>
<td>63,413,968</td>
<td></td>
</tr>
<tr>
<td>RI</td>
<td>152,533</td>
<td>1,652,593</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td>155,903</td>
<td>2,173,679</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>13,434,511</strong></td>
<td><strong>215,442,827</strong></td>
<td><strong>6.24</strong></td>
</tr>
</tbody>
</table>

**Measuring Year -1 (2011)**

<table>
<thead>
<tr>
<th>State</th>
<th>Revenues ($000s)</th>
<th>Sales (MWh)</th>
<th>Avg. Rate (cents/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT</td>
<td>579,153</td>
<td>6,678,462</td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>1,076,431</td>
<td>12,662,192</td>
<td></td>
</tr>
<tr>
<td>ME</td>
<td>310,521</td>
<td>4,626,886</td>
<td></td>
</tr>
<tr>
<td>NH</td>
<td>298,276</td>
<td>2,817,005</td>
<td></td>
</tr>
<tr>
<td>NJ</td>
<td>1,370,285</td>
<td>15,217,237</td>
<td></td>
</tr>
<tr>
<td>NY</td>
<td>1,891,501</td>
<td>24,928,452</td>
<td></td>
</tr>
<tr>
<td>OH</td>
<td>3,622,058</td>
<td>76,926,243</td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>3,571,726</td>
<td>61,511,549</td>
<td></td>
</tr>
<tr>
<td>RI</td>
<td>144,144</td>
<td>1,561,700</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td>152,785</td>
<td>2,130,205</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>13,016,880</strong></td>
<td><strong>209,059,931</strong></td>
<td><strong>6.23</strong></td>
</tr>
</tbody>
</table>

**Ratio of MY/MY-1**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ratio of MY/MY-1</strong></td>
<td><strong>1.00</strong></td>
</tr>
</tbody>
</table>
• Index 3 – Producer Price Index, Industrial Commodities Less Fuel

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>190.1</td>
<td>187.2</td>
</tr>
<tr>
<td>February</td>
<td>190.9</td>
<td>188.0</td>
</tr>
<tr>
<td>March</td>
<td>191.6</td>
<td>188.7</td>
</tr>
<tr>
<td>April</td>
<td>192.8</td>
<td>189.9</td>
</tr>
<tr>
<td>May</td>
<td>194.7</td>
<td>191.8</td>
</tr>
<tr>
<td>June</td>
<td>195.2</td>
<td>192.3</td>
</tr>
<tr>
<td>July</td>
<td>195.5</td>
<td>192.3</td>
</tr>
<tr>
<td>August</td>
<td>196.0</td>
<td>193.1</td>
</tr>
<tr>
<td>September</td>
<td>196.1</td>
<td>193.2</td>
</tr>
<tr>
<td>October</td>
<td>196.2</td>
<td>193.8</td>
</tr>
<tr>
<td>November</td>
<td>196.6</td>
<td>193.7</td>
</tr>
<tr>
<td>December</td>
<td>196.7</td>
<td>194.0</td>
</tr>
</tbody>
</table>

Average 194.4 191.5

Ratio of MY/MY-1 1.02

**STEP 2**

Determine AAF by Summing the Weighted Indices

<table>
<thead>
<tr>
<th>Index</th>
<th>Ratio of MY to MY-1</th>
<th>Weight</th>
<th>Weighted Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPI Industrial Power</td>
<td>1.03</td>
<td>0.35</td>
<td>0.361</td>
</tr>
<tr>
<td>EIA Industrial Rate</td>
<td>1.00</td>
<td>0.40</td>
<td>0.400</td>
</tr>
<tr>
<td>PPI Industrial Commodities less fuel</td>
<td>1.02</td>
<td>0.25</td>
<td>0.255</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Demand $/kW-mo.</th>
<th>Energy $/MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Rate Year Base Rate</td>
<td>7.56</td>
<td>12.91</td>
</tr>
<tr>
<td>New Rate Year Base Rate</td>
<td>7.68</td>
<td>13.12</td>
</tr>
</tbody>
</table>
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

Surmet Ceramics 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 Surmet Ceramics Corporation ("Surmet") with offices and principal place of business at 699 Hertel Avenue, Buffalo, NY 14207. 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 (i) the transmission of the allocation, and (ii) 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

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

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:
   Facsimile: ______
   Attention: Manager – Business Power Allocations and Compliance

   To: The Customer

   Surmet Ceramics Corporation
   699 Hertel Avenue
   Buffalo, NY 14207
   Email:
   Facsimile:
   Attention:

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:

SURMET CERAMICS 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

<table>
<thead>
<tr>
<th>Type of Allocation</th>
<th>Allocation Amount (kW)</th>
<th>Facility and Address</th>
<th>Trustee Approval Date</th>
<th>Allocation Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EP</td>
<td>640 kW</td>
<td>699 Hertel Avenue  Buffalo, New York 14207</td>
<td>July 27, 2021</td>
<td>Ten (10) years from the date of commencement of Electric Service</td>
</tr>
</tbody>
</table>
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 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.
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 32 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 $13,000,000 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>New building construction</td>
<td>$ 2,500,000</td>
</tr>
<tr>
<td>Cold isostatic press (CIP) unit</td>
<td>$ 6,500,000</td>
</tr>
<tr>
<td>Furnace machinery &amp; equipment</td>
<td>$ 2,800,000</td>
</tr>
<tr>
<td>Electric upgrades</td>
<td>$ 1,200,000</td>
</tr>
<tr>
<td><strong>Total Minimum Expansion Project Capital Investment Commitment:</strong></td>
<td><strong>$13,000,000</strong></td>
</tr>
</tbody>
</table>

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 July 27, 2024 (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
TAKE DOWN 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
Table of Contents

Schedule of Rates for Firm Power Service

I. Applicability ................................................................................................................................... 3

II. Abbreviations and Terms .............................................................................................................. 3

III. Monthly Rates and Charges .......................................................................................................... 5
    A. Expansion Power (EP) and Replacement Power (RP) Base Rates ........................................ 5
    B. EP and RP Rates no Lower than Rural/Domestic Rate ....................................................... 5
    C. Monthly Base Rates Exclude Delivery Service Charges ..................................................... 5
    D. Minimum Monthly Charge ....................................................................................................... 5
    E. Estimated Billing ....................................................................................................................... 6
    F. Adjustments to Charges ............................................................................................................ 7
    G. Billing Period ........................................................................................................................... 7
    H. Billing Demand ....................................................................................................................... 7
    I. Billing Energy ........................................................................................................................... 7
    J. Contract Demand ..................................................................................................................... 7

IV. General Provisions ......................................................................................................................... 8
    A. Character of Service ................................................................................................................ 8
    B. Availability of Energy ............................................................................................................. 8
    C. Delivery ................................................................................................................................ 8
    D. Adjustment of Rates .............................................................................................................. 8
    E. Billing Methodology and Billing .......................................................................................... 9
    F. Payment by Customer to Authority ....................................................................................... 10
       1. Demand and Energy Rates, Taxes ..................................................................................... 10
       2. Transmission Charge ......................................................................................................... 10
       3. NYISO Transmission and Related Charges ....................................................................... 10
       4. Taxes Defined ...................................................................................................................... 11
       5. Substitute Energy ................................................................................................................ 11
       6. Payment Information ........................................................................................................... 11
       7. Billing Disputes .................................................................................................................. 12
    G. Rendition and Payment of Bills ............................................................................................. 12
    H. Adjustment of Charges – Distribution Losses ..................................................................... 13

V. Annual Adjustment Factor ........................................................................................................... 14

Date of Issue: December 11, 2018

Issued by Keith T. Hayes, Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

Date Effective: January 1, 2019
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:

<table>
<thead>
<tr>
<th>Billing Period</th>
<th>Demand ($/kW)</th>
<th>Energy ($/MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January – June 2019</td>
<td>7.60</td>
<td>13.00</td>
</tr>
</tbody>
</table>

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. For Customer with hourly billing: 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. For Customer with monthly billing: 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 (10th) 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**

<table>
<thead>
<tr>
<th>Measuring Year</th>
<th>Measuring Year - 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>171.2</td>
</tr>
<tr>
<td>February</td>
<td>172.8</td>
</tr>
<tr>
<td>March</td>
<td>171.6</td>
</tr>
<tr>
<td>April</td>
<td>173.8</td>
</tr>
<tr>
<td>May</td>
<td>175.1</td>
</tr>
<tr>
<td>June</td>
<td>185.7</td>
</tr>
<tr>
<td>July</td>
<td>186.4</td>
</tr>
<tr>
<td>August</td>
<td>184.7</td>
</tr>
<tr>
<td>September</td>
<td>185.5</td>
</tr>
<tr>
<td>October</td>
<td>175.5</td>
</tr>
<tr>
<td>November</td>
<td>172.2</td>
</tr>
<tr>
<td>December</td>
<td>171.8</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>177.2</strong></td>
</tr>
<tr>
<td><strong>Ratio of MY/MY-1</strong></td>
<td><strong>1.03</strong></td>
</tr>
</tbody>
</table>
• Index 2 – EIA Industrial Rate

<table>
<thead>
<tr>
<th>State</th>
<th>Revenues ($000s)</th>
<th>Sales (MWh)</th>
<th>Avg. Rate (cents/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measuring Year (2012)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CT</td>
<td>590,972</td>
<td>6,814,757</td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>1,109,723</td>
<td>13,053,806</td>
<td></td>
</tr>
<tr>
<td>ME</td>
<td>328,594</td>
<td>4,896,176</td>
<td></td>
</tr>
<tr>
<td>NH</td>
<td>304,363</td>
<td>2,874,495</td>
<td></td>
</tr>
<tr>
<td>NJ</td>
<td>1,412,665</td>
<td>15,687,873</td>
<td></td>
</tr>
<tr>
<td>NY</td>
<td>2,001,588</td>
<td>26,379,314</td>
<td></td>
</tr>
<tr>
<td>OH</td>
<td>3,695,978</td>
<td>78,496,166</td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>3,682,192</td>
<td>63,413,968</td>
<td></td>
</tr>
<tr>
<td>RI</td>
<td>152,533</td>
<td>1,652,593</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td>155,903</td>
<td>2,173,679</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>13,434,511</td>
<td>215,442,827</td>
<td>6.24</td>
</tr>
</tbody>
</table>

| 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**

<table>
<thead>
<tr>
<th>Measuring Year</th>
<th>Measuring Year -1</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>190.1</td>
</tr>
<tr>
<td>February</td>
<td>190.9</td>
</tr>
<tr>
<td>March</td>
<td>191.6</td>
</tr>
<tr>
<td>April</td>
<td>192.8</td>
</tr>
<tr>
<td>May</td>
<td>194.7</td>
</tr>
<tr>
<td>June</td>
<td>195.2</td>
</tr>
<tr>
<td>July</td>
<td>195.5</td>
</tr>
<tr>
<td>August</td>
<td>196.0</td>
</tr>
<tr>
<td>September</td>
<td>196.1</td>
</tr>
<tr>
<td>October</td>
<td>196.2</td>
</tr>
<tr>
<td>November</td>
<td>196.6</td>
</tr>
<tr>
<td>December</td>
<td>196.7</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>194.4</strong></td>
</tr>
</tbody>
</table>

**Ratio of MY/MY-1**

1.02

**STEP 2**

Determine AAF by Summing the Weighted Indices

<table>
<thead>
<tr>
<th>Index</th>
<th>Ratio of MY to MY-1</th>
<th>Weight</th>
<th>Weighted Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPI Industrial Power</td>
<td>1.03</td>
<td>0.35</td>
<td>0.361</td>
</tr>
<tr>
<td>EIA Industrial Rate</td>
<td>1.00</td>
<td>0.40</td>
<td>0.400</td>
</tr>
<tr>
<td>PPI Industrial Commodities less fuel</td>
<td>1.02</td>
<td>0.25</td>
<td><strong>0.255</strong></td>
</tr>
<tr>
<td><strong>AAF</strong></td>
<td></td>
<td></td>
<td><strong>1.016</strong></td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th></th>
<th>Demand</th>
<th>Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$/kW-mo.</td>
<td>$/MWh</td>
</tr>
<tr>
<td>Current Rate Year Base Rate</td>
<td>7.56</td>
<td>12.91</td>
</tr>
<tr>
<td>New Rate Year Base Rate</td>
<td>7.68</td>
<td>13.12</td>
</tr>
</tbody>
</table>
New York State Power Authority

Public Hearing
September 22, 2021

Min-U-Script® with Word Index
535 Washington Street, Suite 202
Buffalo, New York 14203

Wednesday, September 22nd, 2021
2:00 p.m. to 6:00 p.m.

Caroline Monte
Stenographer
<table>
<thead>
<tr>
<th>SPEAKERS:</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS. DELINCE</td>
<td>3, 13</td>
</tr>
<tr>
<td>MR. SMITH</td>
<td>5, 13</td>
</tr>
</tbody>
</table>
MS. DELINCE: Good afternoon. This is a public hearing required by law and authorized by the New York State Power Authority's Board of Trustees on the proposed Customer Contracts for the sale of hydropower to Americold Real Estate, L.P., SGS Recovery, LLC, Polymer Conversions, Inc., and Surmet Ceramics Corporation.

My name is Karen Delince and I'm the Authority's 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 Senate's President Pro Temp, The Senate Minority Leader and The Senate Finance Committee Chair, The Assembly Speaker, The Assembly Minority Leader and The Assembly Ways and Means Committee Chair.

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, Lewiston-Porter Sentinel,
Albany Times-Union and 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 contracts 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 so indicate on
the sign-in sheet.
Also, if you have a written statement, please give a copy to Richard Smith. 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 through close of business, Thursday, September 23rd, 2021. Additional comments should be mailed, faxed, or e-mailed to the Corporate Secretary at 123 Main Street, 9-B, White Plains, New York 10601 or (914)390-8040 or secretarys.office@nypa.gov.

At this point, I would like to introduce Richard Smith, the Authority's Director of Economic Development, who will provide additional details on the proposed Customer Contracts. Thank you. Mr. Smith.

MR. SMITH: Thank you, Ms. Delince. Good afternoon. My name is Richard Smith and I am the Director of Economic Development within NYPAA's Clean Energy Solutions Department.

I am here today to present a summary of
four proposed contracts for Americold Real Estate, L.P., Polymer Conversions, Inc., SGS Recovery, LLC, and Surmet Corporation for the sale of hydropower generated at the Niagara Power Project.

Regarding the four proposed contracts, under Public Authorities Law, Section 1005, Subsection 13, the Authority may allocate and sell directly or by sale-for-resale 250 MW of Expansion Power, known as EP, and 445 MW of Replacement Power, known as RP, to businesses located within 30 miles of the Niagara Power Project, provided that the amount of EP allocated to businesses in Chautauqua County on January 1st, 1987, shall continue to be allocated in Chautauqua County.

At their May 25th, 2021 meeting, the NYPA Trustees approved an 830 kW allocation of EP to Americold for a term of 10 years, based on commitments to create at least 60 new full-time jobs and make a capital investment of at least 40.4 million dollars at the facility that will use the EP allocation.
The Company owns and runs temperature-controlled storage warehouses focused on perishable food storage which function as an integral link in food delivery.

Americold proposes to build out and operate a refrigerated warehouse at a site near Wells Enterprises, Inc.'s ice cream production plant in Dunkirk. The warehouse would store Wells' ice cream products pending shipments.

The capital investment reflects costs related to land acquisition, and purchase and installation of infrastructure machinery and equipment.

The 830 kW allocation will help support the refrigerated storage of food and support regional economic development growth.

At their July 27th, 2021 meeting, the NYPA Trustees approved a 300 kW allocation of EP to Polymer for a term of 10 years, based on commitments to create at least 45 new full-time jobs and make a capital investment of at least 10.5 million dollars at the
facility that will use the EP allocation.

The Company is a full-service medical device contract manufacturer that specializes in complex thermoplastic injection molding and value-added assembly.

Polymer proposes to significantly expand its manufacturing facility in Orchard Park to produce medical devices.

The capital investment will be for new infrastructure at the facility and new equipment. The 300 kW allocation will help support the manufacturing of medical devices and more generally regional economic development and growth.

At their May 25th, 2021 meeting, the NYPA Trustees approved a 750 kW allocation of EP to SGS for a term of 10 years, based on commitments to create at least 12 new full-time jobs and make a capital investment of at least 4.9 million dollars at the facility that will use the EP allocation.

The Company, which provides sustainable waste management, recycling, and
energy-producing solutions, is proposing an expansion project to lease a new 300,000 square-foot building in Niagara Falls for the conversion of recycled materials into Process Engineered Fuel.

The Process Engineered Fuel is used as a substitute for fossil and petroleum-based fuels in the cement industry.

The capital investment of 4.9 million dollars reflects costs related to the expansion project including the purchase and installation of multiple shredders.

The 750 kW allocation will help support clean energy goals through the production of PEF, a renewable fuel, and the diversion of waste from landfills.

SGS's application was considered under NYPA's Green Jobs Evaluation Incentive Plan approved by the Trustees on December 9th of 2020.

The Green Jobs Evaluation Incentive Plan is intended to encourage the creation of green jobs by authorizing NYPA to consider green job
impacts when evaluating an application for NYPA program power.

SGS's project will support economic development, green jobs, and regional growth.

At their July 27th, 2021 meeting, the NYPA Trustees approved a 640 kW allocation of EP to Surmet for a term of 10 years, based on commitments to create at least 18 new full-time jobs and make a capital investment of at least 13 million dollars at the facility that will use the EP allocation.

The Company is a manufacturer of transparent armor products used in the defense and security industries. Surmet proposes to expand its manufacturing facility in Buffalo to support the production of transparent armor.

The Company's capital investment will focus on new infrastructure, new equipment and electric upgrades at the facility. The 640 kW allocation will help support the manufacturing of transparent armor at the facility and will support regional economic development and
growth.

The following is a summary of pertinent provisions in the proposed contracts:

The contracts provide for the direct billing of all hydropower supply charges and all New York Independent System Operator, Inc. charges and taxes.

The contracts include customer agreed-upon commitments with respect to employment, capital investment and power utilization.

Under the contracts, the authority may reduce or terminate the allocations if employment, power utilization, or capital investment commitments are not met.

Relatedly, the contracts include 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 allocations.

The contracts provide for the companies to perform an energy audit at their facilities,
at least once within five years, helping to ensure that customers use the hydropower efficiently.

To address non-payment risk that could result from the direct billing arrangement, the contracts include commercially reasonable provisions concerning the Authority's ability to charge late payment fees and 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 contracts provide for collection of Zero Emission Credit charge and a Renewable Energy Credit charge to allow the Authority to recover costs it would incur relating to its purchase of Zero Emission Credits and Renewable Energy Credits attributable to the customer's load.

The contracts will address the allocations
along with the Authority's service Tariff
WNY-2, which specifies rates and other terms
applicable to other EP and RP allocations.

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

As Ms. Delince stated earlier, the
Authority will accept your comments on the
proposed contracts until the close of business
on Thursday, September 23rd, 2021. I will now
turn the hearing back to Ms. Delince.

MS. DELINCE: Thank you, Mr. Smith. At
this point, I would like to call on speakers
who have signed in. Mr. Smith, are there any
speakers present at your location who wish to
provide a statement?

MR. SMITH: There are none.

MS. DELINCE: In that case, we will recess
now and reconvene when speakers arrive.

(A recess was taken.)

MS. DELINCE: The September 22nd, 2021
public hearing on the proposed Customer
Contracts for the sale of hydropower to
Americold Real Estate, L.P., SGS Recovery,
LLC, Polymer Conversions, Inc., and Surmet
Ceramics Corporation is now officially closed.

As I previously stated, the record of the
hearing will remain open for additional
comments through close of business, Thursday,
September 23rd, 2021. Thank you and good
night.

(Hearing concluded at 5:54 p.m.)

*   *   *
STATE OF NEW YORK
COUNTY OF ERIE

I, Caroline J. Monte, Notary Public, in and for the County of Erie, State of New York, do hereby certify:

That the witness whose testimony appears hereinbefore was, before the commencement of their testimony, duly sworn to testify the truth, the whole truth and nothing but the truth; that said testimony was taken pursuant to notice at the time and place as herein set forth; that said testimony was taken down by me and thereafter transcribed into typewriting, and I hereby certify the foregoing testimony is a full, true and correct transcription of my shorthand notes so taken.

I further certify that I am neither counsel for nor related to any party to said action, nor in any way interested in the outcome thereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my seal this 14th day of October, 2021.

Caroline Monte
**Min-U-Script®**  
**METSCHL & ASSOCIATES**  
Buffalo: 716-856-1906  
Rochester: 585-697-0969

New York State Power Authority  
Public Hearing  
September 22, 2021

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>ability (1)</td>
<td>assembly (4)</td>
<td>arrive (1)</td>
</tr>
<tr>
<td>accept (1)</td>
<td>attributable (1)</td>
<td>13:21</td>
</tr>
<tr>
<td>access (2)</td>
<td>audit (1)</td>
<td>12:21</td>
</tr>
<tr>
<td>accordance (1)</td>
<td>Authorities (2)</td>
<td>11:23</td>
</tr>
<tr>
<td>acquisition (1)</td>
<td>Authority (7)</td>
<td>12:14;6:8;11:11,20;</td>
</tr>
<tr>
<td>address (2)</td>
<td>Authority's (6)</td>
<td>12:13;8;13:10</td>
</tr>
<tr>
<td>afternoon (2)</td>
<td>authorized (1)</td>
<td>3:2</td>
</tr>
<tr>
<td>agreed-upon (1)</td>
<td>authorizing (1)</td>
<td>9:23</td>
</tr>
<tr>
<td>Albany (1)</td>
<td>average (1)</td>
<td>11:18</td>
</tr>
<tr>
<td>allocate (1)</td>
<td>back (1)</td>
<td>13:13</td>
</tr>
<tr>
<td>allocated (2)</td>
<td>based (4)</td>
<td>6:19;7:20;8:17;</td>
</tr>
<tr>
<td>allocation (12)</td>
<td>below (1)</td>
<td>10:7</td>
</tr>
<tr>
<td>allocations (5)</td>
<td>billing (2)</td>
<td>11:18</td>
</tr>
<tr>
<td>allow (1)</td>
<td>bills (1)</td>
<td>11:5;12:5</td>
</tr>
<tr>
<td>along (1)</td>
<td>Board (1)</td>
<td>12:11</td>
</tr>
<tr>
<td>Americold (5)</td>
<td>Buffalo (3)</td>
<td>3:3;10:15</td>
</tr>
<tr>
<td>amount (2)</td>
<td>build (1)</td>
<td>7:5</td>
</tr>
<tr>
<td>annual (2)</td>
<td>building (1)</td>
<td>9:3</td>
</tr>
<tr>
<td>appear (1)</td>
<td>Business (4)</td>
<td>4:4;5;8;13:11;14:8</td>
</tr>
<tr>
<td>appeared (1)</td>
<td>businesses (2)</td>
<td>6:11,14</td>
</tr>
<tr>
<td>applicable (1)</td>
<td>call (1)</td>
<td>13:15</td>
</tr>
<tr>
<td>application (2)</td>
<td>capital (10)</td>
<td>6:21;7:11;22;8:9;</td>
</tr>
<tr>
<td>approval (1)</td>
<td>case (1)</td>
<td>13:20</td>
</tr>
<tr>
<td>approved (6)</td>
<td>cement (1)</td>
<td>9:8</td>
</tr>
<tr>
<td>armor (3)</td>
<td>Ceramics (2)</td>
<td>3:7;14:5</td>
</tr>
<tr>
<td>arrangement (1)</td>
<td>certain (1)</td>
<td>3:13</td>
</tr>
<tr>
<td>12:5</td>
<td>Chair (2)</td>
<td>3:20,22</td>
</tr>
<tr>
<td></td>
<td>charge (3)</td>
<td>12:8;17,18</td>
</tr>
<tr>
<td></td>
<td>charges (2)</td>
<td>11:5,7</td>
</tr>
<tr>
<td></td>
<td>Chautauqua (2)</td>
<td>6:14,16</td>
</tr>
<tr>
<td></td>
<td>Clean (2)</td>
<td>5:22;9:14</td>
</tr>
<tr>
<td></td>
<td>close (3)</td>
<td>5:7;13:11;14:8</td>
</tr>
<tr>
<td></td>
<td>closed (1)</td>
<td>14:5</td>
</tr>
<tr>
<td></td>
<td>collection (1)</td>
<td>12:16</td>
</tr>
<tr>
<td></td>
<td>comments (5)</td>
<td>4:16;5:7;9:13:10;</td>
</tr>
<tr>
<td></td>
<td>commercial (1)</td>
<td>12:6</td>
</tr>
<tr>
<td></td>
<td>Commission (1)</td>
<td>13:7</td>
</tr>
<tr>
<td></td>
<td>commitment (1)</td>
<td>11:20</td>
</tr>
<tr>
<td></td>
<td>commitments (6)</td>
<td>6:20;7:21;8:18;</td>
</tr>
<tr>
<td></td>
<td>Committee (2)</td>
<td>10:8;11:9;14</td>
</tr>
<tr>
<td></td>
<td>companies (1)</td>
<td>11:22</td>
</tr>
<tr>
<td></td>
<td>Company (4)</td>
<td>7:18;2:22;10:12</td>
</tr>
<tr>
<td></td>
<td>Company's (2)</td>
<td>10:18;11:17</td>
</tr>
<tr>
<td></td>
<td>completed (2)</td>
<td>4:12,17</td>
</tr>
<tr>
<td></td>
<td>complex (1)</td>
<td>8:4</td>
</tr>
<tr>
<td></td>
<td>compliance (2)</td>
<td>11:16,19</td>
</tr>
<tr>
<td></td>
<td>concerning (1)</td>
<td>12:7</td>
</tr>
<tr>
<td></td>
<td>concluded (1)</td>
<td>14:11</td>
</tr>
<tr>
<td></td>
<td>consider (1)</td>
<td>9:23</td>
</tr>
<tr>
<td></td>
<td>consideration (1)</td>
<td>4:19</td>
</tr>
<tr>
<td></td>
<td>considered (1)</td>
<td>9:17</td>
</tr>
<tr>
<td></td>
<td>consistent (1)</td>
<td>12:12</td>
</tr>
<tr>
<td></td>
<td>continue (1)</td>
<td>6:15</td>
</tr>
<tr>
<td></td>
<td>contract (2)</td>
<td>8:3;12:12</td>
</tr>
<tr>
<td></td>
<td>Contracts (21)</td>
<td>3:4,13;4:7,15,18;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5:18;6:1;11:3,4,8;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11:15,22;12:6,13,15;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16:23;13:11;14:2</td>
</tr>
<tr>
<td></td>
<td>conversion (1)</td>
<td>9:4</td>
</tr>
<tr>
<td></td>
<td>Conversions (3)</td>
<td>3:7;6:2;14:4</td>
</tr>
<tr>
<td></td>
<td>copy (1)</td>
<td>5:2</td>
</tr>
<tr>
<td></td>
<td>Corporate (2)</td>
<td>3:10;5:10</td>
</tr>
<tr>
<td></td>
<td>Corporation (3)</td>
<td>3:8;6:3;14:5</td>
</tr>
<tr>
<td></td>
<td>costs (3)</td>
<td>7:11;9:10;12:19</td>
</tr>
<tr>
<td></td>
<td>County (2)</td>
<td>6:14,16</td>
</tr>
<tr>
<td></td>
<td>cream (2)</td>
<td>7:7,9</td>
</tr>
<tr>
<td></td>
<td>create (4)</td>
<td>6:20;7:21;8:18;</td>
</tr>
<tr>
<td></td>
<td>creation (1)</td>
<td>10:8</td>
</tr>
<tr>
<td></td>
<td>Credit (2)</td>
<td>9:22</td>
</tr>
<tr>
<td></td>
<td>Credits (2)</td>
<td>12:17,18</td>
</tr>
<tr>
<td></td>
<td>Customer (4)</td>
<td>3:4;5;17;11:8;14:1</td>
</tr>
<tr>
<td></td>
<td>customers (1)</td>
<td>1:2</td>
</tr>
<tr>
<td></td>
<td>customer's (2)</td>
<td>12:9,22</td>
</tr>
<tr>
<td></td>
<td>December (1)</td>
<td>9:19</td>
</tr>
<tr>
<td></td>
<td>defense (1)</td>
<td>10:13</td>
</tr>
<tr>
<td></td>
<td>DELIENCE (9)</td>
<td>2:2;3:19;5:19;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13:9;13;14:20,23</td>
</tr>
<tr>
<td></td>
<td>delivery (3)</td>
<td>7:4;13:4,7</td>
</tr>
<tr>
<td></td>
<td>Department (1)</td>
<td>5:22</td>
</tr>
<tr>
<td></td>
<td>deposits (1)</td>
<td>12:9</td>
</tr>
<tr>
<td></td>
<td>details (1)</td>
<td>5:17</td>
</tr>
<tr>
<td></td>
<td>Development (6)</td>
<td>5:16;21;7:17;8:14;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10:4,23</td>
</tr>
<tr>
<td></td>
<td>device (1)</td>
<td>8:3</td>
</tr>
<tr>
<td></td>
<td>devices (2)</td>
<td>8:8,12</td>
</tr>
<tr>
<td></td>
<td>direct (3)</td>
<td>11:4;12:5,13</td>
</tr>
<tr>
<td></td>
<td>directly (1)</td>
<td>6:9</td>
</tr>
<tr>
<td></td>
<td>Director (2)</td>
<td>12:9,22</td>
</tr>
<tr>
<td></td>
<td>earlier (1)</td>
<td>13:9</td>
</tr>
<tr>
<td></td>
<td>Economic (6)</td>
<td>5:16;21;7:17;8:13;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10;3,23</td>
</tr>
<tr>
<td></td>
<td>efficiently (1)</td>
<td>12:3</td>
</tr>
<tr>
<td></td>
<td>electric (1)</td>
<td>10:20</td>
</tr>
<tr>
<td></td>
<td>e-mailed (1)</td>
<td>5:10</td>
</tr>
<tr>
<td></td>
<td>Emission (2)</td>
<td>12:17,20</td>
</tr>
<tr>
<td></td>
<td>employment (4)</td>
<td>11:9,13,18,20</td>
</tr>
<tr>
<td></td>
<td>encourage (1)</td>
<td>9:22</td>
</tr>
<tr>
<td></td>
<td>Energy (5)</td>
<td>5:22;9:14;11:23;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12;18,21</td>
</tr>
<tr>
<td></td>
<td>energy-producing (1)</td>
<td>9:1</td>
</tr>
<tr>
<td></td>
<td>Engineer (1)</td>
<td>7:7</td>
</tr>
<tr>
<td></td>
<td>Enterprises (1)</td>
<td>9:5,6</td>
</tr>
<tr>
<td></td>
<td>ensure (1)</td>
<td>12:2</td>
</tr>
<tr>
<td></td>
<td>EP (11)</td>
<td>6:10;13,18,23;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7:19;8:1;16,21;10:6;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11:13;3</td>
</tr>
<tr>
<td></td>
<td>equipment (3)</td>
<td>7:14;8;11:10:19</td>
</tr>
<tr>
<td></td>
<td>Estate (3)</td>
<td>3:6;6;2;14:3</td>
</tr>
<tr>
<td></td>
<td>evaluating (1)</td>
<td>10:1</td>
</tr>
<tr>
<td></td>
<td>Evaluation (2)</td>
<td>9:18,21</td>
</tr>
<tr>
<td></td>
<td>event (1)</td>
<td>12:9</td>
</tr>
<tr>
<td></td>
<td>executing (1)</td>
<td>3:13</td>
</tr>
<tr>
<td></td>
<td>expand (2)</td>
<td>8:6,10:15</td>
</tr>
<tr>
<td></td>
<td>Expansion (3)</td>
<td>6:10;9:2,11</td>
</tr>
<tr>
<td>Term</td>
<td>Page(s)</td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td>proposed</td>
<td>7:5;8;6:10:14</td>
<td></td>
</tr>
<tr>
<td>providing</td>
<td>9:1</td>
<td></td>
</tr>
<tr>
<td>provide</td>
<td>5:16;11:4:22; 12:16;13:18</td>
<td></td>
</tr>
<tr>
<td>provided</td>
<td>3:16;6:13:13:5</td>
<td></td>
</tr>
<tr>
<td>provides</td>
<td>8:22</td>
<td></td>
</tr>
<tr>
<td>provisions</td>
<td>11:3;12:7:12</td>
<td></td>
</tr>
<tr>
<td>public</td>
<td>3:2;11:4:6:10:16; 6:7;13:7;14:1</td>
<td></td>
</tr>
<tr>
<td>purchase</td>
<td>7:12;9:11:12:20</td>
<td></td>
</tr>
<tr>
<td>rates</td>
<td>13:2</td>
<td></td>
</tr>
<tr>
<td>Real</td>
<td>3:5;6:1;14:3</td>
<td></td>
</tr>
<tr>
<td>reasonable</td>
<td>12:6</td>
<td></td>
</tr>
<tr>
<td>recess</td>
<td>13:20;22</td>
<td></td>
</tr>
<tr>
<td>Recharge</td>
<td>12:14</td>
<td></td>
</tr>
<tr>
<td>reconsider</td>
<td>4:15</td>
<td></td>
</tr>
<tr>
<td>reconvene</td>
<td>13:21</td>
<td></td>
</tr>
<tr>
<td>record</td>
<td>5:4;6:14:6</td>
<td></td>
</tr>
<tr>
<td>recover</td>
<td>12:19</td>
<td></td>
</tr>
<tr>
<td>Recovery</td>
<td>3:6;6:3:14:3</td>
<td></td>
</tr>
<tr>
<td>recycling</td>
<td>9:4</td>
<td></td>
</tr>
<tr>
<td>recycling</td>
<td>8:23</td>
<td></td>
</tr>
<tr>
<td>reduce</td>
<td>11:12:21</td>
<td></td>
</tr>
<tr>
<td>reflects</td>
<td>7:11:9:10</td>
<td></td>
</tr>
<tr>
<td>refrigerated</td>
<td>7:6;16</td>
<td></td>
</tr>
<tr>
<td>Regarding</td>
<td>6:6</td>
<td></td>
</tr>
<tr>
<td>regional</td>
<td>7:17:8;13:10:4:23</td>
<td></td>
</tr>
<tr>
<td>related</td>
<td>7:12:9:10</td>
<td></td>
</tr>
<tr>
<td>Relatedly</td>
<td>11:15</td>
<td></td>
</tr>
<tr>
<td>relating</td>
<td>12:19</td>
<td></td>
</tr>
<tr>
<td>remain</td>
<td>5:6;14:7</td>
<td></td>
</tr>
<tr>
<td>renewable</td>
<td>9:15;12:17:21</td>
<td></td>
</tr>
<tr>
<td>Replacement</td>
<td>6:11</td>
<td></td>
</tr>
<tr>
<td>reporting</td>
<td>11:16</td>
<td></td>
</tr>
<tr>
<td>require</td>
<td>12:8</td>
<td></td>
</tr>
<tr>
<td>required</td>
<td>3:2</td>
<td></td>
</tr>
<tr>
<td>requirement</td>
<td>11:16</td>
<td></td>
</tr>
<tr>
<td>requires</td>
<td>3:15</td>
<td></td>
</tr>
<tr>
<td>respect</td>
<td>11:9</td>
<td></td>
</tr>
<tr>
<td>result</td>
<td>12:5</td>
<td></td>
</tr>
<tr>
<td>review</td>
<td>4:18</td>
<td></td>
</tr>
<tr>
<td>Richard</td>
<td>5:2;15:20</td>
<td></td>
</tr>
<tr>
<td>risk</td>
<td>12:4</td>
<td></td>
</tr>
<tr>
<td>RP</td>
<td>6:11;13:3</td>
<td></td>
</tr>
<tr>
<td>runs</td>
<td>7:1</td>
<td></td>
</tr>
<tr>
<td>sale</td>
<td>3:5;6:4;12:13:14:2</td>
<td></td>
</tr>
<tr>
<td>sale-for-resale</td>
<td>6:9</td>
<td></td>
</tr>
<tr>
<td>sales</td>
<td>12:14</td>
<td></td>
</tr>
<tr>
<td>Secretory</td>
<td>3:10;5:10</td>
<td></td>
</tr>
<tr>
<td>Secretary</td>
<td>3:10;5:10</td>
<td></td>
</tr>
<tr>
<td>Secretary office@nypagov</td>
<td>5:13</td>
<td></td>
</tr>
<tr>
<td>Section</td>
<td>3:12:4:14:6:7</td>
<td></td>
</tr>
<tr>
<td>security</td>
<td>10:14</td>
<td></td>
</tr>
<tr>
<td>sell</td>
<td>6:9</td>
<td></td>
</tr>
<tr>
<td>Senate</td>
<td>3:19;19</td>
<td></td>
</tr>
<tr>
<td>Senate's</td>
<td>3:18</td>
<td></td>
</tr>
<tr>
<td>sent</td>
<td>3:17</td>
<td></td>
</tr>
<tr>
<td>Sentinel</td>
<td>4:4</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>5:8;13:12:23;14:9</td>
<td></td>
</tr>
<tr>
<td>service</td>
<td>13:1;4:7:8</td>
<td></td>
</tr>
<tr>
<td>set</td>
<td>4:13</td>
<td></td>
</tr>
<tr>
<td>sets</td>
<td>3:12</td>
<td></td>
</tr>
<tr>
<td>SGS</td>
<td>3:6;6:2;8:17:14:3</td>
<td></td>
</tr>
<tr>
<td>SGS's</td>
<td>9:17;10:3</td>
<td></td>
</tr>
<tr>
<td>shall</td>
<td>6:15</td>
<td></td>
</tr>
<tr>
<td>sheet</td>
<td>4:23</td>
<td></td>
</tr>
<tr>
<td>shipments</td>
<td>7:10</td>
<td></td>
</tr>
<tr>
<td>shredders</td>
<td>9:12</td>
<td></td>
</tr>
<tr>
<td>signed</td>
<td>13:16</td>
<td></td>
</tr>
<tr>
<td>significantly</td>
<td>8:6</td>
<td></td>
</tr>
<tr>
<td>sign-in</td>
<td>4:23</td>
<td></td>
</tr>
<tr>
<td>site</td>
<td>7:6</td>
<td></td>
</tr>
<tr>
<td>Solutions</td>
<td>5:22;9:1</td>
<td></td>
</tr>
<tr>
<td>Speaker</td>
<td>3:20</td>
<td></td>
</tr>
<tr>
<td>SPEAKERS</td>
<td>2:1;13:15;17;21</td>
<td></td>
</tr>
<tr>
<td>specializes</td>
<td>8:3</td>
<td></td>
</tr>
<tr>
<td>specifies</td>
<td>13:2</td>
<td></td>
</tr>
<tr>
<td>square-foot</td>
<td>9:3</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>3:3;11</td>
<td></td>
</tr>
<tr>
<td>stated</td>
<td>13:9;14:6</td>
<td></td>
</tr>
<tr>
<td>statement</td>
<td>4:21;5:1;13:18</td>
<td></td>
</tr>
<tr>
<td>statements</td>
<td>5:3;5</td>
<td></td>
</tr>
<tr>
<td>step</td>
<td>4:13</td>
<td></td>
</tr>
<tr>
<td>storage</td>
<td>7:2;3;16</td>
<td></td>
</tr>
<tr>
<td>store</td>
<td>7:9</td>
<td></td>
</tr>
<tr>
<td>Street</td>
<td>5:11</td>
<td></td>
</tr>
<tr>
<td>Subsection</td>
<td>6:8</td>
<td></td>
</tr>
<tr>
<td>substitute</td>
<td>9:7</td>
<td></td>
</tr>
<tr>
<td>summary</td>
<td>5:23;11:2</td>
<td></td>
</tr>
<tr>
<td>statements</td>
<td>10:20</td>
<td></td>
</tr>
<tr>
<td>Surmet</td>
<td>5:13</td>
<td></td>
</tr>
<tr>
<td>T</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tariff</td>
<td>13:1</td>
<td></td>
</tr>
<tr>
<td>tariffs</td>
<td>13:8</td>
<td></td>
</tr>
<tr>
<td>taxes</td>
<td>11:7</td>
<td></td>
</tr>
<tr>
<td>Temp</td>
<td>3:18</td>
<td></td>
</tr>
<tr>
<td>temperature-controlled</td>
<td>7:2</td>
<td></td>
</tr>
<tr>
<td>term</td>
<td>6:19;7:20:8:17; 10:7</td>
<td></td>
</tr>
<tr>
<td>terminate</td>
<td>11:12</td>
<td></td>
</tr>
<tr>
<td>terms</td>
<td>13:2</td>
<td></td>
</tr>
<tr>
<td>Therefore</td>
<td>3:17</td>
<td></td>
</tr>
<tr>
<td>thermoplastic</td>
<td>8:4</td>
<td></td>
</tr>
<tr>
<td>threshold</td>
<td>11:17;19</td>
<td></td>
</tr>
<tr>
<td>Thursday</td>
<td>5:8;13;12;14:8</td>
<td></td>
</tr>
<tr>
<td>Times-Union</td>
<td>4:5</td>
<td></td>
</tr>
<tr>
<td>today</td>
<td>5:23</td>
<td></td>
</tr>
<tr>
<td>today's</td>
<td>4:8</td>
<td></td>
</tr>
<tr>
<td>transcript</td>
<td>4:11</td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>13:4</td>
<td></td>
</tr>
<tr>
<td>transparent</td>
<td>10:13;16:22</td>
<td></td>
</tr>
<tr>
<td>turn</td>
<td>13:13</td>
<td></td>
</tr>
<tr>
<td>two</td>
<td>12:10</td>
<td></td>
</tr>
<tr>
<td>U</td>
<td></td>
<td></td>
</tr>
<tr>
<td>under</td>
<td>6:7:9:17;11:11</td>
<td></td>
</tr>
<tr>
<td>up</td>
<td>4:1</td>
<td></td>
</tr>
<tr>
<td>upgrades</td>
<td>10:20</td>
<td></td>
</tr>
<tr>
<td>use</td>
<td>5:3</td>
<td></td>
</tr>
</tbody>
</table>

Min-U-Script®
Date: December 7, 2021

To: THE TRUSTEES and CANAL CORPORATION BOARD OF DIRECTORS

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions and/or Additional Funding

SUMMARY

The Trustees and Board of Directors ("Board") are requested to approve, as applicable, the award and funding of the multiyear procurement (services) contracts listed in Exhibit “A,” 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 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 not to exceed $6 million.

DISCUSSION

Awards

The Trustees and Board are requested to approve the award and funding of the multiyear procurement (services) contracts, as applicable, listed in Exhibit “A,” 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 in Exhibit “B” 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 in Exhibit “B” 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:**

**Information Technology – Digital Service Delivery**

Due to the need to meet and maintain the Authority’s project schedule, the proposed personal services contract with **Cognizant Technology Solutions US Corporation (“Cognizant”) (Q21-7176JH)**, for IT Asset Management (ITAM) services became effective November 22, 2021, with an interim award amount of $850,000 subject to Trustee ratification which is hereby requested, in accordance with the Authority’s Guidelines for Procurement Contracts and EAP’s. Information Technology (IT) is seeking to implement an IT Service Management (ITSM) tool with ITAM capabilities which would provide subscription to and implementation of the ServiceNow solution. The new tool will replace our current ITSM tool (Footprints) with the objective of implementing best practices, improving service, enhancing productivity, automating processes, and deploying self-service. The new tool also includes robust ITAM functionality to facilitate IT Asset Management. The new ITAM tool will provide improved visibility of IT assets and facilitate the necessary information to provide governance to ensure NYPF is compliant with software licensing agreements and maintenance contracts. In addition, IT requires ITAM Managed Services to be able to implement proper IT Asset Management operations leveraging the new tool. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Fifty-seven firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Seven proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to Cognizant which is technically and commercially qualified. The $7,651,089 award is for a term of three years.
Operations – Engineering

The proposed non-personal services contract with Test Products, Inc. ("TPI") (Q21-7159DKT), would provide Battery Testing services. The purpose of this contract is to provide capacity testing of station batteries and associated chargers located in power generating stations and switching stations owned and/or operated by the Authority. The battery systems to be tested are multi-cell systems of 25 – 250 Volts for use as an emergency DC power supply. Capacities range up to 3900 amp-hour at the eight-hour rate. Testing is to be done to determine the physical, chemical, and electrical condition of the equipment as well as the available capacity of the battery. All testing shall be in accordance with the latest issue of IEEE 450, 1188 or 1106 as applicable. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Nine firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Two proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to TPI which is technically and commercially qualified. The $1 million award is for a term of five years.

Operations – General Maintenance

The proposed non-personal services contract with S&S Sanitation and Excavation, Inc. ("S&SE") (S21-1691MW), would provide septic and holding tank pumping service for the St. Lawrence / FDR project. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Four firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. One proposal was received electronically via Ariba and was evaluated. Staff recommends the award of contract to S&SE which is lowest-priced and technically and commercially qualified. The $95,000 award is for a term of three years.

Operations – Mechanical Maintenance

The proposed non-personal services contract with D.C.B. Elevator Company, Inc. ("DCB") (N21-20160385GJ), would provide elevator and escalator maintenance and repair at the Niagara Power Project. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Four firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Three proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to DCB which is lowest-priced and technically and commercially qualified. The $712,000 contract is for a term of four years, starting on or about January 1, 2022. DCB is a NYS certified Women-owned Business Enterprise.

Operations – Mechanical Maintenance

The proposed non-personal services contract with TK Elevator Corporation (fka Thyssenkrupp Elevator Corporation ("TK Elevator") (S21-2080MW), would provide elevator and escalator maintenance and inspection services at the St. Lawrence Power Project. The effort is in accordance with NYS Building Code, ASME A17.1 and follows NYS OGS contract number 71004, award number 22913. Effective January 1, 2022, a new NY State law requiring a certified elevator and escalator technician to perform work on any elevator or escalator will go into effect. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Four firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Two proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to TK Elevator which is lowest-priced and technically and commercially qualified. The $158,400 award is for a term of three years.
Operations – Power Supply

The proposed non-personal services contract with BRG Machinery Consulting LLC (“BRG”) (A21-002573DW), would provide Rotary Machinery and Compressor services for the Authority’s South East New York (SENY) facilities. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Three firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. One proposal was received electronically via Ariba and was evaluated. Staff recommends the award of contract to BRG which is technically and commercially qualified. The $3 million award is for a term of five years. BRG is a Small Business Enterprise.

Operations – Power Supply

The proposed non-personal services contracts with Timken Motor & Crane Services LLC dba Schulz Electric (“Schulz”) and Longo Electrical-Mechanical, Inc. (“LEM”), (A21-002582DW), the incumbent vendor with a currently active contract, would provide Motor Repair and Inspection services for the Authority’s South East New York (SENY) facilities. The SENY power plants continued operation requires the function of various motors across the plants. The variety of motors have several different manufacturers and are swapped regularly during scheduled outages. Maintenance performed includes motor rewinds, repairs, inspection, and balancing. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Three firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Two proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contracts to LEM and Schulz which are technically and commercially qualified and meet the bid requirements based on “best value”, which optimizes quality, cost, and efficiency among responsive and responsible offerors. These aggregate awards in the amount of $5 million are for a term of five years. LEM and Schulz are Small Business Enterprises.

Operations – Project Management Western NY

Due to the need to meet and maintain the Authority’s project schedule, the proposed construction services contract with Pyott Boone Electronics (“PBE”) (4500336615), for Radio Communication System Enhancement became effective November 1, 2021, with an interim award amount of $125,000, subject to Trustee ratification which is hereby requested, in accordance with the Authority’s Guidelines for Procurement Contracts and EAP’s. The Radio Communication System Enhancement project will enhance and expand the existing radio repeater communication system to bring the Niagara (NIA) site to 100% coverage, including operational areas of the Robert Moses Power Plant (RMPP), Lewiston Pump Generating Plant (LPGP) and the interconnecting tunnels. Much of the RMPP and LPGP sites are comprised of concrete and steel, which attenuates service signals. This project will ensure improved and complete coverage for NYPA-issued cell phones and for the Niagara County first responders to increase safety, communication, and efficiency. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Ten firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Two proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to PBE which is technically and commercially qualified. The $1,337,903.12 award is for a term of three years. PBE is a Small Business Enterprise.

Operations – Site Administration St. Lawrence

The proposed non-personal services contract with West Parishville Metals LLC (“WPM”) (S21-9179MW), would provide scrap metal and copper disposal services agreement for the St. Lawrence Power Project. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Nine firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Three proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to WPM which is technically and commercially qualified. The zero-dollar award is for a term of three years.
Canal Corporation Contract Awards in Support of Business Units/Departments and Facilities:

**Operations – Operation Support Services**

Due to the need to meet and maintain the project schedule, the proposed personal services contracts with Greenman-Pedersen, Inc. (“Greenman-Pedersen”) (4700000094), and Henningson, Durham & Richardson P.C. (“HD&R”) (4700000095), for necessary engineering inspections and evaluations of raised, water-impounding canal embankments became effective October 20, 2021, with an interim award amount of $300,000, subject to Trustee ratification which is hereby requested, in accordance with the Authority’s Guidelines for Procurement Contracts and EAP’s. The proposed contracts with Greenman-Pedersen, HD&R, Bergmann Associates, Architects, Engineers, Landscape Architects & Surveyors, D.P.C. (“Bergmann”) and WSP USA, Inc. (“WSP”) (K21-10317906CC) would provide Canal Embankment Inspection Services. The Canal Corporation (Corporation) operates an inland waterway traversing 524 miles across the State of New York that connects the Hudson River with Lake Champlain, Oneida Lake, Lake Ontario, Cayuga Lake, Seneca Lake and Lake Erie via the Niagara River. A large portion of the Canal system is impounded by earthen embankments; approximately 225 discreet embankments have been identified and mapped in recent years and more are being added. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Twenty-nine firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Twelve proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contracts to Bergmann, Greenman-Pedersen, HD&R and WSP which are technically and commercially qualified. The aggregate awards in the amount of $5 million are for a term of five years. HD&R and WSP are Small Business Enterprises.

**Authority Extensions and/or Additional Funding Requests:**

**Human Resources & Administration – Digital Warehouse**

On December 1, 2015, the Authority issued a six-year non-personal services contract to CitySide Archives LTD (“CSA”) (4500267484) in the amount of $600,650 for off-site Record Storage services with a term ending on November 30, 2021. Staff is currently evaluating proposals for a new contract and requests interim approval from December 1, 2021, through December 7, 2021 as well as Trustee approval for a two-month extension through January 31, 2022. This extension is necessary to ensure uninterrupted service while a new contract is being completed. No additional funding is being requested at this time. CSA is a Small Business Enterprise.

**Information Technology – Critical Secure Services & CISCO**

On January 1, 2016, Trustees approved a five-year non-personal services contract to Center for Internet Security, Inc. (“CIS”) (4600003122) in the amount of $5.2 million for Managed Security services a term from March 7, 2016 through March 6, 2021. The Vice President of Strategic Supply Management approved a grace period from March 7, 2021 to March 6, 2022. Staff requests Trustee approval for an additional extension from March 7, 2022, through February 28, 2023 with no additional funding. The Authority requires ongoing Managed Security Services for 24/7 Cyber Security Monitoring across various functional areas, including but not limited to Information Technology (IT) and Operations Technology (OT) networks. The following functional areas where the Authority requires Managed Security services for monitoring include the Authority’s firewalls, intrusion detection systems, routers, switches, network devices, and various server or client endpoint computers. In addition to monitoring, the Authority needs the ability to be notified of events deemed potentially malicious for both Cyber Security and NERC Critical Infrastructure Protection (CIP) regulatory compliance requirements and this qualifying vendor has the appropriate expertise in this area. No additional funding is being requested at this time. CIS is a Small Business Enterprise.
Operations – Clean Energy Solutions

On August 27, 2018, the Authority issued five-year personal services contracts to Arcadis of New York, Inc. (“Arcadis”) (4600003499), Burns & McDonnell Consultants, Inc. dba Burns & McDonnell Consultants PC (“Burns”) (4600003509), Toll International LLC (“Toll”) (4600003507) and Turner & Townsend AMCL, Inc. (“Turner”) (4600003500) in the aggregate amount of $3 million for the Primavera Consultant Support services. The contractors provide on-call Oracle Primavera consulting services in support of the Authority’s Energy Efficiency Programs. These contracts expire on August 26, 2023. Staff requests Trustee approval for additional funding in the aggregate amount of $1.8 million to support the Authority’s Primavera Optimization and Implementation efforts including planning and scheduling services, transition of software platform assessment and improvement, and Primavera development, reporting, training and documentation support. Burns, Toll and Turner are Small Business Enterprises and Toll is a Minority-Owned Business Enterprise.

Canal Corporation Extensions and/or Additional Funding Requests:

Operations – Reimagine Canals

On November 24, 2020, the Authority issued a non-personal services contract to New York State Marine Highway Transportation LLC (“NYS MHT”) (4400005309) in the amount of $848,402 for ice breaker/ice breaking tug and crew suitable for ice breaking operations on the New York State Canal System; specifically, between Lock E7 and Lock E8. The Schenectady region of the Mohawk River has a long history of damaging ice jams and ice jam related flooding. A key element of the Reimagine the Canals resilience program is to mitigate ice jam formation and ice jam flooding in this region. The utilization of an ice breaker tug is a key component of this mitigation. The contracting of this service is necessary because the Canal Corporation presently does not own the necessary equipment to execute the initiative. Staff requests interim approval from November 24, 2021, through December 7, 2021, as well as Trustee approval for the four-year extension of the NYS MHT contract through December 31, 2025. The cost of extending this contract through 2025 is $5,000,000. NYS MHT is a Small Business Enterprise.

Operations – Project Management

On August 30, 2019, the Authority issued a 16-month construction services contract to CCI Companies Inc. (“CCI”) (4400004343) in the amount of $8,331,831.10 for the construction of a Canalway Trail from the City of Utica to Dyke Road in the Town of Schuyler with a pedestrian bridge, railing, signage, amenities and landscaping. Due to an Oneida County sewer project that required access and involved major construction, the contract was delayed and a grace period through November 30, 2021, as well as additional funds of $990,000.00, was granted. The County project experienced delays which, in turn, impacted the completion of the Canalway Trail; namely, completion of turf establishment and minor associated work. Staff requests interim approval from December 1, 2021 through December 7, 2021, as well as Trustee approval for a seven month extension through June 30, 2022. No additional funding is requested at this time. CCI is a Small Business Enterprise.

FISCAL INFORMATION

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2021 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 – Operations Support Services and Chief Engineer; the Senior Vice President – Power Supply; the Senior Vice President – Project Delivery; the Senior Vice President – Clean Energy Solutions; the Senior Vice President – Chief Information & Technology Officer; the Vice President – Strategic Supply Management; the Vice President – Chief Risk & Financial Officer; the Vice President – Chief Information Security Officer; the Vice President – Engineering; the Vice President – Digital Services Delivery; the Vice President – O&M Services & Technical Compliance; the Vice President – Project & Construction Management; the Regional Manager & CTO; the Regional Manager of SENY; the Regional Manager of St. Lawrence; recommend that the Trustees and Board approve the award of multiyear procurement (services) and other contracts to the companies listed in Exhibit “A,” and the extension and/or funding of the procurement (services) contracts listed in Exhibit “B,” 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
Interim President and Chief Executive Officer
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 set forth in Exhibit “A,” attached hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing memorandum of the Interim 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 listed in Exhibit “B,” attached hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim 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 Interim Executive Vice President and General Counsel.
### Proc Awards Exh A

#### Procurement (Services) and Other Contracts – NYPA Awards

*(For Description of Contracts See “Discussion”)*

<table>
<thead>
<tr>
<th>Plant Site</th>
<th>Company Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis¹ Contract Type²</th>
<th>Compensation Limit</th>
<th>Expected Expenditures For Life Of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYPAT - INFORMATION TECHNOLOGY - DIGITAL SERVICE DELIVERY</td>
<td>COGNIZANT TECHNOLOGY SOLUTIONS US CORPORATION (Q21-7176JH)</td>
<td>11/22/21</td>
<td>Provide Subscription to and implementation of the ServiceNow Solution, an IT Service Management (ITSM) tool with IT Asset Management (ITAM)</td>
<td>12/09/24</td>
<td>B/P</td>
<td>$850,000</td>
<td>$7,651,089*</td>
</tr>
<tr>
<td>OPERATIONS – TECHNOLOGY</td>
<td>TEST PRODUCTS, INC. Exton, PA (Q21-7159DKT)</td>
<td>12/07/21 (on or about)</td>
<td>Provide Battery Testing services</td>
<td>12/06/26</td>
<td>B/S</td>
<td></td>
<td>$1 million*</td>
</tr>
<tr>
<td>OPERATIONS – GENERAL MAINTENANCE</td>
<td>S&amp;S SANITATION AND EXCAVATION, INC. Malone, NY (S21-1691MW)</td>
<td>12/07/21 (on or about)</td>
<td>Provide Septic and Holding Tank Pumping service agreement for the St. Lawrence / FDR Project</td>
<td>12/06/24</td>
<td>B/S</td>
<td></td>
<td>$95,000*</td>
</tr>
<tr>
<td>OPERATIONS – MECHANICAL MAINTENANCE</td>
<td>D.C.B. ELEVATOR COMPANY, INC. Lewiston, NY (N21-20160385GJ)</td>
<td>01/01/22</td>
<td>Provide Elevator and Escalator Maintenance and repair at the Niagara Power Project</td>
<td>12/31/25</td>
<td>B/S</td>
<td></td>
<td>$712,000*</td>
</tr>
<tr>
<td>OPERATIONS – MECHANICAL MAINTENANCE</td>
<td>T.K. ELAVATOR CORPORATION (fka THYSSENKRUPP ELEVATOR CORPORATION) Carol Stream, IL (S21-2080MW)</td>
<td>12/07/21 (on or about)</td>
<td>Provide Elevator and Escalator Maintenance and inspection services at the St. Lawrence Power Project</td>
<td>12/06/24</td>
<td>B/S</td>
<td></td>
<td>$158,400*</td>
</tr>
<tr>
<td>OPERATIONS – POWER SUPPLY</td>
<td>BRG MACHINERY POWER CONSULTING LLC North Garden, VA (A21-002573DW)</td>
<td>12/07/21 (on or about)</td>
<td>Provide Rotary Machinery and Compressor services for the Authority’s SENY facilities</td>
<td>12/06/26</td>
<td>B/S</td>
<td></td>
<td>$3 million*</td>
</tr>
</tbody>
</table>

### Notes:

1. Award Basis: B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search
2. Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

*Note: represents total for up to 3-year term. Interim requested 11/1/21 – 12/7/21 and $850,000.00.

*Note: represents total for up to 5-year term.
<table>
<thead>
<tr>
<th>Plant Site</th>
<th>Company Name</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Award Basis</th>
<th>Contract Type</th>
<th>Compensation Limit</th>
<th>Amount Expended To Date</th>
<th>Expected Expenditures For Life Of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATIONS - POWER SUPPLY</td>
<td>A21-002582DW – 2 Vendors</td>
<td>12/07/21 (on or about)</td>
<td>Provide Motor Repair and Inspection services for the Authority’s SENY facilities</td>
<td>B/S</td>
<td></td>
<td></td>
<td></td>
<td>$5 million*</td>
</tr>
<tr>
<td></td>
<td>1. LONGO ELECTRICAL-MECHANICAL, INC. Wharton, NJ</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. TIMKEN MOTOR &amp; CRANE SERVICES LLC dba SCHULZ ELECTRIC Dallas, TX</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*Note: represents total aggregate for up to 5-year term</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATIONS – PROJECT ELECTRONICS MANAGEMENT WESTERN NY</td>
<td>PYOTT BOONE ELECTRONICS North Tazewell, VA (4500336615)</td>
<td>11/01/21</td>
<td>Provide Radio Communication System Enhancement</td>
<td>B/C</td>
<td></td>
<td>$125,000</td>
<td>$1,337,903.12*</td>
<td>*Note: represents total for up to 3-year term; Interim requested for November 1, 2021 start and $125,000 amount</td>
</tr>
<tr>
<td>OPERATIONS – SITE ADMINISTRATION ST. LAWRENCE</td>
<td>WEST PARISHVILLE METALS LLC Potsdam, NY (S21-9179MW)</td>
<td>12/07/21 (on or about)</td>
<td>Provide Scrap Metal and Copper Disposal services</td>
<td>B/S</td>
<td></td>
<td></td>
<td></td>
<td>$0.00*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Award Basis: B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search
2. Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

M / WBE: New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)
### Proc Awards Exh A

**Procurement (Services) and Other Contracts – NYPA Awards**

*(For Description of Contracts See "Discussion")*

**EXHIBIT "A"**

December 7, 2021

<table>
<thead>
<tr>
<th>Plant Site</th>
<th>Company Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis¹</th>
<th>Compensation Limit</th>
<th>Amount Expended To Date</th>
<th>Expected Expenditures For Life Of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANALS - OPERATIONS - OPERATION SUPPORT SERVICES</td>
<td>K21-10317906CC -- 4 Vendors</td>
<td>12/07/21 (on or about)</td>
<td>Provide Canal Embankment Inspection services</td>
<td>12/06/26</td>
<td>B/P</td>
<td>$5 million*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATIONS - OPERATION SUPPORT SERVICES</td>
<td>1. BERGMANN ASSOCIATES, ARCHITECTS, ENGINEERS, LANDSCAPE ARCHITECTS &amp; SURVEYORS, D.P.C. Rochester, NY</td>
<td>10/20/21</td>
<td>Provide Engineering Inspections and Evaluations of raised, water-impounding Canal embankments</td>
<td>10/19/26</td>
<td>$300,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. WSP USA, INC. New York, NY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. GREENMAN-PEDERSEN, INC. Babylon, NY (4400006145)</td>
<td>10/20/21</td>
<td>Provide Engineering Inspections and Evaluations of raised, water-impounding Canal embankments</td>
<td>10/19/26</td>
<td>$300,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. HENNINGSON, DURHAM &amp; RICHARDSON P.C. Omaha, NE (4400006144)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: represents total aggregate for up to 5-year term; Interim requested for October 20, 2021 start and $300,000 amount for Greenman-Pedersen and Henningson, Durham & Richardson

---

**M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)

1. **Award Basis:** B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search
2. **Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

Page 3 of 3
<table>
<thead>
<tr>
<th>Plant Site/Bus. Unit</th>
<th>Company Name</th>
<th>Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis</th>
<th>Contract Type</th>
<th>Compensation Limit</th>
<th>Authorized Amount</th>
<th>Authorized Expenditures For Life Of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NYPA –</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CITYSIDE ARCHIVES LLC</td>
<td>12/01/15</td>
<td>Provide Record Storage services</td>
<td>01/31/22</td>
<td>B/S</td>
<td>$500,000</td>
<td>$600,650*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HUMAN RESOURCES &amp; ADMINISTRATION - DIGITAL WAREHOUSE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RESOURCES &amp; ADMINISTRATION - DIGITAL WAREHOUSE</td>
<td>01/01/16</td>
<td>Provide for Managed Security services</td>
<td>02/28/23</td>
<td>B/S</td>
<td>$3,739,115.48</td>
<td>$5,200,000*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CENTER FOR INTERNET SECURITY, INC.</td>
<td>01/01/16</td>
<td>Provide for Managed Security services</td>
<td>02/28/23</td>
<td>B/S</td>
<td>$3,739,115.48</td>
<td>$5,200,000*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>INFORMATION TECHNOLOGY - CRITICAL SECURE SERVICES &amp; CISCO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operations Clean Energy and Solutions</strong></td>
<td>Q18-6431JR – 4 Vendors</td>
<td>08/27/18</td>
<td>Provide Primavera Consultant support Services</td>
<td>08/26/23</td>
<td>B/P</td>
<td>$1,296,626.00</td>
<td>$4.8 million*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. ARCADIS OF NEW YORK, INC.</td>
<td>Highlands Ranch, CO</td>
<td>(4600003499)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,296,626.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. BURNS &amp; MCDONNELL CONSULTANTS, INC. dba BURNS &amp; MCDONNELL CONSULTANTS PC</td>
<td>Kansas City, MO</td>
<td>(4600003509)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. TOLL INTERNATIONAL LLC</td>
<td>New York, NY</td>
<td>(4600003507)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,037,162.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. TURNER &amp; TOWNSEND AMCL, INC.</td>
<td>New York, NY</td>
<td>(4600003500)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$588,538.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: represents total for up to 6-year and 2-months term; including a 2-month extension thru January 31, 2022; No additional funding.

*Note: represents total for up to 7-year and 2-month term including a 1-year extension thru February 28, 2023; no additional funding.

*Note: represents total aggregate for up to 5-year term; including additional funding of $1.8 million

**M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)

1. Award Basis: B= Competitive Bid; C= Competitive Search; S= Sole Source; Si = Single Source
2. Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; L= Legal Service
<table>
<thead>
<tr>
<th>Plant Site/Bus. Unit</th>
<th>Company Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis1</th>
<th>Compensation Limit</th>
<th>Amount Expended To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANAL – OPERATIONS – REIMAGINE CANALS</td>
<td>NEW YORK STATE MARINE HIGHWAY TRANSPORTATION LLC Troy, NY (4400005309)</td>
<td>11/24/20</td>
<td>Provide ice breaking along the Mohawk River from Vischer Ferry Dam through Lock E-8 to occur each winter as part of the Reimagine the Canals Ice Jam Mitigation Project</td>
<td>12/31/25</td>
<td>B/S</td>
<td>.</td>
<td>$5,848,402*</td>
</tr>
<tr>
<td>OPERATIONS – PROJECT MANAGEMENT</td>
<td>CCI COMPANIES INC MARINE HIGHWAY TRANSPORTATION LLC Canastota, NY (4400004343)</td>
<td>8/30/19</td>
<td>Construction of 3.7 mile Canalway Trail from Utica to Dyke Road in Town of Schuyler</td>
<td>6/30/22</td>
<td>B/C</td>
<td>.</td>
<td>$9,321,831.10*</td>
</tr>
</tbody>
</table>

1 Award Basis: B= Competitive Bid; C= Competitive Search; S= Sole Source; Si = Single Source
2 Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; L= Legal Service

*Note: represents a 5-year term; 4-year extension thru December 31, 2025, including interim approval from November 24, 2021 thru December 7, 2021; Additional funding of $5 million

*Note: represents a 26-month term including 7 month extension thru June, 30, 2022, including interim approval from December 1, 2021 thru December 7, 2021; No additional funding
SUMMARY

The Directors are requested to approve the transfer of ownership of a fountain, motor, transformer, display aerator nozzle, cable assemblies, lights, and lighting cable cord (collectively “fountain”) to the Town of Seneca Falls, New York (“Town”). The fountain was purchased by the New York Canal Corporation (“Canal Corporation”) approximately one year ago. The less than fair market transfer of the fountain will permit the Town to operate the fountain in Seneca Falls for special events such as the centennial of women’s suffrage. Although the Canal Corporation originally purchased and assisted with a portion of the fountain setup for the women’s suffrage event held in September 2020, the Canal Corporation does not have the resources available to provide this service in the future. Disposal of the fountain to the Town also reduces liability risk to the Canal Corporation.

BACKGROUND

The Canal Corporation acquired and owns a fountain that was purchased exclusively for an event in Seneca Falls in September 2020 commemorating the centennial of women’s suffrage. The fountain was installed by a distributor of the fountain, with some setup performed by the Canal Corporation. The Town wishes to use the fountain for future events and has Town staff available for setup and operation. By letter dated August 2, 2021, the Town has requested a zero cost (less than fair market) transfer of the fountain, noting the benefit primarily serves the Town, and the Town’s financial inability to acquire a similar fountain.

Title 5-A of Article 9 of the Public Authorities Law (the ‘Act’) and the Canal Corporation’s Guidelines for the Disposal of Personal Property (the ‘Guidelines’) allow the Canal Corporation, with the approval of the Directors, to dispose of Canal Corporation property by negotiation and for less than fair market value if the transferee is a government or other public entity and 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.

DISCUSSION

The Canal Corporation conducted an internal appraisal of the fountain by comparative method. The original fountain cost was $41,859.50. A range of 10 to 20 percent depreciation is common practice for evaluating equipment of this type.
This valuation method was applied to determine fair market value:

<table>
<thead>
<tr>
<th>Description</th>
<th>15% of Initial Cost</th>
<th>Current Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fountain, motor, transformer, nozzle, cable assemblies, lights, and lighting cable cord</td>
<td>$35,500</td>
<td>$35,500</td>
</tr>
<tr>
<td>Total Fair Market Value</td>
<td></td>
<td>$35,500</td>
</tr>
</tbody>
</table>

The transfer is to be further conditioned upon the execution of an agreement between the Town and Canal Corporation. The terms of such an agreement are to include transferring the equipment in their ‘as is’ condition and such additional provisions that reasonably safeguard the Canal Corporation from future responsibility and liability. Consistent with the requirements of the Public Authorities Law, the agreement will also require the Town to keep the equipment under its ownership and be used for public purposes.

FISCAL INFORMATION

In accordance with the foregoing, the fountain will be transferred to the Town without any payment to the Canal Corporation.

RECOMMENDATION

The Regional Manager - Canals, recommends that the Directors approve the transfer of ownership of the fountain, motor, transformer, display aerator nozzle, cable assemblies, lights, and lighting cable cord to the Town of Seneca Falls as set forth in the foregoing memorandum of the Interim President and Chief Executive Officer.

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

Justin C. Driscoll  
Interim President and Chief Executive Officer
RESOLUTION

RESOLVED, That pursuant to Title 5-A of Article 9 of the Public Authorities Law, the Canal Corporation’s Guidelines for the Disposal of Personal Property and the Power Authority Act, the Board of Directors hereby approve the transfer of ownership of the fountain, motor, transformer, display aerator nozzle, cable assemblies, lights, and lighting cable cord, as described by the foregoing memorandum, to the Town of Seneca Falls, New York; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim 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 Interim Executive Vice President and General Counsel.
## Table of Contents

<table>
<thead>
<tr>
<th>Subject</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>1. Adoption of the October 19, 2021 Proposed Meeting Agenda</td>
<td>2</td>
</tr>
<tr>
<td>2. DISCUSSION AGENDA:</td>
<td>2</td>
</tr>
<tr>
<td>a. Strategic Initiatives</td>
<td>4</td>
</tr>
<tr>
<td>i. President and Chief Executive Officer’s Report</td>
<td>4</td>
</tr>
<tr>
<td>1. COVID-19/RTW Update</td>
<td>6</td>
</tr>
<tr>
<td>b. Chief Operations Officer’s Report</td>
<td>7</td>
</tr>
<tr>
<td>c. Chief Commercial Officer’s Report</td>
<td>8</td>
</tr>
<tr>
<td>d. Chief Financial Officer’s Report</td>
<td>10</td>
</tr>
<tr>
<td>e. Finance &amp; Risk Committee Report</td>
<td>11</td>
</tr>
<tr>
<td>i. Y49 Transmission Line – Nassau Segment Reconductoring Project</td>
<td>11</td>
</tr>
<tr>
<td>Capital Expenditure Authorization Request and Contract Award Resolution</td>
<td></td>
</tr>
<tr>
<td>ii. Procurement (Services) Contract – In-City Gas Turbine Operation</td>
<td>11</td>
</tr>
<tr>
<td>and Maintenance - Contract Award Resolution</td>
<td></td>
</tr>
<tr>
<td>iii. Procurement (Services) Contract – Transmission Life Extension</td>
<td>12</td>
</tr>
<tr>
<td>and Modernization Program – Massena Substation Project – Contract</td>
<td></td>
</tr>
<tr>
<td>Award Resolution</td>
<td></td>
</tr>
</tbody>
</table>
### Subject

<table>
<thead>
<tr>
<th>iv.</th>
<th>Procurement (Services) Contract – Y49 – Spare System Equipment – Contract Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>v.</td>
<td>Procurement (Services) Contract – Recommendation for Award and Interim Approval – Statewide Canal Dam Safety Engineering Support Services</td>
</tr>
<tr>
<td>vi.</td>
<td>Procurement (Services) Contract – Authority-wide Contingent Staffing – Contract Awards</td>
</tr>
<tr>
<td>vii.</td>
<td>New York City Solar Photovoltaic and Energy Storage Power Purchase Agreements</td>
</tr>
<tr>
<td>viii.</td>
<td>Release of Funds in Support of the New York State Canal Corporation</td>
</tr>
<tr>
<td>ix.</td>
<td>Recommendation of Approval and Ratification of Budget Report Submitted Pursuant to Section 2801 of the Public Authorities Law and Agency Procedures</td>
</tr>
</tbody>
</table>

#### Governance Committee Report

<table>
<thead>
<tr>
<th>f.</th>
<th>Governance Committee Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
<td>Appointment of Interim President and Chief Executive Officer</td>
</tr>
<tr>
<td>ii.</td>
<td>Appointment of Interim Executive Vice President and General Counsel</td>
</tr>
</tbody>
</table>

#### Audit Committee Report

| g. | Audit Committee Report |

#### CONSENT AGENDA:

<table>
<thead>
<tr>
<th>3.</th>
<th>CONSENT AGENDA:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Commercial Operations</td>
</tr>
<tr>
<td>i.</td>
<td>Extension of the Industrial Incentive Award to Pratt Paper (NY), Inc. and Economic Development Plan</td>
</tr>
<tr>
<td>ii.</td>
<td>Village of Watkins Glen – Increase in Retail Rates – Notice of Adoption</td>
</tr>
</tbody>
</table>
# October 19, 2021

<table>
<thead>
<tr>
<th>Subject</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. <strong>Procurement (Services) Contracts</strong></td>
<td>18</td>
</tr>
<tr>
<td>i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding – Resolution (John Canale)</td>
<td>18</td>
</tr>
<tr>
<td>c. <strong>Rate Making</strong></td>
<td>18</td>
</tr>
<tr>
<td>i. Adjustment to Westchester County Governmental Customers Cost of Service and Rates – Notice of Proposed Rulemaking Resolution</td>
<td>18</td>
</tr>
<tr>
<td>d. <strong>Real Estate</strong></td>
<td>19</td>
</tr>
<tr>
<td>i. NYPA Communications Backbone Program: Lease of Communications Tower Spaces Resolution</td>
<td>19</td>
</tr>
<tr>
<td>e. <strong>Utility Operations</strong></td>
<td>19</td>
</tr>
<tr>
<td>i. Artpark Trail Connectivity Project – Funding Request Resolution</td>
<td>19</td>
</tr>
<tr>
<td>f. <strong>Governance Matters</strong></td>
<td>19</td>
</tr>
<tr>
<td>i. Approval of the Minutes</td>
<td>19</td>
</tr>
<tr>
<td>1. Minutes of the Joint Meeting of the New York Power Authority’s Board of Trustees and Canal Corporation’s Board of Directors held on July 27, 2021</td>
<td>19</td>
</tr>
<tr>
<td>4. <strong>Informational Item</strong>: New York Energy Manager and e-Mobility – deferred</td>
<td>19</td>
</tr>
<tr>
<td>5. <strong>Board Resolution – Gil C. Quiniones</strong></td>
<td>20</td>
</tr>
<tr>
<td>6. Next Meeting</td>
<td>20</td>
</tr>
<tr>
<td>Closing</td>
<td>21</td>
</tr>
</tbody>
</table>
Minutes of the Joint Meeting of the New York Power Authority’s Trustees and Canal Corporation’s Board of Directors held via video conference at approximately 10:25 a.m.

Members of the Board present were:

John R. Koelmel, Chairman
Eugene L. Nicandri, Vice Chairman
Anthony J. Picente, Jr.
Tracy McKibben
Michael A.L. Balboni
Bethaida Gonzalez

Dennis T. Trainor– excused

Justin Driscoll                          Interim President and Chief Executive Officer
Gil Quiniones                           President and Chief Executive Officer
Philip Toia                             President – NYPA Development
Lori Alesio                             Interim Executive Vice President and General Counsel
Adam Barsky                             Executive Vice President and Chief Financial Officer
Joseph Kessler                          Executive Vice President and Chief Operating Officer
Kristine Pizzo                          Executive Vice President and Chief Human Resource & Administrative Officer
Sarah Salati                            Executive Vice President and Chief Commercial Officer
Daniella Piper                          Regional Manager and CTO
Sal Rojas                               Regional Manager – Site Administration – SENY
Yves Noel                               Senior Vice President and Chief Strategy Officer
Robert Piascik                          Senior Vice President – Chief Information & Technology Officer
Keith Hayes                             Senior Vice President – Clean Energy Solutions
Patricia Lombardi                       Senior Vice President – Project Delivery
Brian Saez                               Senior Vice President – Power Supply
Paul Tartaglia                          Senior Vice President – EHS & Crisis Management
Bradford Van Aukem                      Senior Vice President – Operations Support Services & Chief Engineer
Karen Delince                           Vice President and Corporate Secretary
Adrienne Lotto                          Vice President and Chief Risk & Resilience Officer
John Canale                             Vice President – Strategic Supply Management
Eric Meyers                             Vice President – Chief Information Security Officer
Anne Reasoner                           Vice President – Budgets & Business Controls
Lisa Wansley                            Vice President – Environmental Justice
Victor Costanza                         Senior Director – Cyber Security & Deputy CISO
Earl Faunlagui                          Senior Director – Market & Commodities Risk
Lawrence Mallory                        Senior Director – Security & Crisis Manager
Joseph Rende                            Senior Director – Key Account Management
Dave Work                               Senior Director – Contract & Program Operations
Christopher Fry                         Director – Business Development
Thakur Sundeep                          Controller
Carley Hume                             Deputy Chief of Staff – President’s Office
Mary Cahill                             Manager – Executive Office
Teri Pegnataro                          Manager – Service Fulfillment
Christopher Vitale                      Financial Performance & Reporting Manager
Lorna Johnson                           Senior Associate Corporate Secretary
Sheila Quatrocci                        Associate Corporate Secretary
Kelli Higgs                             Assistant Corporate Secretary
Michele Stockwell                       Project Coordinator – Executive Office

Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.
Introduction

Chairman 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 October 19, 2021 Proposed Meeting Agenda

On motion made by Trustee Gonzalez and seconded by Trustee McKibben, the members adopted the meeting Agenda, as amended.

Conflicts of Interest

Chairman Koelmel and members, Nicandri, Picente, McKibben, Balboni, Trainor and Gonzalez declared no conflicts of interest based on the list of entities previously provided for their review.

2. DISCUSSION AGENDA

Chairman Koelmel said that this is a notable session for the members, with their first leadership transition. This is a significant and important day for Gil and his family, Justin, and the organization. He continued that saying goodbye is never easy; but they are doing it with a sense of real pride and enthusiasm for what Gil has done for the organization and what he will carry forward as he moves a little further west and embraces new challenges and opportunities. He said that, for the last time, he is incredibly pleased to invite the President and CEO to the podium to present his final CEO Report.

President Quiniones began by congratulating Justin Driscoll and wished him the very best in his new role as Interim President and Chief Executive Officer. He said that he was certain that the Power Authority, the Chairman and Trustees will thrive under his leadership.

President Quiniones then provided the following remarks:

“I have been with the Authority for 14 years, as of October 29, and this has been the longest I have ever been with any organization; it has been the defining experience of my career. My service as President and CEO of the Authority for the past decade has been the honor and privilege of a lifetime. The successful addition of the New York State Canal Corporation as part of the NYPA family has made it all the more so.

“I have always known it would be hard to leave, and that only a truly exceptional opportunity could convince me to do so. Such an opportunity did arise with the offer to become the CEO of Commonwealth Edison, ComEd, the Exelon subsidiary that serves the City of Chicago and most of Northern Illinois.

“As I’ve told the Trustees and my NYPA and Canals colleagues, I believe that this is the right move at this time for me, my wife, Paula, who has joined me here today, and our teenage daughter, Sela, who could not be here today because it’s “Picture Day.”

“Last week when I met and informed Governor Hochul of my decision and submitted my resignation, I said to her that the New York Power Authority is a jewel that is absolutely vital to the State’s
nation-leading efforts to fight climate change and to create a vibrant future economy. She fully agreed and said she will be looking to NYPA for more major initiatives in the future. She also noted that, as Lieutenant Governor, she probably attended more of NYPA’s events than those of any other state entity; and she let me know how impressed she had been. And, as some of you will recall, one of her first public appearances as Governor came last month when she visited the Niagara Power Project to mark the completion of work on the first unit as part of our landmark $1.1 billion Next Generation Niagara Program. So, I think it’s safe to say that NYPA has a friend in Albany, and I have every confidence that you will more than justify her faith in us.

“A lot was written last week by both ComEd and NYPA about my accomplishments at the Authority. But ComEd, and even NYPA, had it wrong. They were not my accomplishments; they were your accomplishments. None of them would have been possible without the support and guidance of our current Trustees and their predecessors on the Board. For us to do anything of significance, the Trustees had to say “yes.” So, thank you, Mr. Chairman and Trustees. Nothing would have been possible without the expertise, diligence, and leadership of the members of our Executive Management Committee; and nothing would have been possible without the talent and dedication of our exceptional employees in White Plains and at our projects and facilities throughout the state, union, and management and, in recent years, at both NYPA and the Canal Corporation.

“I have said it so often, that it has somewhat become a cliché, but I firmly believe that it’s true, our employees are our most important resource; so, whatever we have accomplished over the past decade, we have done it together. I think, for example, of projects like Next Generation Niagara, Smart Path, now Smart Path Connect; like our $726 million Transmission Life extension and Modernization Program and those at our hydro projects, like the AC Transmission Project, or the Central-East Energy Connect project from the Mohawk Valley to the Albany region, and so many others.

“I recall the other day, that very early in my time as President and CEO, I served as Co-Chair of the New York Energy Highway Task Force, and that NYPA staff members led the way in putting together the Blueprint that’s been the foundation of our subsequent efforts, and those of others, to ensure that our State will have a clean, reliable, and affordable power supply.

“Then, I thought, just last month, our historic $11 billion Clean Path New York Project with our partners, EnergyRe or Invenergy was named a winner in response to NYSERDA’s Tier 4 Request for Proposals to deliver clean energy from Upstate to the New York City region. So, the energy highway and Clean Path New York have really been bookends to our initiatives to build the smart power system of the future with plenty to fill in the space between.

“We can also take pride in other major achievements, and, to mention just some, not only integrating the canal system as a NYPA subsidiary, but also launching the sweeping Reimagine the Canals initiative; becoming one of the first end-to-end digital utilities; carrying out a raft of programs in such critical areas as energy efficiency, renewable energy and energy storage, electric transportation and economic development; aggressively promoting sustainability, environmental justice and diversity, equity and inclusion. And, yes, being designated three times by Forbes Magazine as one of the nation’s best mid-size employers.

“NYPA’s important work is, as always, unfinished. There are imposing, current challenges, and others lie ahead. But the Authority’s leadership is strong, and its finances are solid. Many major projects are well underway or planned. VISION2030, our Strategic Plan, provides a clear path to a bright future. And I’m confident that the Power Authority will remain what its long been, a jewel that brings unmatched benefits to the State of New York. Though I’ll soon be leaving you, a large part of my heart will always be at NYPA, and I will never forget you or my years at the Authority. And I’ll be cheering you on as you move forward to still greater successes.

“Thank you all from the bottom of my heart.”
Chairman Koelmel thanked Gil for the tremendous leadership he has shown over the last ten-plus years and said that, as he said several times over the last week, “every leader wants to know that they left their organization or entity and their responsibilities at a better place than where they found them. In your case, we are in a much better place than where you found us. And it’s been a great run for you.”

“The really good news is, not only are you going to continue to run, so are we. You positioned us for even greater success and outcomes as you have just referenced, and we’re excited to build on your legacy and make you all the more proud in the years ahead.

He continued that, “equally important, is that we now pass the torch and leadership baton to Justin Driscoll who has been a critical advisor for Gil throughout much of his run, a key member of the Executive Management team, and a key advisor for the Board members, one that makes him well-known and makes it incredibly comfortable for all of us as we affect this critically important transition.

“As we have all said a couple of times, our best is still yet to come. For all that has been accomplished, there’s so much more for us to do. Expectations of us are even higher. And we’re excited that we have such a fabulous executive team in place to lead the organization with stability and strength, as well as excitement and energy. And we’re honored and very pleased that Justin is willing to step up and step in into the interim role to ensure, not only does the ship stay steady, but that we continue to climb due north.

“So, with that, I'm very pleased to introduce for the first time, our Interim President and CEO, Justin Driscoll.”

Chairman Koelmel then invited Interim President and Chief Executive Officer Justin Driscoll, to provide his report to the Board.

a. Strategic Initiatives

Interim President and Chief Executive Officer’s Report

Interim President and Chief Executive Officer Justin Driscoll congratulated Gil on his next career move, and future. He thanked Chairman Koelmel and the Board of Trustees for their confidence in him to serve in this interim role. He then provided an update on the Authority’s VISION2030 Scorecard, stating that Gil has left the Authority in an incredibly strong position.

August VISION2030 Scorecard Report

- The August VISION2030 Scorecard shows that the Authority is in a strong position.
- The Authority is trending well in a positive direction in all of its metrics. The Authority is exceeding its year-to-date targets and all indicators are tracking well.
- As it relates to the DART (Days Away, Restricted or Transferred) Rate, as previously reported, that metric continues to track below the target.

Interim President and CEO Justin Driscoll said that it is a great honor to serve as the Interim President and CEO of the New York Power Authority and that he wanted to add his voice to the national chorus of good wishes and congratulations for Gil. He said that Gil has been a truly great CEO who has set a very high standard for all future NYPA leaders. In this measure of excellence, it would be very much needed at this special time in NYPA’s history, its 90th Anniversary year, a true inflection point as the organization moves forward. In moving through this still new decade, the Authority is now able to serve the needs of all the people of New York in so many new and different ways.
The Interim President and CEO then provided information about his background. He said that he has been sitting at the Board table for the last seven and-a-half years. The General Counsel's role is, in many ways, a “behind-the-scenes” role. He has been here as an advisor to the Board and Senior Management and has learned from the Board members and his colleagues on the Executive Management team. He said that he knows the Board, how the members think, and what they want to see from the organization. Therefore, he feels that he is well-positioned to take the Authority forward during this interim period. And, because of Gil's strong leadership, and development skills with his team, he gave him the ability, over time, to add additional business units to his portfolio. He has had the opportunity to not only focus on the General Counsel's or purely legal role here at the Authority, but also to add Public and Regulatory Affairs, the NYISO market issues, Environmental Justice, Community Affairs, Hydropower Relicensing, to name a few. He said that this has given him a chance to manage other parts of the organization; therefore, he is not coming to the role at this point directly from a purely General Counsel role. This has also positioned him well to take the Authority forward.

He said that the organization is in great shape by virtue of Gil's leadership. The Authority’s projects include Clean Path Project, an $11 Billion project, where the Authority is playing a meaningful role by contributing its right-of-way and expertise for the Central-East Energy Connect/ Smart Path Connect project. There are many other great projects undertaken by the Authority that are going to create jobs for New Yorkers and also provide interesting work for its employees.

He continued that another strength of NYPA is its employees. He said that Gil mentioned the accolades the Authority received as a very strong mid-sized employer. NYPA continues to work on many interesting projects, and doing cutting-edge work in the energy industry, which has helped the Authority attract even more talented people to the organization and will continue to give its employees interesting things to do. NYPA’s top priority is to keep its employees healthy and safe. The Authority is very strong from an employment and a project pipeline standpoint.

He continued further that, looking at the Commercial Operations group under the leadership of Sarah Salati, those businesses that the Authority has been incubating are now coming to scale and are doing well. He said that the sky is the limit on what the Authority can do as it relates to Distributed Energy Resources, its virtual power plants, e-mobility, and New York Energy Manager, cutting edge and impactful projects being undertaken by the Authority.

He added that his priority going forward is for NYPA not let its guard down regarding cyber security as one can never say that cyber security is under control. The Authority has to keep being really vigilant in cyber security matters.

He also said that the Authority would push forward with the Reimagine the Canals effort which is very important for the long-term financial stability of both the Canal Corporation and NYPA. The Authority would also keep pushing forward on its development pipeline, which will enhance its financial stability by providing for revenues in the years to come.

He ended that he is delighted to be serving this interim role. He looks forward to it and is ready for the challenge.

Chairman Koelmel said that as the members have all referenced, and he has said in the past, this is an organization that is much more than the person at the top and the Board members. He said that the members take great pride in what they do because of the strength of the team and talent that exists from the top, throughout and across all that the Authority does in this great state. While the members are excited for Gil, they are equally enthused and supportive of Justin and the team. And while change and transition are never easy, the Board members are totally comfortable, and prepared to affect, and look forward to even bigger and better things to come. They approach this change with a sense of anticipation and expectation, “not only does the train keep running, and the lights still on, but they will shine even brighter in the weeks, months, and years to come.”
Chairman Koelmel thanked Justin and Lori for stepping up under the circumstances. And, most importantly, thanked the leadership team and all the organization for being here day-to-day for the benefit of NYPA and all it serves. He continued that the Board enthusiastically look forward to talking about NYPA’s continued growth, success, and evolution at the meeting in December. He ended that the Board looks forward to working with the interim CEO and the entire leadership team who are the best in the business. The members are excited for what the teams will continue to deliver for the betterment of all that NYPA serves across our great state and set the pace and tone for the industry at large.

Chairman Koelmel then invited Paul Tartaglia to provide an update on where the Authority stands with regard to Covid-19.

1. **COVID-19/RTW Update**

Mr. Paul Tartaglia, Senior Vice President – EHS & Crisis Management, provided a COVID-19/Return to Work update to the Board. He said that NYPA’s response against Covid-19 has been very robust and effective.

**COVID Trends: NYPA and Canals Vaccination**

To date, the Authority has verified approximately 1600 NYPA (approximately 80% of the total NYPA population) and 330 Canals (approximately 61% of the total Canals population) employees are fully vaccinated. As a benchmark, 76% of New Yorkers over 18 years of age have reported to be fully vaccinated. If you factor in immunity from disease exposure, this puts the Authority very close to having herd immunity across the organization.

The Authority have implemented its vaccination or testing program and have completed nine full weeks of vaccination and testing through the program. The Authority completed just under 5,000 tests in the first nine weeks and identified about 22 positives. The Authority continues to take the necessary actions including contact tracing, to ensure that it maintains a healthy workforce. Based on the high vaccination rates, the testing program, the HVAC improvements, and the counter measure guidelines, the Covid team is confident that NYPA and the Canal Corporation are very well protected.

**COVID Trends: NYPA and Canals Positive Cases**

To ensure that the Authority and Canals maintain continuity of service, the team carefully continues to monitor and track all of the Covid metrics, i.e., the metrics from different perspectives - statewide, nationally, regionally, different buildings and different aspects of the workforce. To date, nationally, there is a steady and rapid decline across the Covid-19 Delta variant. Based on the trends, NYPA’s infection peak was not as high as at the national peak. NYPA’s peak was only about two-thirds of the national peak in New York State. NYPA and Canals’ positivity rate, based on testing, as compared to New York State, is better than the general population of New York State.

The team continues to meet regularly, collecting data, and are well-prepared for the next step of the return-to-work process, with more staff presence in the physical offices. The team is confident that the work they have done will significantly mitigate the risks to the organization.

**Return to the Workplace Update**

Ms. Kristine Pizzo, Executive Vice President and Chief Human Resource & Administrative Officer, said that the Authority has a good “Return-to-Work” plan, engaging almost all of the managers in the process. Using a scheduling tool, the Authority has started having employees reporting on site for a minimum of two days per week. The Human Resources department is constantly getting feedback from staff and is reinforcing with managers that this is a good opportunity to not only think about flexibility for remote working, but flexibility for staff who are in the workplace five days per week full time. She ended that, as the Authority move through this phase and continue to get feedback, it will iterate until a formal long-term plan is achieved.
b. Chief Operations Officer’s Report

Mr. Joseph Kessler, Executive Vice President and Chief Operations Officer, provided highlights of the report to the Board.

Performance Measures – Year-to-Date

Generation Market Readiness

- Generation Market Readiness factor was at 96.14%. This is below the target of 99.40%.

This result was driven primarily by two issues, the first with a circuit breaker, Unit 3, at the Blenheim-Gilboa Power Plant, that was discovered during maintenance. The unit was taken out-of-service and repaired and is now back in service. The second was at the Flynn Plant. This unit is currently under repair and is scheduled to be back in service within the next two to three weeks.

Transmission System Reliability

- Transmission System Reliability factor was at 91.71%. The target is 91.44%.

Environmental Incidents

- Year-to-date, there were 16 incidents. The Target is not to exceed 33 incidents.

Safety

DART (Days Away, Restricted or Transferred) is the Authority’s safety metrics.

- The year-to-date DART Rate is 0.49. The target is 0.78.

Y49 Current Repair Status

Y49 is a transmission line that goes through Westchester and underneath the sound, into Long Island. There have been four faults on the Long Island section which construction is vulnerable to thermo-mechanical bending. After the fourth fault, it was decided to replace a longer section to mitigate future repairs on the existing line. This line is back in service, approximately two weeks ahead of schedule.

In addition, a plan will be put in place to update the line entirely on the Long Island section.

Lewiston Pump Generating Plant Life Extension and Modernization Program

- Overhaul of the 12th unit has been completed and it has been returned to service.
- PG-05 Motor / Generator overhaul began in August; it is expected to be returned to service in February 2022. All other upgrades on this unit have been completed.
- Software Upgrade is scheduled for January – April 2022
- PG-07 Motor / Generator Overhaul is scheduled for February – August 2022
- PG-02 Motor / Generator Overhaul is scheduled for September 2022 – March 2023

Utility Operations has also started to engage its own internal labor on some of the reassembly, disassembly, and other scope-of-work to make sure that it has the competency in-house to check the units as they go back into service.
Next Generation Niagara (NGN) Controls – First Unit
- Upgrade of the control system on Robert Moses (RM) Unit #12 Control System has been completed.
- Plant-wide upgrades have been completed.
- Currently recommissioning RM Unit #12 Exciter and Governor Control System (target for return to service is mid-October)
- Main Control Room Upgrade (Sept – Feb 2022)

Flynn Power Plant – Update
- CTG Stator rewind, rotor rewind and generator thru-bolt replacement.
- Current Return to Service: November 15

Brentwood Hydrogen
- Potential solution to decarbonization of the Authority’s Fossil Fuel plants.
- 4Q 2021 –January 2022 - NYPA is planning to demonstrate injection of clean, green hydrogen produced by renewable energy, into its Brentwood Small Clean Power Plant. This is a peaker unit in Brentwood, one of 11 the Authority has in its fleet, that it will use to demonstrate this technology of blending hydrogen with natural gas. This will be done in collaboration with General Electric, who is the manufacturer, and NYPA’s partners through the Low Carbon Research Initiative (“LCRI”).

President Quiniones added that this pilot demonstration, blending green hydrogen in the natural gas fuel stream up to 30 percent by volume, will be done towards the end of November through December and will be the first of its kind in the United States. The Authority will share the results of this experiment to help advance the technology, in general, forward.

Storm Response
There have been several active storms in the Atlantic Ocean. The Emergency Response Plan was activated for three (3) storms between August 11 and September 1 -- Fred, Henri, and Ida -- that affected the Authority. The Authority was very successful in managing these storms, in close collaboration with New York City DEP and the Authority’s other stakeholders in the state. The Authority was able to position its assets in a way that alleviated the potential flooding that could have happened throughout the canal system and primarily in Schoharie Creek with the Blenheim-Gilboa plant. In the end, the Authority was successful in managing the water and mitigating any major issue with these storms.

c. Chief Commercial Officer’s Report

Ms. Sarah Salati, Executive Vice President and Chief Commercial Operations Officer, provided highlights of the report to the Board.

Electricity Supply – Through August 2021
The Authority is in a very strong position as it relates to power supply.

2021 Merchant Gross Margin Projections
Merchant Revenues are on target and is expected to be 4% - 5% above the value that was set in September.

In February, April and May, there were some congestions which impacted the Authority’s generation, specifically around outages for construction and for transmission. However, the hedging program that is in place helped to reduce this volatility, specifically, increases in the energy prices as well as capacity prices in the last several weeks. The increase in the energy prices helps the Authority because gas is at the margin when it comes to the marginal unit in the market. The reason that the Authority has been seeing the gas prices go up is that there were disruptions caused by Hurricane Ida and other severe weather events that impacted the supply chain in the south, as well as some disruption in Europe, which
is causing many of the producers to be exporting Liquified Natural Gas (LNG) out of the country, pushing up the prices.

**Economic Development**
NYPA continues to be a driver for economic growth and competitiveness in New York State.

Year-to-date, the team has allocated power to more than 70 customers, which created or retained more than 9500 jobs. Commercial Operations set targets every year in terms of the number of applications that they want to receive. Year-to-date, they have exceeded that target by over ten percent.

Recently, at the Multiple Intervenors Conference, the organization that represents the largest energy consumers in New York State - large manufacturing facilities and large job creators and retainers - the members were highly complementary of the Authority’s economic development programs and Customer Account Center, an indication that the Authority’s programs are well received, and it will continue to drive economic development across the state.

**Customer Business Lines: August YTD Results**
The Covid-19 pandemic caused a disruption in the supply chain. It also caused backlogs in the remobilization of labor for the Authority’s projects, in addition to permitting and interconnection. However, based on the portfolio of its products and services, the Authority is still on track to meet its goals.

**Clean Energy Solutions**
The Authority has a very broad portfolio of projects for Clean Energy Solutions. Certain projects were delayed because budget funds were not released. However, the team has identified new projects to fill in the pipeline. Therefore, the Authority will be on track to meet its commitments by the end of the year. Based on the Capital Project Contracts signed, the Authority has a strong and robust pipeline for the next coming years, 2022 and onward.

**e-Mobility**
Year-to-date, seven out of the targeted 124 Charging Ports have been installed. It is anticipated that there will be over 100 chargers either operational or in late-stage commissioning by the end of the year. Also, the team is filling a robust pipeline with more than 150 customer contracts signed for chargers to be installed.

In addition, the Authority is working with transit agencies across the state on transportation electrification mass transit plans and is looking forward to seeing those come to fruition in the next year or two as well.

**Customer Account Center Functionality Roll-Out**
Commercial Operations is consistently working on getting closer to the customers and elevate the relationship it has with them. To that end they launched the Customer Digital Energy Experience Initiative. The Customer Account Center is one example of that initiative.

All of NYPA’s power customers have access to the Customer Account Center. The functionality that is available is ease, convenience, and access to information. The customers can utilize it to see and pay their bills.

The customers can also do a compliance survey to retain the allocations that they receive for NYPA’s Economic Development Programs.

As of September 2021, the customers are able to see all of the projects that they are doing with NYPA. Therefore, to the extent that they are power supply customers, and they also have a portfolio of energy efficiency projects with the Authority, distributed energy resources projects, solar plus storage, they can see the entire portfolio in the system.
At a recent meeting with the City of New York, they indicated that they were very pleased with the results of that program, because they have 55 subsidiaries and, with this program, it is now a one-stop shop when it comes to access to all the work that they are doing with NYPA.

**Fall 2021 Customer Connections**

Commercial Operations have been working on elevating its marketing function. At the New York State Economic Development Council, the members expressed surprised at the range of products and services that NYPA had to offer. Staff is now in the process of upping its marketing function providing a number of webinars this fall, titled “NYPA Now Energy Showcase” where they provide overviews of the different products and services, and also provide opportunities for Q & A.

Ms. Salati ended that she wanted to publicly thank Gil for his leadership. She said that she has been at NYPA for three years, and what Gil has done when it comes to the customer is exceptional – he has elevated the customer in the eyes of NYPA. He has elevated product development and elevated and driven innovation and new business models as seen in the VISION2030 Strategy, where one of the initiatives is around the customer and the state. She continued that Gil knows that if we do not work with our customers, whether they are government, state agencies, or the private sector, the Authority will not get to the clean energy future that it expects to reach.

**d. Chief Financial Officer’s Report**

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the report to the Board.

**Year-To-Date Actuals – (January - August 31, 2021)**

With regard to year-to-date actuals through August 2021, the Authority continues to operate better than planned by about $5 million.

- Margins - Generation - revenues are ahead of the Budget Plan
- Margins –Transmission - revenues ahead on the Budget Plan
- Margins - Non-Utility - revenues are below the Budget Plan
- Operating Expenses are tracking mostly to the Plan. It is a little behind on the allocation to capital, which is due to timing of the capital spend. This should close towards the end of the year.

**Full-Year Forecast – (January - December 2021)**

Regarding the Full-Year forecast, the Authority is doing significantly better than planned. The Authority is currently waiting on results of valuations that need to be completed by the outside Auditors and Actuaries regarding changes that were made earlier this year with some of the Authority’s benefit plans.

- Generation continues to do better than planned.
- Capacity prices have been very strong.
- Transmission revenues are much stronger than planned, partly due to the Flexible Alternating Current Transmission Systems (“FACTS”) revenue, which is revenue that is derived as a result of congestion, as well as the annual revenue requirement for NYPA’s transmission, which came in stronger than previously forecasted (July 1, 2021 – July 1, 2022).
- O&M Expenses, including some additional expenses that have not been budgeted for, are tracking mostly according to the plan.
The Balance Sheet continues to be very strong; Liquidity is also strong. Based on this, the Authority expects to have a very solid financial foundation going into the future.

e. **Finance and Risk Committee Report**

Chair Tracy McKibben provided the following report:

The Finance and Risk Committee met on September 21, and October 6, 2021, respectively. The committee adopted the Minutes of the July 15, 2021 meeting, received four (4) staff reports and recommends the following nine (9) resolutions to the full Board for adoption:

i. **Y49 Transmission Line – Nassau Segment Reconductoring Project – Capital Expenditure Authorization Request and Contract Award**

RESOLVED, That pursuant to the Authority’s Capital Planning and Budgeting Procedures, capital expenditures in the amount of $139,730,600 for implementation of the Y49 Transmission Line Nassau Segment Reconductoring Project are hereby authorized in accordance with, and as recommended in, the memorandum of the President and Chief Executive Officer;

\[
\begin{array}{|c|c|}
\hline
\text{Expenditure} & \text{Authorization} \\
\hline
\text{Y49 Transmission Line} & \text{Nassau Segment Reconductoring} \\
\text{} & \text{$139,730,600$} \\
\hline
\end{array}
\]

AND BE IT FURTHER RESOLVED, That the Trustees, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approve the award of a ten-year equipment contract to The Okonite Company in the amount of $38,000,000 for the High-Pressure Fluid Filled Cable, as recommended in the memorandum of the President and Chief Executive Officer;

\[
\begin{array}{|c|c|}
\hline
\text{Contractor} & \text{Contract Approval} \\
\hline
\text{The Okonite Company} & \text{$38,000,000$} \\
\text{Paterson, NJ} & \\
\text{RFP #Q21-7196AP} & \\
\hline
\end{array}
\]

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice 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.

ii. **Procurement (Services) Contract – In-City Gas Turbine Operation and Maintenance – Contract Award**

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approval is hereby granted to award a non-personal services contract to NAES Corporation of Issaquah, WA for a total authorization amount of $35 million for a five-year term (with the right to renew on an annual basis each year beyond the initial five
years, for up to five additional years), as recommended in the memorandum of the President and Chief Executive Officer.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAES Corporation</td>
<td>$35 million</td>
</tr>
<tr>
<td>Issaquah, WA</td>
<td></td>
</tr>
<tr>
<td>Q21-7126BSR</td>
<td></td>
</tr>
</tbody>
</table>

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice 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.

iii. Procurement (Services) Contract – Transmission Life Extension and Modernization Program – Massena Substation Project – Contract Award

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approval is hereby granted for the award of a five-year contract to O’Connell Electric Co. Inc. in the amount of $21.88 million for the Transmission Life Extension and Modernization - Massena Substation Project and interim approval in the amount of $305,202.43 to provide engineering design services in order to maintain project schedule through September 30, 2021, in accordance with, and as recommended in, the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs of the Transmission Life Extension and Modernization - Massena Substation Project.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Expenditure Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>O’Connell Electric Co. Inc.</td>
<td>$21.88 million</td>
</tr>
<tr>
<td>Victor, NY</td>
<td></td>
</tr>
<tr>
<td>Q21-7146DK</td>
<td></td>
</tr>
</tbody>
</table>

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice 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.

iv. Procurement (Services) Contract – Y49 – Spare System Equipment – Contract Award

RESOLVED, That the Trustees, pursuant to the Guidelines for Procurement Contracts adopted by the Authority, hereby approve the award of a two-year equipment contract to Royal SMIT Transformers in the amount of $6,451,064 for the Y49 – System Spare Equipment, as recommended in the memorandum of the President and Chief Executive Officer; and be it further
RESOLVED, that the Trustees waive requirements of the New York Buy America Act for this Contract award as recommended in the memorandum of the President and Chief Executive Officer.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royal SMIT Transformers</td>
<td>$6,451,064.00</td>
</tr>
<tr>
<td>Nijmegen, Netherlands</td>
<td></td>
</tr>
</tbody>
</table>

RFP #Q21-7188SR

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chair, 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 and 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. Procurement (Services) Contract – Recommendation for Award and Interim Approval – Statewide Canal Dam Safety Engineering Support Services

RESOLVED, That the Board of Trustees and Board of Directors, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation and the Authority and Canal Corporation’s Expenditure Authorization Procedures, hereby approve the recommendation of Authority and Canal Corporation Staff to award and negotiate contracts for State-Wide Canal Dam Safety Engineering Support Services to the following companies: AECOM USA, Inc.; Bergmann Associates, Architects, Engineers, Landscape Architects and Surveyors, D.P.C; Henningson, Durham & Richardson P.C. and Schnabel Engineering of New York for a five-year initial term and total aggregate amount of $20,000,000.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM USA Inc.</td>
<td>$20,000,000 (aggregate)</td>
</tr>
<tr>
<td>Chicago, IL / New York</td>
<td></td>
</tr>
<tr>
<td>Bergmann Associates, Architects,</td>
<td></td>
</tr>
<tr>
<td>Engineers, Landscape Architects</td>
<td></td>
</tr>
<tr>
<td>and Surveyors, D.P.C.</td>
<td></td>
</tr>
<tr>
<td>Rochester, NY</td>
<td></td>
</tr>
<tr>
<td>Henningson, Durham &amp; Richardson</td>
<td></td>
</tr>
<tr>
<td>P.C. (HDR)</td>
<td></td>
</tr>
<tr>
<td>Omaha, NE / White Plains, NY</td>
<td></td>
</tr>
<tr>
<td>Schnabel Engineering of New York</td>
<td></td>
</tr>
<tr>
<td>Glen Allen, VA / Clifton Park, NY</td>
<td></td>
</tr>
</tbody>
</table>

Q21-7139NF

AND BE IT FURTHER RESOLVED that the Board of Trustees and Board of Directors approve the expenditure amount of $500,000 to commence necessary engineering and dam safety evaluations of high risk, critical elevated water impounding Canal embankments along the 60-mile pool between Locks E35/E/34 at Lockport, NY to the Genesee River Crossing at Rochester, NY in order to protect public safety and maintain Canal navigation and continue the ongoing assessment of the Reimagine Canals...
Western Erie Canal pilot fisheries program and potential future irrigation initiative; and be it further

RESOLVED, That the Chairman, the Vice 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.

vi. **Procurement (Services) Contract – Authority-wide Contingent Staffing – Contract Awards**

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approval is hereby granted to award Authority-wide contingent staffing service agreements for a five-year term, in the amount of $24,000,000, to Allied Staff Augmentation Partners, Inc., Ampcus Inc., Cogent Infotech Inc., Eclaro International Inc., Infogini Inc., LanceSoft Inc., Lighthouse Professional Services Inc., Reinhard Madison Approach Staffing Inc., Trigyn Inc., Trifacta, Inc., and Vtech Solutions as recommended in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Finance Committee recommends that the Trustees approve the Authority-wide personal service contracts for contingent staffing in the amount and for the purpose listed below:

<table>
<thead>
<tr>
<th>Contract Award</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Vendors:</td>
<td>$24,000,000</td>
</tr>
<tr>
<td>Allied Staff Augmentation Partners, Inc.</td>
<td></td>
</tr>
<tr>
<td>Ampcus Inc.</td>
<td></td>
</tr>
<tr>
<td>Cogent Infotech Inc.</td>
<td></td>
</tr>
<tr>
<td>Eclaro International Inc.</td>
<td></td>
</tr>
<tr>
<td>Infogini Inc.</td>
<td></td>
</tr>
<tr>
<td>LanceSoft Inc.</td>
<td></td>
</tr>
<tr>
<td>Lighthouse Professional Services Inc.</td>
<td></td>
</tr>
<tr>
<td>Reinhard Madison Approach Staffing Inc.</td>
<td></td>
</tr>
<tr>
<td>Trigyn Inc.</td>
<td></td>
</tr>
<tr>
<td>Trifacta, Inc.</td>
<td></td>
</tr>
<tr>
<td>Vtech Solutions</td>
<td></td>
</tr>
</tbody>
</table>

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice 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.

vii. **New York City Solar Photovoltaic and Energy Storage Power Purchase Agreements**

RESOLVED, That the Trustees hereby authorize execution of resale Power Purchase Agreements (“PPAs”) with Engie North America, Ameresco Inc., and the City of New York, for an
October 19, 2021

estimated annual amount of approximately $11,000,000 for up to a term of 20 years, with an option
to renew, as described in the memorandum of the President and Chief Executive Officer; and be it
further.

RESOLVED, That the Chairman, the Vice 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.

viii. Release of Funds in Support of the New York State Canal Corporation

RESOLVED, That the Trustees hereby authorize execution of resale Power Purchase
Agreements (“PPAs”) with Engie North America, Ameresco Inc., and the City of New York, for an
estimated annual amount of approximately $11,000,000 for up to a term of 20 years, with an option
to renew, as described in the memorandum of the President and Chief Executive Officer; and be it
further.

RESOLVED, That the Chairman, the Vice 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.

ix. Recommendation of Approval and Ratification of Budget Report Submitted
    Pursuant to Section 2801 of the Public Authorities Law and Agency Procedures

RESOLVED, That the Trustees, pursuant to Public Authorities Law §2801, approve the Budget
Report attached as Exhibit A for the purposes stated in the memorandum of the President and Chief
Executive Officer; and be it further

RESOLVED, That the Trustees authorize and ratify the Authority staff's submittal of the Budget
Report to the State officials identified in Public Authorities Law §2801, and the filing of the Budget Report
with the State electronically in accordance with New York State Authorities Budget Office and State
Comptroller requirements; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive
Officer, the Chief Operating Officer and all other officers of the Authority be authorized by the
Trustees 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.

On motion made by Trustee McKibben and seconded by Vice Chair Nicandri the foregoing
resolutions, as submitted by the President and Chief Executive officer, were unanimously
adopted.
October 19, 2021

f. **Governance Committee Report**

Acting Chair Eugene Nicandri provided the following report:

“During the October 19 meeting of the Governance Committee, the Committee adopted a consent agenda which included a number of routine annual reports and the meeting minutes from the last meeting.

The members received an update on two VISION2030 Strategic Pillars, the status of each initiative and received insight into the 2022 strategy.

First, the Diversity, Equity and Inclusion team has implemented programs to achieve their 10 Commitments by building their pipelines, improving capabilities, and engaging internal and external stakeholders.

Second, the Workforce Planning, Knowledge management and Process Excellence teams explained their programs to attract, engage and develop a resilient workforce, improve information management and sharing, and optimize business processes. They are on-track to complete all of their goals by year-end.

In addition, the Committee received an update on the next phase in the organization’s hybrid remote-working program.

Finally, the Committee adopted two motions to recommend the appointment of Justin E. Driscoll as Interim President and Chief Executive Officer and Lori Alesio as Interim Executive Vice President and General Counsel. These motions are now before you for adoption.”

i. **Appointment of Interim President and Chief Executive Officer**

RESOLVED, That pursuant to the Governance Committee Charter, the Governance Committee hereby recommends to the Authority and the Canal Corporation Boards, the appointment of Justin E. Driscoll as Interim President and Chief Executive Officer, effective October 14, 2021, to hold such office until the President and Chief Executive Officer is appointed by the Authority and Canal Corporation Boards and confirmed by the State Senate, pursuant to Section 1004 of the Public Authorities Law.

ii. **Appointment of Interim Executive Vice President and General Counsel**

RESOLVED, That pursuant to the Governance Committee Charter, the Governance Committee hereby recommends to the Authority and the Canal Corporation Boards, the appointment of Lori Alesio as Interim Executive Vice President and General Counsel, effective immediately, to hold such office until the Executive Vice President and General Counsel is appointed by the Authority and Canal Corporation Boards.

On motion made by Vice Chair Nicandri and seconded by Trustee Balboni, the foregoing resolutions, as submitted by the President and Chief Executive officer, were unanimously adopted.
g. Audit Committee Report

Chair Eugene Nicandri provided the following report:

“On October 19, 2021, the Audit Committee met and received a request from Adam Barsky, Executive Vice President and Chief Financial Officer and Sundeep Thakur, Controller, for approval of non-audit advisory services to be provided by KPMG LLP (“KPMG”) and, in the Consent Agenda, an increase of funds to the personal service contract of KPMG were presented.

The Audit Committee approved the non-audit advisory services to be provided by KPMG. The committee also made a motion to recommend to the full Board approval of an increase of funds to the personal service contract of KPMG in the amount of $2,200,000 for additional Accounting Services for a total contract amount not to exceed $5,200,000 over five years.

A Board vote for the KPMG non-audit advisory services and increase of funds to the personal service contract of KPMG is before the members as part of the Consent Agenda.

3. CONSENT AGENDA:

On motion made by Vice Chair Nicandri and seconded by Trustee Balboni, the Consent Agenda and the following resolutions, as recommended by the President and Chief Executive Officer, were unanimously adopted.

a. Commercial Operations

i. Extension of the Industrial Incentive Award to Pratt Paper (NY), Inc. and Economic Development Plan

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, 2022, as described in the memorandum of the President and Chief Executive Officer, contingent upon the Economic Development Power Allocation Board’s (“EDPAB”) approval of the requested extension of the Economic Development Plan (“Plan”); and be it further

RESOLVED, That the Chairman, the Vice Chair, 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.

ii. Village of Watkins Glen – Increase in Retail Rates – Notice of Adoption

RESOLVED, That the proposed rates for electric service for the Village of Watkins Glen, as requested by the Village Board, be approved, to take effect with the first full billing period following this date and subsequent intervals, as recommended in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Corporate Secretary of the Authority be, and hereby is, authorized to file a Notice of Adoption with the Secretary of State for publication in the New York State Register and to file any other notice required by statute or regulation; and be it further

RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operations 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.

b. Procurement (Services) Contracts

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

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 set forth in Exhibit “A,” are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended 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 listed in Exhibit “B,” are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice 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.

c. Rate Making

i. Adjustment to Westchester County Governmental Customers Cost of Service and Rates – Notice of Proposed Rulemaking

RESOLVED, That the Senior Director – Key Account Management, or his designee, be, and hereby is, authorized to issue written notice to the affected Customers of this proposed action by the Trustees for a projected 20.6% adjustment of the Cost of Service and associated rates applicable to the Westchester County Governmental Customers as set forth in the memorandum of the President and Chief Executive Officer; and be it further

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 Cost of Service and rates adjustment, and proposed tariff modification; and be it further

RESOLVED, That the Chairman, the Vice 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.
d. Real Estate

i. NYPA Communications Backbone Program: Lease of Communications Tower Spaces

RESOLVED, That the President and Chief Executive Officer and the Vice President - Enterprise Shared Services be, and hereby are, authorized to enter into leases to install, operate and maintain microwave communications equipment in support of the Authority’s Communications Backbone Program, substantially the terms set forth in the memorandum of the President and Chief Executive Officer, subject to approval of lease documents by the Executive Vice President and General Counsel or his designee; and be it further

RESOLVED, That the Vice President – Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers, or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chair, 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 and 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. Utility Operations

i. Artpark Trail Connectivity Project – Funding Request

RESOLVED, That the Trustees hereby authorize entering into a funding agreement with the Office of New York State Parks Recreation and Historic Preservation (“OPRHP”), as recommended in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice 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.

f. Governance Matters

i. Approval of the Minutes

1. Minutes of the Joint Meeting of the New York Power Authority’s Board of Trustees and Canal Corporation’s Board of Directors held on July 27, 2021

On motion made and seconded the Minutes of the Joint Meeting of the New York Power Authority’s Board of Trustees and Canal Corporation’s Board of Directors held on July 27, 2021 were unanimously adopted.

4. Informational Item: New York Energy Manager and e-Mobility -- DEFERRED

Chairman Koelmel said that this item has been deferred to the next meeting of the Board.
5. **Board Resolution – Gil C. Quiniones**

Chairman Koelmel presented a resolution (Exhibit A), documenting and acknowledging the many accomplishments of the Authority under outgoing President, Gil Quiniones, and thanked him for his tremendous service over the last ten years. He also thanked him for his outstanding leadership and building the organization and the incredible team and talent that the Authority has around the table here today. He continued that the Authority and its star has risen, and, most importantly, he is confident that both will continue to ascend at a very positive direction. He ended that he appreciates Gil’s service and will be watching him from afar, as well, and cheering loudly in support of him and the good work he and his new team will be doing. He then invited the Trustees to share their perspectives.

Vice Chair Nicandri said it has been a pleasure working with Gil, and, as he shared with the other members, it has been a learning experience for him, and he truly appreciates his time working with him. He said he knows Gil will do exceedingly well at the company he is going, and he looks forward to following him and cheering him on. “So, again, thank you for your work here. Thank you for your friendship. God bless you.”

Trustee Gonzalez said that she is really honored to work with an organization that Gil positioned so well, to make it to the future. And it’s evident by my interactions with the team, since I have been on board, that you’ve created an authenticate organization that really cares about people, the community, and the job it needs to do. “I wish you and your family the best.”

Trustee Picente said he worked with Gil even before he was on the Board of Trustees, in his role at the County, and Gil has been a great partner in Mohawk Valley. He said it really is bittersweet to see him go and he wished him the best. He said he sent Gil a quote that said, “the leader is someone who takes the people from where they are to where they have never been.” He said Gill have done that with NYPA and that will be your legacy. He thanked him for his friendship and for his leadership. He ended that he learned a great deal from him as well and wished him all the best and God speed.

Trustee Balboni thanked Gil for his service and wished him the best of luck with everything he does.

Trustee McKibben said, she got to know Gil professionally and personally over the last six years. And as I said last night, one of the true tributes to your leadership, is your willingness to let the leaders that are around you, take off the reins and be free and to operate and look for opportunities in areas that was not historically where we had focused. She continued that “there is a reason why your new employer was interested in you and your ability to do that. And so, I wish you well. I know you will take that forward. You’ve well positioned us with great leaders around the table who will continue to elevate and advance not only the goals of the state, but also look for new opportunities because you’ve put within the DNA that ability to stretch and to think innovatively and entrepreneurially. And so, I want to thank you for that. I wish you and your family the best as you move forward. It will be a pretty exciting time. We will miss you, but certainly wish you all the success.”

6. **Next Meeting**

The regular joint meeting of the New York Power Authority’s Board of Trustees and the Canal Corporation’s Board of Directors will be held on December 8, 2021, unless otherwise designated by the Chairman with the concurrence of the Trustees.
Closing

On motion made by Vice Chair Nicandri and seconded by Trustee McKibben, the meeting was adjourned at approximately 11:45 a.m.

Karen Delince
Karen Delince
Corporate Secretary
4. **Next Meeting**

The next joint meeting of the New York Power Authority’s Board of Trustees and the Canal Corporation’s Board of Directors will be held on January 25, 2022, unless otherwise designated by the Chairman with the concurrence of the members.