

ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from Albany County Industrial Development Agency (the "Agency"). These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY
112 State Street; Room 740
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: CHPE LLC, or its designee

APPLICANT'S ADDRESS: 600 Broadway

CITY: Albany STATE: NY ZIP: 12207

PHONE NO: (518) 465-0710 E-MAIL: josh.bagnato@transmissiondevelopers.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Rick Chase, Josh Bagnato, Todd Singer

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Peter Swartz, Swartz Moses PLLC

ATTORNEY'S ADDRESS: 1583 East Genesee Street

CITY: Skaneateles STATE: NY ZIP: 13152

PHONE NO: (315) 554-8166 E-MAIL: phs@swartzmoses.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.

INSTRUCTIONS

1. The Agency will not approve any application unless in the judgment of the Agency said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using “none” or “not applicable” or “N/A” where the question is not appropriate to the project which is the subject of this application (the “Project”).
3. If an estimate is given as the answer to a question, put “(est)” after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return twelve (12) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant’s competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency’s bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency’s general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of Fifteen Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

FOR AGENCY USE ONLY

1. Project Number	_____
2. Date application received by the Agency	_____, 20__
3. Date application referred to attorney for review	_____, 20__
4. Date copy of application mailed to members	_____, 20__
5. Date notice of Agency meeting on application posted	_____, 20__
6. Date notice of Agency meeting on application mailed	_____, 20__
7. Date of Agency meeting on application	_____, 20__
8. Date Agency conditionally approved application	_____, 20__
9. Date scheduled for public hearing	_____, 20__
10. Date Environmental Assessment Form (“EAF”) received	_____, 20__
11. Date Agency completed environmental review	_____, 20__
12. Date of final approval of application	_____, 20__

SUMMARY OF PROJECT

Applicant: CHPE LLC, or its designee

Contact Person: Josh Bagnato, Vice President – Development

Phone Number: (802) 477-3830

Occupant: CHPE LLC, or its designee

Project Street Address: N/A

Approximate Size of Project Site: N/A

Description of Project: See Project Supplement

Type of Project: Manufacturing Warehouse/Distribution
 Commercial Other – Specify

Industrial (Transmission Line)

Employment Impact: See Project Supplement

Existing Jobs: Full Time: N/A Part-Time: N/A

New Jobs Full Time: N/A Part-Time: N/A

Project Cost: ~\$254,000,000 in Albany County; See Project Supplement

Type of Financing: Tax-Exempt Taxable Straight Lease

Amount of Bonds Requested: \$ 0

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax: \$ TBD
Mortgage Recording Taxes: \$ TBD
Real Property Tax Exemptions: \$ TBD
Other (please specify): \$ N/A

Provide estimates for the following: See Project Supplement

Number of Full Time Employees at the Project Site before IDA Status: N/A
Estimate of Jobs to be Created: N/A
Estimate of Jobs to be Retained: N/A
Average Estimated Annual Salary of Jobs to be Created: N/A
Annualized Salary Range of Jobs to be Created: N/A
Estimated Average Annual Salary of Jobs to be Retained: N/A

I. Proposed occupant of Project (hereinafter, the “Company”).

A. Company Name: CHPE LLC, or its designee

Present Address: 600 Broadway, Albany, NY

Zip Code: 12207

Employer’s ID No.: 84-5075255

B. If the Company differs from the Applicant, give details of relationship: N/A

_____.

C. Indicate type of business organization of Company:

1. Corporation (If so, incorporated in what country? ; What State? ; Date Incorporated? ; Type of Corporation? ; Authorized to do business in New York? yes no).

2. Partnership (If so, indicate type of partnership , Number of general partners , Number of limited partners).

3. X Limited liability company (If so, formed in what State? New York, Date formed? March 2, 2020, Authorized to do business in New York? Yes).

4. Sole proprietorship.

D. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:

See Project Supplement

_____.

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E. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Donald Jessome	Chief Executive Officer	N/A
Gene Martin	President & Chief Operating Officer	N/A
Todd Singer	Executive Vice President & Chief Financial Officer	N/A
William Helmer	Executive Vice President & General Counsel	N/A
Kristen Landino	Senior Vice President, Finance	N/A
Josh Bagnato	Vice President, Development	N/A
Ayokunle Kafi	Vice President, Project Services	N/A
Bob Harrison	Vice President, Engineering & Construction	N/A
Jennifer White	Vice President, External Affairs	N/A

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? ____ yes **X** no.
3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? ____ yes **X** no.
4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? ____ yes **X** no. If yes to any of the foregoing, furnish details in a separate attachment.

F. Principal owners of Company: Is Company publicly held? ____ yes **X** no. If yes, list exchanges where stock traded: _____

_____.

If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
TDI-USA Holdings, LLC		100%
See Project Supplement for more detail		

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G. Company's Principal Bank(s) of account: TD Bank, 1290 Avenue of the Americas, New York, NY 10104.

II. Information concerning lease or sublease of the project. (Please complete the following section if the Company intends to lease or sublease the Project).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? ___ yes **X** no. If yes, please provide detail.

_____.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? N/A.

C. 1. Sublessee name: N/A

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sublessee is: ___ Corporation: ___ Partnership: ___ Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

2. Sublessee name: N/A

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sublessee is: ___ Corporation: ___ Partnership: ___ Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

3. Sublessee name: _____ N/A _____

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sublessee is: ___ Corporation: ___ Partnership: ___ Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

III. Data regarding Proposed Project

A. Summary: (Please provide a brief narrative description of the Project.)

Champlain Hudson Power Express ("CHPE") is a proposed ~335-mile, fully buried HVDC electric power transmission line sized up to 1,250 MW and designed to help New York State meet its green energy goals. The project will play a key role in the State's energy transformation, lowering greenhouse gas emissions, creating jobs, and generating billions of dollars in new investment in New York's economy while delivering low-cost renewable energy to New York State.

B. Location of Proposed Project:

1. Street Address: _____ N/A – See Project Supplement _____
2. City of _____ N/A _____
3. Towns of Guilderland, New Scotland, Bethlehem, and Coeymans _____
4. Villages of Voorheesville and Ravena _____
5. County of Albany _____

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: N/A.
Is a map, survey, or sketch of the project site attached? X yes ___ no.
See Exhibit 1 of Project Supplement for Project Map.

2. Are there existing buildings on project site? ___ yes X no. If yes, indicate number and approximate size (in square feet) of each existing building: _____

_____.

3. Are existing buildings in operation? ___ yes X no.
If yes, describe present use of present buildings: _____

_____.

Are existing buildings abandoned? ___ yes X no. About to be abandoned? ___ yes ___ no. Attach photograph of present buildings.

4. Utilities serving project site:
Water-Municipal: N/A
Other (describe) _____
Sewer-Municipal: N/A
Other (describe) _____
Electric-Utility: N/A
Other (describe) _____
Heat-Utility: N/A
Other (describe) _____

5. Present legal owner of project site: CSX Railroad (primarily). See Project Supplement.

If the Company owns project site, indicate date of purchase: _____, 20___; Purchase price: \$_____. N/A

If Company not owner, does Company have option signed with owner to purchase the project site? ___ yes X (lease) no. If yes, indicate date option signed with owner: _____, 20___. Date option expires: _____, 20___.

See Project Supplement

If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? ____ yes X no. If yes, describe in detail on separate attachment.

6. Zoning District in which the project site is located: N/A

Are there any variances or special permits affecting the site? ____ yes X no. If yes, list below and attach copies of all such variances or special permits: _____

_____.

D. Buildings:

1. Does part of the project consist of a new building or buildings? ____ yes X no. If yes, indicate number and size of new buildings:

_____.

2. Does part of the project consist of additions and/or renovations to the existing buildings? ____ yes X no. If yes, indicate nature of expansion and/or renovation: _____

_____.

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, or expanded: N/A

_____.

E. Project Use:

1. What are the principal products to be produced at the Project? N/A

2. What are the principal activities to be conducted at the Project? Transmission of Electricity

3. Will any portion of the Project be used for any of the following purposes:

- retail food and beverage services: Yes No
automobile sales or service: Yes No
recreation or entertainment: Yes No
golf course: Yes No
country club: Yes No
massage parlor: Yes No
tennis club: Yes No
skating facility (including roller skating, skateboard and ice skating):
 Yes No
racquet sports facility (including handball and racquetball court):
 Yes No
hot tub facility: Yes No
suntan facility: Yes No
racetrack: Yes No

If the answer to any of the above questions is yes, please furnish details on a separate attachment.

4. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes No. If yes, please provide detail: _____

_____.

5. If the answer to question 4 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? _____%

6. If the answer to question 4 is yes, and the answer to question 5 is more than 33.33%, indicate whether any of the following apply to the Project:

- a. Will the Project be operated by a not-for-profit corporation?
Yes No .
- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes ; No .

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- c. Would the project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes ____; No ____.
- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes ____; No ____ . If yes, please provide detail. _____

_____.
- e. Will the Project be located in one of the following: (a) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes ____; No ____.
7. If the answers to any of subdivisions c. through e. of question 6 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes ____ No ____ . If yes, please provide detail.

_____.
8. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes ____; No **X**. If yes, please explain:

_____.
9. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ____; No **X**. If yes, please provide detail: _____

_____.

10. If the answer to either question 8 or question 9 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company on such Project Occupant in its industry? Yes ____; No _____. If yes, please provide detail: _____

_____.

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ____; No _____. If yes, please provide detail: _____

_____.

11. Will the Project be owned by a not-for-profit corporation? Yes ____; No X. If yes, please provide detail: _____

_____.

12. If the answer to question 11 is yes, indicate whether any of the following apply to the Project:

a. Is the Project a housing facility primarily designed to be occupied by individuals 60 years of age or older? Yes ____; No _____. If yes, please explain: _____

_____.

b. Is the Project a dormitory for an educational institution? Yes ____; No _____. If yes, please explain: _____

_____.

c. Is the Project a facility as defined in Article 28 of the Public Health Law? Yes ____; No _____. If yes, please explain: _____

_____.

13. If the answer to any of the questions contained in question 12 is yes, indicate whether the cost of the Project will exceed \$15 million. Yes ____; No ____.
If yes, please provide detail: _____

_____.

14. Will the Project be sold or leased to a municipality? Yes ____; No X.
If yes, please provide detail: _____

_____.

F. Construction Status:

1. Has construction work on this project begun? ____ Yes; X No. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.: _____

_____.

2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures: _____
The Company has pursued development of the project for over 10 years and has spent millions of dollars on design, environmental review and permitting efforts.

3. Please indicate the date the applicant estimates the Project will be completed: December 31, 2025

G. Method of Construction after Agency Approval:

1. If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to

be designated as “agent” of the Agency for purposes of constructing the project? X Yes; ___ No.

H. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals. See Project Supplement

2. Describe the nature of the involvement of the federal, state, or local agencies described above: See Project Supplement .

IV. Employment Impact See Project Supplement

A. Indicate the number of people presently employed at the Project site and the **additional** number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of independent contractors. (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT					
Employees of Applicant					<u>See Project Supplement</u>
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

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TYPE OF EMPLOYMENT					<u>See Project Supplement</u>
Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

TYPE OF EMPLOYMENT					<u>See Project Supplement</u>
Employees of Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					

First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Capital Region Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

RELATED EMPLOYMENT INFORMATION				
	<u>See Project Supplement</u>			
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges				
Estimated Number of Employees Residing in the Capital Region Economic Development Region ¹				

C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project: September 30, 2021 – December 31, 2025

¹ The Capital Region Economic Development Region consists of the following counties: Albany, Schenectady, Rensselaer, Greene, Columbia, Saratoga, Warren, and Washington.

D. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment. See Project Supplement

V. Project Cost

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ _____
Buildings	\$ _____
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond Issue (legal, financial and printing)	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL PROJECT COSTS	\$ ~254,000,000
	See Project Supplement

B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

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<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing	\$ <u>TBD</u>
Public Sector	\$ <u>0</u>
Federal Programs	\$ <u>0</u>
State Programs	\$ <u>0</u>
Local Programs	\$ <u>0</u>
Applicant Equity	\$ <u>TBD</u>
Other (specify, e.g., tax credits)	
<hr/>	\$ <u>TBD</u>
<hr/>	\$ <u> </u>
<hr/>	\$ <u> </u>
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	See Project Supplement

C. Have any of the above expenditures already been made by the applicant?
Yes **X**; No . If yes, indicate particulars.

The Company has pursued development of the project for over 10 years and has spent millions of dollars on design, environmental review and permitting efforts.

D. Amount of loan requested: \$ TBD ;

Maturity requested: 30 years.

E. Has a commitment for financing been received as of this application date, and if so, from whom?

Yes ; No **X**. Institution Name:

Provide name and telephone number of the person we may contact.

Name: N/A Phone:

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- F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: 0 %
- G. The total amount estimated to be borrowed to finance the Project is equal to the following: \$ TBD

VI. Benefits expected from the Agency

- A. Is the applicant requesting that the Agency issue bonds to assist in financing the project? ___ Yes X No.
- B. Is the interest on such bonds intended to be exempt from federal income taxation? ___ Yes ___ No. N/A
- C. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? X Yes ___ No.*
If yes, is the real property tax exemption being sought consistent with the Agency's Uniform Tax Exemption Policy? Yes ___; No X.

*TBD: PILOT payment terms have not yet been determined

- D. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? X Yes ___ No. If yes, what is the approximate amount of financing to be secured by mortgages? \$ TBD.
- E. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? X Yes ___ No. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ TBD.
- F. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

1. N.Y.S. Sales and Compensating Use Taxes: TBD
2. Mortgage Recording Taxes: TBD
3. Real Property Tax Exemptions: TBD
4. Other (please specify): N/A

- G. Please list the affected taxing jurisdictions for the Project.

1. Villages (if any): Voorheesville and Ravena
2. Towns: Guilderland, New Scotland, Bethlehem and Coeymans
3. City (if any): none
4. School Districts: Guilderland, Voorheesville, Bethlehem and Ravena-Coeymans-Selkirk

H. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency’s Uniform Tax Exemption Policy?

X Yes ___ No. If yes, please explain. TBD: PILOT payment terms have yet to be determined.

I. Project Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VII. Agreements by Applicant: The applicant understands and agrees with the Agency as follows:

A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the “DOC”) and with the administrative entity (collectively with the DOC, the “JTPA Entities”) of the service delivery area created by the federal job training partnership act (Public Law 97-300) (“JTPA”), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), in which the Project is located.

B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

- D. Annual Employment Reports. The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the “NYS-45”), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable.
- E. Uniform Agency Project Agreement. The applicant agrees to enter into a project benefits agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the “Public Benefits”) and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.
- F. Representation of Financial Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.
- G. Agency Financial Assistance Required for Project. The Project would not be undertaken but for the Financial Assistance provided by the Agency or, if the Project could be undertaken without the Financial Assistance provided by the Agency, then the Project should be undertaken by the Agency for the following reasons:
- See Project Supplement
- H. Compliance with Article 18-A of the General Municipal Law: The Project, as of the date of this Application, is in substantial compliance with all provisions of article 18-A of the General Municipal including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862; and the provisions of subdivision one of Section 862 of the General Municipal Law will not be violated if Financial Assistance is provided for the Project.
- I. Compliance with Federal, State, and Local Laws. The applicant is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

- J. False or Misleading Information. The applicant understands that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.
- K. Absence of Conflicts of Interest. The applicant acknowledges that the members, officers, and employees of the Agency are listed on the Agency's website. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

N/A

- L. L. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency are included in the Agency's Additional Documents which can be accessed at:

<http://www.albanycounty.com/Businesses/ACIDA/ACIDA-Documents.aspx> .

AMENDED AND RESTATED AS OF APRIL 2021

I affirm under penalty of perjury that all statements made on this application are true, accurate, and complete to the best of my knowledge.

By: CHPE LLC
Applicant
Title: 
GVF + CFO

NOTE: APPLICANT MUST COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 26 THROUGH 29 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 30.

AMENDED AND RESTATED AS OF APRIL 2021

VERIFICATION

(If applicant is a limited liability company)

STATE OF NEW YORK)
) SS.:
COUNTY OF ALBANY)

William Helmer deposes and says that he is one of the officers of the firm of CHPE LLC , the limited liability company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said limited liability company.

William Helmer

Sworn to before me this

28th day of April, 2021

Tracie A. Chase

(Notary Public)

TRACIE A. CHASE
Notary Public, State of New York
Qualified in Albany Co. No. 01CH4989574
My Commission Expires 12/9/2021

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE
HOLD HARMLESS AGREEMENT APPEARING ON PAGE 30 IS SIGNED BY THE
APPLICANT.

HOLD HARMLESS AGREEMENT

Applicant hereby releases Albany County Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issuance of bonds requested therein are favorably acted upon by the Agency, (ii) the Agency's financing of the Project described therein; and (iii) any further action taken by the Agency with respect to the Project, including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

CHPE, LLC
(Applicant)
William Helmer
BY: William Helmer

Sworn to before me this
28th day of April, 2021.

Tracie A. Chase
(Notary Public)

TRACIE A. CHASE
Notary Public, State of New York
Qualified in Albany Co. No. 01CH4989574
My Commission Expires 12/9/2021

AMENDED AND RESTATED AS OF APRIL 2021

TO: Project Applicants
FROM: Albany County Industrial Development Agency
RE: Cost/Benefit Analysis

In order for the Albany County Industrial Development Agency (the “Agency”) to prepare a Cost/Benefit Analysis for a proposed project (the “Project”), the Applicant must answer the questions contained in this Project Questionnaire (the “Questionnaire”) and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary (“Company”):	CHPE LLC, or its designee
2. Brief Identification of the Project:	Champlain Hudson Power Express (“CHPE”) is a proposed ~335-mile, fully buried HVDC electric power transmission line sized up to 1,250 MW and designed to help New York State meet its green energy goals. The project will play a key role in the State’s energy transformation, lowering greenhouse gas emissions, creating jobs, and generating billions of dollars in new investment in New York’s economy while delivering low-cost renewable energy to New York State.
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0
B. Value of Sales Tax Exemption Sought	\$ TBD
C. Value of Real Property Tax Exemption Sought	\$ TBD
D. Value of Mortgage Recording Tax Exemption Sought	\$ TBD
4. Likelihood of accomplishing the Project in a timely fashion:	High

PROJECTED PROJECT INVESTMENT

See Project Supplement

A. Land-Related Costs	
1. Land acquisition	\$

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2.	Site preparation	\$ _____
3.	Landscaping	\$ _____
4.	Utilities and infrastructure development	\$ _____
5.	Access roads and parking development	\$ _____
6.	Other land-related costs (describe)	\$ _____
B.	Building-Related Costs	
1.	Acquisition of existing structures	\$ _____
2.	Renovation of existing structures	\$ _____
3.	New construction costs	\$ _____
4.	Electrical systems	\$ _____
5.	Heating, ventilation and air conditioning	\$ _____
6.	Plumbing	\$ _____
7.	Other building-related costs (describe)	\$ _____
C.	Machinery and Equipment Costs	
1.	Production and process equipment	\$ _____
2.	Packaging equipment	\$ _____
3.	Warehousing equipment	\$ _____
4.	Installation costs for various equipment	\$ _____
5.	Other equipment-related costs (describe)	\$ _____
D.	Furniture and Fixture Costs	
1.	Office furniture	\$ _____
2.	Office equipment	\$ _____
3.	Computers	\$ _____
4.	Other furniture-related costs (describe)	\$ _____
E.	Working Capital Costs	
1.	Operation costs	\$ _____
2.	Production costs	\$ _____
3.	Raw materials	\$ _____
4.	Debt service	\$ _____
5.	Relocation costs	\$ _____
6.	Skills training	\$ _____
7.	Other working capital-related costs (describe)	\$ _____
F.	Professional Service Costs	
1.	Architecture and engineering	\$ _____
2.	Accounting/legal	\$ _____
3.	Other service-related costs (describe)	\$ _____
G.	Other Costs	
1.	_____	\$ _____
2.	_____	\$ _____

H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$ _____
2.	Total Building-Related Costs	\$ _____
3.	Total Machinery and Equipment Costs	\$ _____
4.	Total Furniture and Fixture Costs	\$ _____
5.	Total Working Capital Costs	\$ _____
6.	Total Professional Service Costs	\$ _____
7.	Total Other Costs	\$ _____

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	See Project Supplement
			Estimated Additional NYS Income Tax
Current Year		\$ _____	\$ _____
Year 1		\$ _____	\$ _____
Year 2		\$ _____	\$ _____
Year 3		\$ _____	\$ _____
Year 4		\$ _____	\$ _____
Year 5		\$ _____	\$ _____

PROJECTED PERMANENT EMPLOYMENT IMPACT

See Project Supplement

- I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application.
- II. Estimates of the total new permanent jobs to be created at the Project are described in the tables in Section IV of the Application.
- III. Please provide estimates for the following:
 - A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.
- IV. Provide the projected percentage of employment that would be filled by Albany County residents: _____
 - A. Provide a brief description of how the project expects to meet this percentage:

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ N/A
Additional Sales Tax Paid on Additional Purchases	\$ N/A
Estimated Additional Sales (1 st full year following project completion)	\$ N/A
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ N/A

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes (“Pilot Payments”):

Year	Existing Real Property Taxes (Without involvement)	IDA	New Pilot Payments (With IDA)	Total (Difference)
Current Year				
Year 1				
Year 2				
Year 3				
Year 4	TBD: PILOT payment terms have not yet been determined			
Year 5				
Year 6				
Year 7				
Year 8				
Year 9				
Year 10				

III. Please provide a detailed description for the impact of other economic benefits and all anticipated community benefits expected to be produced as a result of the Project (attach additional pages as needed for a complete and detailed response):

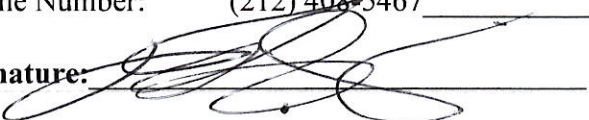
See Project Supplement

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate, and complete to the best of my knowledge.

Date Signed: <u>April 28, 2021</u>	Name of Person Completing Project Questionnaire on behalf of the Company.
	Name: Todd Singer _____
	Title: Chief Financial Officer _____
	Address: 1301 6 th Ave, New York, NY 10019 _____
	Phone Number: (212) 408-5467 _____
	Signature:  _____

CHPE LLC, or its designee (the “Company”)
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SUMMARY OF PROJECT

(Page 4)

Description of Project:

The project covered by this Application (the “Project”) will consist of: (a)(1) the acquisition of an interest in certain parcels of land located in the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and Ravena, Albany County, New York (collectively, the “Land”), (2) the acquisition of two five-inch diameter high-voltage direct current (“HVDC”) transmission cables and the acquisition of inverters and related equipment for a potential converter station to be located in the Town of New Scotland (the “New Scotland Converter Station”) and associated substation and interconnection equipment (collectively, the “Equipment”), and (3) the construction, installation and equipping on or under the Land of a fully-buried, up to 1,250-megawatt (“MW”) HVDC electric transmission line and related infrastructure and the construction, installation and equipping on the Land of the New Scotland Converter Station and associated substation and interconnection facilities (collectively, the “Improvements”, and together with the Land and Equipment, the “Project Facility”), all of the foregoing for use by the Company as a portion of an electric transmission line from the U.S.-Canada border to New York City, (b) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including exemptions from sales and use taxes, mortgage recording taxes, and real property taxes for the Project Facility (but not including special district taxes) (collectively, the “Financial Assistance”); and (c) the lease of the Project Facility by the Agency back to the Company; all as contemplated by and in furtherance of the purposes of the General Municipal Law.

The Project is the Albany County portion of a fully-buried, HVDC electric transmission line from the U.S.-Canada border to New York City (the “Transmission System”) that will be up to 1,250-MW. The Transmission System will play a key role in New York’s energy transformation, lowering greenhouse gas emissions, creating jobs, and generating billions of dollars in new investment in New York’s economy while delivering low-cost renewable energy to New York State.

The New York State Energy Research and Development Authority (“NYSERDA”) has issued a request for proposals (the “RFP”) for long term contracts to bring renewable power directly into New York City via new transmission lines. The Company, in partnership with its generation partner, Hydro Quebec (“HQ”), is participating in the RFP. The RFP will be competitive, and if the Transmission System is the winning bidder, the resulting commercial contract will enable the Transmission System to be built and resulting PILOT revenue to flow to Albany County tax jurisdictions. The RFP also requires alternate bid responses. The Company’s alternative bid (the “Alternate Bid”) will propose an additional feature to the Transmission System involving construction of the New Scotland Converter Station and associated substation and interconnection facilities in the Town of New Scotland, which would serve as an “on-ramp” to the Transmission System for renewable power generated in upstate New York to be transmitted to and sold in New York City.

Employment Impact:

There are no people presently employed at the Project site. The Company does not have a breakdown of anticipated employment figures by county once construction begins.

The Transmission System is anticipated to create more than 1,100 direct full-time jobs in New York State over the approximate 4-year construction period, with total wages of approximately \$0.6 billion

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during that period.¹ Using economic multipliers, those jobs are expected to create approximately 1,100 secondary jobs (indirect and induced) as well as \$1.5 billion in new economic output during construction focused on materials providers, trucking, hospitality, food service, transportation, fuel and clothing, among other sectors.² If the New Scotland Converter Station is built, it will create further opportunities for renewable generation development and construction in the Capital District, amplifying the tax revenue and employment benefits associated with the Project.

As a buried transmission line with no moving parts, the Project will not require day-to-day operations and maintenance efforts. Accordingly, the Project will not create permanent employment at the Project site. However, the Transmission System is anticipated to induce the creation of more than 800 long-term jobs in New York State once operational. Those induced jobs are anticipated to generate approximately \$5.6 billion in wages during the first 30 years of operation on a statewide basis.³ If the Alternate Bid is successful, the New Scotland Converter Station will create up to 3 permanent employment positions at the New Scotland Converter Station site.

Project Cost:

The Company does not have estimated costs per mile for the portion of the Transmission System to be located within each county. However, based on estimated average costs for the land-based portion of the Transmission System, the cost of acquiring the Land and Equipment and of constructing, installing, and equipping the Improvements, including the New Scotland Converter Station, can be estimated to be approximately \$254 million⁴, the anticipated breakdown of which is as follows:

- \$173 million for the underground portion;
- \$80 million for the converter station (real property component only); and
- \$1 million for the converter station land in New Scotland.

The cost of the New Scotland Converter Station and land represents \$81 million of the total Project Cost and would only be built if the Alternate Bid is successful.

Estimates of Employees, Jobs, Salaries, etc.:

See above response to Employment Impact.

Section I. Proposed occupant of Project

D. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)?: (Page 5)

CHPE LLC, a New York State entity, is 100% owned by TDI-USA Holdings LLC, a Delaware entity. TDI-USA Holdings LLC is ~88% owned by New York Clean Power Holdings LLC, which is 100% owned by the Blackstone Group; ~10% owned by Transmission Developers, Inc., a Canadian corporation; and ~2% owned by National Resources Energy LLC. New York-based Blackstone is a

¹ See “Analysis of Economic, Environmental, and Reliability Impacts to the State of New York,” PA Consulting, a copy of which is available for review at https://chpexpress.com/wp-content/uploads/2020/03/PA_Analysis_Report_on_Champlain_Hudson_Power_Express_Benefits.pdf. Figures do not include the potential impact of the New Scotland Converter Station.

² Id.

³ Id.

⁴ Figure to be revised as capital cost estimates are further refined.

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global leader in alternative asset management with \$619 billion of assets under management as of December 31, 2020.

F. List all Stockholders having 5% or more interest in the Company: (Page 6)

See above response to D. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)?

Section III. Data regarding Proposed Project

B. Location of Proposed Project: (Page 8)

The Project will run ~24 miles through the Towns of Guilderland, New Scotland, Bethlehem, and Coeymans, and the Villages of Voorheesville and Ravenna entirely underground and primarily within CSX Railway’s right-of-way. The New Scotland Converter Station would be located in the Town of New Scotland.

C. Present legal owner of project site: (Page 9)

5. If Company not owner, does Company have option signed with owner to purchase the project site?

The Company intends to acquire lease, easement, or license interests in the Land. The Company may acquire a fee simple interest in the parcel(s) upon which the New Scotland Converter Station would be built.

H. Other Involved Agencies: (Page 15)

The Transmission System will pass through fifteen (15) different counties in New York State (see Project Map in Exhibit 1). In addition to the Agency, the Company has reached out to twelve (12) other county industrial development agencies along the route with similar PILOT proposals.

The Company has obtained all necessary municipal consents for the Project, except in the Town of Bethlehem where the Town Board passed a resolution indicating it has no objections to the Project routing in the town.

In New York State, the Transmission System has been issued permits pursuant to laws relating to coastal zone management (Department of State), historic preservation (State Historic Preservation Officer), and stormwater discharge management (Department of Environmental Conservation). It has been issued a Certificate of Environmental Compatibility and Public Need, under New York Public Service Law Article VII, and as such is a Type II action under the State Environmental Quality Review Act, requiring no further review. A copy of the certificate from the New York Public Service Commission is available at <https://chpexpress.com/wp-content/uploads/2020/03/permit-PSC.pdf>.

The Company has also received all Federal permits and approvals to construct the Project. Copies of the Federal permits and approvals, including the Department of Energy-issued Presidential Permit for electric transmission facilities that connect at an international border, the Army Corps of Engineers-issued permits for activities that implicate U.S. navigable waters and related infrastructure, and the Federal Energy Regulatory Commission’s approval for the Company to sell transmission rights at negotiated rates, are all available at <https://chpexpress.com/overview-of-public-documents/permits/>.

If the Alternate Bid is successful, the Company will seek a modification of any necessary permits, including its Certificate of Environmental Compatibility and Public Need, under New York Public

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Service Law Article VII, to cover the New Scotland Converter Station. The Company anticipates such permit/certification modifications would be granted in due course.

Section IV. Employment Impact

A, B and D: (Pages 16-19)

See response to Employment Impact under **SUMMARY OF PROJECT**.

Section V. Project Cost

A. Anticipated Project Costs: (Page 19)

See response to Project Cost under **SUMMARY OF PROJECT**.

B. Anticipated Project Financing Sources: (Pages 19-20)

The Transmission System will be financed through a combination of private sector financing and Applicant equity. Amounts and terms of each source of financing have not yet been determined, but it may include a mortgage on the Project Facility in Albany County and on Transmission System land and improvements in other counties; a mortgage on the Transmission System converter station site located in New York City; a mortgage on the New Scotland Converter Station site (if the Alternate Bid is successful); an assignment of contracts, such as the Transmission Services Agreement and construction contracts; an assignment of options on real estate; UCC filings; and a pledge of the equity interest in CHPE LLC held by TDI-USA Holdings, LLC.

Private sector financing will be sought for the entire Transmission System and not on a county-by-county basis. Accordingly, the total amount to be borrowed to finance the Project has not yet been determined. For purposes of this Application, the Company estimates that the portion of the total borrowing to be allocated to the Albany County portion of the Transmission System is up to 100% of the \$254 million⁵ in capital costs, for which mortgage recording tax exemption is sought. If the Alternate Bid is not successful, the Company estimates that the portion of the total borrowing to be allocated to the Albany County portion of the Transmission System is up to 100% of the \$173 million⁶ in capital costs, for which mortgage recording tax exemption is sought.

Section VII. Agreements by Applicant

G. Agency Financial Assistance Required for Project: (Page 23)

The value proposition of the Transmission System to its customers is largely based on a guaranteed, predictable, price over a 30-year period. Consequently, annual operating costs, including tax responsibilities, must be predictable over the 30-year term of its financing for the Project to be viable and financeable. As a merchant transmission line, the Transmission System consequently cannot rely on captive ratepayers to absorb its costs. Key considerations for the Project include:

- Need for broad-based cost certainty, including:

⁵ Figure to be revised as capital cost estimates are further refined.

⁶ Figure to be revised as capital cost estimates are further refined.

CHPE LLC, or its designee (the “*Company*”)
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- Operating expenses: Property taxes will be significant and would be uncertain, and long-term certainty is required for project viability and financing.
- High and increasing transmission cable costs.
- High and unpredictable installation costs due to fluctuating labor and commodity markets, and cost risks associated with underground installation.
- Financing costs: Project difficult to finance with uncertain operating expenses; risk of rising interest rates and future financial market uncertainty.
- Because of the high number of tax jurisdictions along the route (including in Albany County), if PILOTs are not utilized, uniformity of treatment and long-term certainty associated with the tax obligations of the project cannot be achieved.
 - Albany County: Eleven tax jurisdictions (one county, four towns, two villages, and four school districts)⁷
 - Entire route: More than 150 tax jurisdictions (15 counties, 5 cities, 60 towns, 11 villages, and 60 school districts)
- Fixed, market-competitive pricing must be offered to execute commercial agreements required to finance and construct the project.
- PILOT facilitates the Project’s viability and financing, which helps achieve NY State environmental mandates and goals.
- Project provides long-term and predictable Agency and tax jurisdiction benefits for the region from an “invisible” project with no use of public infrastructure or services.
- Helps provide uniformity of treatment across all affected tax jurisdictions in NY State (i.e., creates a fair, efficient, streamlined process which enables the Company to reach agreements benefitting the multitude of tax jurisdictions). The only anticipated variability will be to account for the lower construction impacts in counties where (and to the extent) the cable will be installed underwater.

If the Company is unable to obtain Financial Assistance for the Project, it is likely that New York State will encounter difficulty meeting its green energy goals. The Transmission System will comprise a significant portion of the renewable energy needed to meet New York State’s 70x30 green energy goal. It is expected to induce creation of significant jobs and economic activity on a Transmission System-wide basis including more than 1,100 direct full-time jobs and \$0.6 billion in wages in New York State over the approximately 4-year construction period, more than 800 long-term jobs in New York state once operational, and \$5.6 billion in wages during the first 30 years of operations on a statewide basis. The majority of workforce will be sourced with union labor. Furthermore, it is expected that the Transmission System will induce \$1.5 billion in higher economic output during the approximately 4-year construction period and \$14.8 billion during the first 30 years of operations on a statewide basis. Without the Project and the Agency’s assistance, this statewide economic impact would not occur.⁸

⁷ Towns of Guilderland, New Scotland, Bethlehem and Coeymans; Villages of Voorheesville and Ravena; School districts of Guilderland CSD, Voorheesville CSD, Bethlehem CSD and Ravena-Coeymans-Selkirk CSD. Involved tax jurisdictions subject to change based on final construction plans. The New Scotland Converter Station would be located in the Albany County, Town of New Scotland, and Voorheesville Central School District tax jurisdictions.

⁸ Figures do not include the potential impact of the New Scotland Converter Station (if the Alternate Bid is successful).

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Cost/Benefit Analysis

Projected Project Investment (Pages 31-32)

The Company does not have a detailed breakdown of the estimated cost of acquiring and constructing the Project Facility.

Projected Construction Employment Impact (Page 33)

Construction of the Transmission System is currently expected to take place from 2021 to 2025. The Project’s construction period will be of a more limited nature. The exact construction seasons are still to be determined based on direction from contractors. However, significant coordination and communication with the Agency and involved municipalities will occur prior to construction.

Projected Permanent Employment Impact (Page 33)

See response to Employment Impact under **SUMMARY OF PROJECT**.

Projected Operating Impact

III. Please provide a detailed description for the impact of other economic benefits and all anticipated community benefits expected to be produced as a result of the Project: (Page 34)

Key Project and Transmission System Benefits:

- Approximately \$254 million of new capital investment in Albany County, of which \$173 million relates to the transmission line improvements, and \$81 million relates to the New Scotland Converter Station improvements (real property component only) and land costs (if the Alternate Bid is successful).⁹ If the New Scotland Converter Station is built, it will create further opportunities for renewable generation development and construction in the Capital District, amplifying the tax revenue and employment benefits associated with the Project.
- Substantial and sustained increase in revenue for involved tax jurisdictions – depending on the PILOT proposal selected, this represents at a minimum ~\$119 million, for the transmission line improvements, and an additional \$59 million, for the New Scotland Converter Station improvements (if the Alternate Bid is successful), in new revenue for involved Albany County tax jurisdictions during the first 30 years of operation.
- Requires no municipal or school district services since cable will be buried underground.
- Project improvements are “invisible” due to installation underground and therefore minimally invasive, natural views are preserved, and a minimal, short-term impact on the environment and community during construction.
- Significant Agency administrative fee payable at 100% of amount due by Agency policy (i.e., no discount requested).
- Special district taxes paid in addition to PILOT payments.
- Significant job creation and spending on a Transmission System-wide basis, including:
 - More than 1,100 direct full-time jobs in New York State over the 4-year construction period.
 - Induces more than 800 long-term jobs in New York state once operational.
 - \$0.6 billion in wages during the approximately 4-year construction period and \$5.6 billion in wages during the first 30 years of operations on a statewide basis. Majority of workforce to be sourced with union labor.

⁹ Figures to be revised as capital cost estimates are further refined.

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- \$1.5 billion in higher economic output during the approximately 4-year construction period and \$14.8 billion during the first 30 years of operations on a statewide basis.
- Forecast to reduce wholesale energy costs outside New York City by \$5.1 billion during the first 30 years of operations due to lower-cost hydropower generation displacing less-efficient, and costlier fossil fuel generation.
- Creates an estimated \$10.6 billion in CO₂ reduction benefits in New York State, while creating environmentally sustainable energy infrastructure.
- Provides a solution to New York’s green energy goals, including New York’s goal of 70% renewable energy by 2030, as well as the state’s mandate to reduce CO₂ emissions 40% by 2030 and 80% by 2050.
- Hardened infrastructure will make New York’s aging energy grid safer, more secure, and more reliable, as well as provide energy supply that is geographically separated from New York, maximizing the grid’s resilience to natural disasters, and black-start capability to quickly help restore the grid after power outages.
- If the Alternate Bid is successful, the Transmission System would provide an “on-ramp” for renewable power generated in upstate New York to be transmitted to and sold in New York City.
- Project has significant community, labor, and environmental support in New York State.

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Exhibit 1 - Project Map

