



POWER AUTHORITY OF THE STATE OF NEW YORK

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ALBANY, NY 12207

Schedule of Rates for Sale of Recharge New York Power

(Direct Sale)

Service Tariff No. RNY-1

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Schedule of Rates for Sale of Recharge New York Power

I. Applicability

To direct sales of Recharge New York Power to a Customer for firm Electric Service.

II. Frequently Used Abbreviations and Terms

- ECA Energy Cost Adjustment
- EDL New York Economic Development Law
- kW kilowatt(s)
- kWh kilowatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- OATT NYISO Open Access Transmission Tariff
- PRAP Periodic Rate Adjustment Process
- PAL New York Public Authorities Law
- RNY Recharge New York
- ROS Rest of State
- RY Rate Year
- UCAP Unforced Capacity

Accepted Allocation: That portion of the Awarded Allocation the Customer has elected to accept and purchase from the Authority.

Agreement: An executed agreement between the Authority and a Customer setting forth the terms and conditions applicable to the allocation and sale of RNY Power to the Customer, including an agreement entitled “Agreement for the Sale of Recharge New York Power and Energy.”

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

Awarded Allocation: The amount of RNY Power awarded to the Customer by the Authority, which consists of equal amounts of RNY Hydropower and RNY Market Power.

Billing Demand: This term has the meaning provided for in Section IV.D of this Service Tariff.

Billing Energy: This term has the meaning provided for in Section IV.D of this Service Tariff.

Billing Period: Any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer’s Facility receiving the Accepted Allocation is located.

Contract Demand: The amount of RNY Power, not to exceed the Customer’s Accepted Allocation, allocated to the Customer which the Customer agrees to take and pay for in accordance with the Agreement. The Contract Demand shall equal the Accepted Allocation.

Customer: A RNY Blended Customer or RNY Hydropower Customer.

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

Eligible Applicant: This term has the meaning provided for in EDL § 188-a.

Facility: The Customer's place of business specified in the Agreement that will receive or is receiving the Accepted Allocation.

Firm Energy: Firm Hydro Energy and Firm Market Energy (kWh) associated with Firm Power.

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

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

Firm Market Energy: Firm energy (kWh) associated with Firm Market Power supplied by Authority to the Customer.

Firm Market Power: Capacity (kW) that is intended to be always available from market sources and/or the Authority's non-Hydro Project-based resources as determined to be available for such use by the Authority.

Firm Power: Firm RNY Hydropower and Firm RNY Market Power.

Hydro Project: The Authority's St. Lawrence-FDR Power Project, FERC Project No. 2216 and/or the Authority's Niagara Power Project, FERC Project No. 2000.

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

Minimum Demand Charge: This term has the meaning provided for in Section III.C.1 of this Service Tariff.

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

PP Service Tariff No. 10: The Authority's service tariff denominated as "Schedule of Rates for Sale of Firm Power to Preservation Power Customers, Service Tariff No. 10," as amended from time to time by the Authority.

Rate Year or RY: The July Billing Period through the June Billing Period of the following year, beginning July 2012.

Recharge New York Power or RNY Power: Firm Power and Firm Energy the Authority is authorized to allocate and sell to Eligible Applicants in accordance with PAL § 1005(13-a) and EDL § 188-a.

RNY Blended Customer: An Eligible Applicant who has been awarded an allocation of RNY Power from the Authority and who has elected to accept and purchase RNY Hydropower and RNY Market Power from the Authority. In such case, the Customer's Accepted Allocation shall be comprised of 50 percent RNY Hydropower and 50 percent RNY Market Power.

RNY Hydro Customer: An Eligible Applicant who has been awarded an allocation of RNY Power from the Authority and who has elected to accept and purchase only RNY Hydropower from the Authority.

RNY Hydropower: This term has the same meaning as "recharge New York hydropower" as defined in PAL § 1005(13-a)(b), and further refers to the hydropower and energy components of a RNY Power allocation made to a RNY Hydro Customer or a RNY Blended Power Customer.

RNY Market Power: This term has the same meaning as "recharge New York market power" as defined in PAL § 1005(13-a)(b), and further refers to the market power and energy components of a RNY Power allocation made to a RNY Blended Power Customer.

Rules: The Authority's rules and regulations set forth in Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York as may be modified from time to time by the Authority.

Service Tariff: This service tariff, denominated as "Schedule of Rates for Sale of Recharge New York Power (Direct Sale), Service Tariff No. RNY-1," as amended from time to time by the Authority.

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

Take Down: The portion of the Accepted Allocation the Customer requests to be scheduled for a specific period as provided for in the Agreement.

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

Zones: Geographical regions within New York State (sometimes referred to as "load zones" or "energy regions") designated by the NYISO and identified by letter (A-K) that are used to facilitate energy transactions and administration of the State's power grid.

Additional terms are defined in the text of this Service Tariff.

Unless otherwise indicated, all other capitalized terms and abbreviations used but not defined in this Service Tariff shall have the meaning as set forth in the Agreement.

III. Monthly Zonal Base Rates and Related Matters

A. Monthly Zonal Base Rates

Subject to the other provisions of this Service Tariff, the monthly zonal base rates to be charged to the Customer by the Authority based on the location (i.e., Zone) of its Facility shall be as follows:

RNY Hydro Customer		
Zones	Billing Demand (\$/kW)	Billing Energy (\$/kWh)
A-E	8.01	0.02120
F	8.01	0.03172
G-I	8.01	0.03411
J	8.01	0.04637
K	8.01	0.04416

RNY Blended Customer		
Zones	Billing Demand (\$/kW)	Billing Energy (\$/kWh)
A-E	4.01	0.03017
F	4.01	0.04014
G-I	4.01	0.04430
J	4.01	0.06011
K	4.01	0.05296

B. Monthly Zonal Base Rate Components

The monthly zonal base rates for RNY Hydro Customers referenced in Section III.A above consist of the following components, which are detailed below: (1) Preservation Power Price Component; (2) NYISO Transmission and Related_Charges Component; (3) Capacity Component (for Zones G, H, I, J and K only); and (4) Distribution Losses Component.

The monthly zonal base rates for RNY Blended Customers include the RNY Hydro Customer rate components listed in the preceding sentence and the following additional components which are detailed below: (1) Market Energy Component; (2) Capacity Component (for all Zones); and (3) Bad Debt Risk Component.

The following is a description of the monthly zonal base rate components:

1. Preservation Power Price Component

This component consists of the rate the Authority charges for Preservation Power as set in accordance with Section III.A of the Authority's PP Service Tariff No. 10.

2. NYISO Transmission and Related Charges ("NYISO Charges") Component

This component consists of the Authority's estimated costs for NYISO Charges for services provided by the NYISO pursuant to NYISO Tariffs, NYISO-related agreements and NYISO procedures associated with the Authority's provision of Electric Service to the Customer. The NYISO Charges that will be accounted for in the monthly zonal base rates include:

- a. Charges for Ancillary Services 1 through 6 and any new ancillary services as may be provided in accordance with NYISO Tariffs;
- b. Transmission Usage Charges ("TUC") which are Marginal Losses and Congestion costs;
- c. The New York Power Authority "Transmission Adjustment Charge" or "NTAC";

- d. NYISO wide uplift as provided for in the NYISO Tariffs;
- e. Any and all other charges, assessments, or other amounts associated with delivery of RNY Power sold to Customers by the Authority, or otherwise associated with the Authority's responsibilities as a Load Serving Entity for Customers, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO 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 third party.

3. Capacity Component

This component consists of the Authority's estimated costs to meet the NYISO's capacity requirements. This is currently expressed by the NYISO as the Unforced Capacity or "UCAP" obligation. The UCAP obligation is inclusive of any adjustments for reserves needed to meet the installed reserve margin as required by the NYISO.

For RNY Hydro Customer loads, except for those in Zones G, H, I, J and K, capacity will be secured through the Hydro Project. For RNY Hydro Customer loads in Zones G, H, I, J and K only, locational capacity requirements as required by the NYISO will be secured through market purchases or any other means as determined to be most appropriate by the Authority in its sole discretion. The remaining capacity (ROS capacity) will be secured through the Hydro Project.

For RNY Blended Customer loads, capacity will be secured through a combination of sources consisting of the Hydro Project, bilateral contracts, NYISO auctions, or any other means as determined to be most appropriate by the Authority in its sole discretion.

4. Distribution Losses Component

This component consists of the Authority's estimated costs associated with distribution losses of the local electric utility.

5. Market Energy Component

This component, applicable to monthly zonal base rates for RNY Blended Customers, reflects the Authority's forecast of prices for market purchases to be made by Authority on behalf of the Customer based on current and anticipated market conditions. The Authority intends to procure RNY Market Power using short and long-term purchases, including purchases from the NYISO Day-Ahead Market and/or Real-Time Market (each term as provided for in the NYISO Tariffs), and through requests for proposals to the extent the Authority deems them appropriate. Financial hedging instruments may be used for the purposes of mitigating the risk in price movements. The Authority will include the costs of any financial products used to hedge these purchases. Purchases of RNY Market Power will be made in whichever portfolio combination the Authority deems to be appropriate in its sole discretion.

6. Bad Debt Risk Component

This component accounts for risk of loss to the Authority from bad debt associated with the sale of RNY Power across the RNY Power Program.

C. Other Charges

The monthly zonal base rates do not reflect any of the charges discussed in this Section III.C (collectively, “Other Charges”). The Customer shall be responsible for payment of such Other Charges as a separate charge from the monthly zonal base rates to the extent they apply to such Customer.

1. Minimum Demand Charge

The Customer shall be subject to a monthly minimum billing demand charge calculated as follows. If in any given month Customer’s monthly demand usage is less than 75 percent of its Contract Demand, a minimum demand charge equal to 75 percent of the Customer’s Contract Demand (or if the Take Down is less than the Contract Demand, 75 percent of the Take Down), times the applicable demand rate shall apply for that month. Such minimum monthly charge shall be in addition to all other charges provided for in this Service Tariff, including but not limited to Energy Billing and Other Charges as provided for in this Service Tariff.

2. Taxes

The Authority will charge and collect from the Customer all local, state and federal taxes, assessments or other charges mandated by local, state or federal agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer (“Taxes”) if and to the extent such Taxes are not recovered by the Authority pursuant to another provision of this Service Tariff.

3. Curtailments and Substitute Energy

Firm Hydro Power and Firm Hydro Energy are subject to curtailment as provided for in the Agreement and Section IV.B of this Service Tariff. The Authority shall provide Substitute Energy to the Customer, and the Customer shall pay the Authority for Substitute Energy, in accordance with the Agreement and Section IV.B of this Service Tariff.

D. New Charges

The Customer shall be responsible for payment of any and all new costs or charges incurred by the Authority in connection with its provision of Electric Service to the Customer, including but not limited to, charges and costs incurred for supplying RNY Hydropower and RNY Market Power, and any new NYISO Charges as may be defined and applied in any NYISO Tariffs, NYISO-related agreements and NYISO procedures from time to time (collectively, “New Charges”). The Authority, in its sole discretion, may include any such New Charges in the monthly zonal base rates or the Energy Charge Adjustment, or bill the Customer separately for such New Charges.

E. Delivery Charges

The Customer shall be solely responsible for paying its local electric utility for all delivery service charges associated with RNY Power. Should the Authority incur any charges from the local electric utility associated with such delivery service, the Customer shall reimburse the Authority for all such charges.

F. Estimated Billing

If the Authority, in its sole 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 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 the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on an 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.

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 in accordance with Section III.H of this Service Tariff and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The provisions of Section IV.E of this Service Tariff shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended to limit the Authority's rights under the Agreement or otherwise regarding Metering Arrangements.

G. Energy Charge Adjustment

As described above in Section III.B of this Service Tariff, one or more of the monthly zonal base rate components are based on estimates made by the Authority. Charges to the Customer shall be subject to an Energy Charge Adjustment process ("ECA") administered by the Authority. Pursuant to the ECA, charges for Electric Service shall be subject to adjustment (i.e., increase or decrease) when the Authority determines that actual costs vary from the estimates used by the Authority to formulate the monthly zonal base rate components.

H. 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, the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

I. Periodic Rate Adjustment Process

Monthly zonal base rates for RNY Hydro Customers and RNY Blended Customers, including the monthly zonal base rate components listed in Section III.B of this Service Tariff, shall be subject to adjustment in accordance with a Periodic Rate Adjustment Process (“PRAP”) that will establish new monthly zonal base rates for such Customers. It is anticipated that PRAP will occur annually and establish new rates that will be effective beginning on the first day of the next succeeding Rate Year, provided however, the Authority may conduct the PRAP more or less frequently to establish new rates with a different effective date as determined to be advisable by the Authority considering market conditions and other appropriate factors.

As noted above in Section III.B of this Service Tariff, the Preservation Power Price Component of the RNY Hydro Customer and RNY Blended Customer rates is based on the Preservation Power Rate as established in accordance with Section III.A of the PP Service Tariff No.10. The Preservation Power Rate has been established for the period through June 2014. Commencing with the rate year beginning July 2014, and for each rate year thereafter, the Preservation Power Rate is subject to an Annual Adjustment Factor as provided for in Sections V.A.1, V.A.2, V.A.4 and V.B of the PP Service Tariff No.10.

Unless the Authority determines such notice to be impracticable, the Authority will provide the Customer with not less than thirty (30) days written notice of any adjustment of the rates made in accordance with the PRAP.

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2 of this Service Tariff, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power.
2. If, as a result of reduced water flows caused by hydrologic conditions, there is insufficient energy from the Hydro Projects to supply the full power and energy requirements of the Authority's firm power customers served from the Hydro Projects, curtailments in the amount of Firm Power and Firm Energy to which the Customer is entitled as RNY Hydropower under the Agreement will be applied on a pro rata basis to all firm power and firm energy customers served by the Hydro Projects. Reductions as a percentage of the otherwise required firm power and firm energy sales will be the same for all firm power and firm energy customers served by the Hydro Projects. The provision of RNY Market Power, if any, sold to the Customer by the Authority is not subject to curtailment.
3. The Authority will provide Substitute Energy to the Customer to replace the RNY Hydropower that would otherwise have been supplied under this Agreement but for the curtailment. For each kilowatt-hour of Substitute Energy supplied by the Authority, the Customer shall pay the Authority directly for: (a) the market cost of the Substitute Energy; and (b) all costs, including but not limited to any NYISO Charges and Taxes, the Authority incurs in connection with the provision of Substitute Energy.
4. The Authority will give the Customer advance notice of forecasted shortfalls in Firm Power and Firm Energy curtailments which will advise the Customer of the forecasted shortfall of Firm Power and Firm Energy, the period to which the forecast applies (usually a Billing Period), and the Customer's anticipated share of the forecasted shortfall. After the Billing Period to which the notice applies, the Authority will determine after the fact the actual shortfall and make any appropriate adjustments to charges and billings to the Customer in accordance with the rates provided for in this Service Tariff.
5. The Authority is under no obligation to supply and will not supply to the Customer in later Billing Periods any curtailed RNY Hydropower.

C. Delivery of RNY Power

The Customer's local electric utility shall be responsible for delivering RNY Power to the Customer. The Authority shall have no responsibility for delivering any RNY Power to the Customer.

For the purpose of this Service Tariff, Firm Power and Firm Energy will 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 will not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Billing and Billing Methodology

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

1. The amount of energy that will be used by the Authority for Customer billing purposes will be determined based on the methodology provided for in any agreements between the Authority and the Customer's local electric utility regarding the delivery of RNY Power.
2. **Billing Demand.** The Billing Demand charged by the Authority to each Customer will be the highest 30-minute integrated demand during each Billing Period recorded on the Customer's meter multiplied by a percentage based on the methodology provided for in any contract between the Authority and the Customer's local electric utility for delivery of RNY Power. 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 methodology provided for in any contract between the Authority and the Customer's local electric utility for delivery of RNY Power.

E. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the fifteenth (15th) business day of the month for charges due for the previous Billing Period. Bills will reflect the amounts due and owing, and are subject to adjustment as provided for in this Agreement, Service Tariff No. RNY-1 and the Rules. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority shall render bills to the Customer electronically.
2. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.
3. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent 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.
4. Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of a bill rendered by Authority, the Customer shall pay such bill in the time provided for by this Agreement, and adjustments, if necessary, will be made thereafter.
5. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money 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 sole discretion to suspend Electric Service to the Customer or terminate this Agreement.

F. Conflicts

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