

April 21, 2025

VIA ELECTRONIC FILING

The Honorable Debbie-Anne Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: ISO New England Inc., NECEC Transmission Line LLC, Filing of
Agreements for Operation of the NECEC Transmission Line;
Docket No. ER25-____-000**

Dear Secretary Reese,

Pursuant to Section 205 of the Federal Power Act (“FPA”)¹ and Part 35 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure,² NECEC Transmission LLC (“NECEC”) and ISO New England Inc. (“ISO-NE”), collectively the Filing Parties, hereby tender for Commission review and acceptance the set of documents listed below.³ The Filing Parties jointly request the approval of the submitted contractual arrangements for the reliable operation of, and offering of transmission service over, the NECEC Transmission Line.⁴

The NECEC Transmission Line is the NECEC-owned and operated portion of the 1,200 MW high voltage direct current (“HVDC”) interconnection currently being developed between the electric systems in New England and Quebec. The line is referred to, as a whole, as the Appalaches-Maine Interconnection. As a cross-border transmission facility, the Appalaches-Maine Interconnection is being developed under a joint ownership structure in which Hydro-Québec owns the portion of the line in Canada and NECEC is the sole owner of the transmission facilities in the United States. For the U.S. portion of the line, ISO-NE will assume operational authority over the NECEC Transmission Line. Further, the intersection of the Quebec and New

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35.13.

³ Collectively, the Filing Parties for this set of new arrangements for the NECEC Transmission Line are ISO-NE and NECEC. As a signatory to the submitted Appalaches-Maine Interconnection Operators Agreement and the Appalaches-Maine Asset Owners Agreement, Hydro-Québec has consented to, and supports, the filing of these agreements with the Commission.

⁴ Capitalized terms used but not otherwise defined in this filing have the meanings ascribed thereto in the ISO New England Inc. Transmission, Markets and Services Tariff (the “ISO-NE Tariff”) and the three agreements filed herewith: the NECEC Transmission Operating Agreement, the Appalaches-Maine Interconnection Operators Agreement, and the Appalaches-Maine Asset Owners Agreement. The ISO New England Inc. Open Access Transmission Tariff is Part II of the ISO-NE Tariff and is defined herein as the “ISO-NE OATT.”

England electric grids, through the Appalaches-Maine Interconnection, requires close coordination of control area operations between Hydro-Québec and ISO-NE, in their respective roles as system operators. Reflecting this overall ownership and operational framework, the following contractual arrangements are hereby submitted for Commission review and acceptance:

- Attachment 1: The NECEC Transmission Operating Agreement (the “NECEC TOA”). The signatories and filing parties before the Commission for the NECEC TOA are: (1) ISO-NE and (2) NECEC;
- Attachment 2: The Appalaches-Maine Interconnection Operators Agreement (the “IOA”). The signatories to the IOA are (1) ISO-NE and (2) Hydro-Québec, with ISO-NE as the filing party before the Commission; and
- Attachment 3: The Appalaches-Maine Interconnection Asset Owners Agreement (the “AOA”). The signatories to the AOA are (1) NECEC and (2) Hydro-Québec, with NECEC as the filing party before the Commission.

In addition, the filing also includes the following attachment:

- Attachment 4: A list of the governors; utility regulatory agencies in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont; and other entities, to which a copy of this filing is being sent electronically.

These arrangements establish terms, conditions, and procedures that will allow for the effective, reliable operation of the NECEC Transmission Line—which ultimately benefits New England through the addition of 1,200 MW of additional transfer capability between the Quebec and New England grids through highly controllable HVDC transmission facilities. Through a series of stakeholder meetings in late 2024 and early 2025, the NECEC TOA and IOA were presented to the New England Power Pool (“NEPOOL”) Transmission Committee, NEPOOL Reliability Committee, and NEPOOL Participants Committee and received affirmative, advisory votes from each stakeholder committee.⁵

Construction of the Appalaches-Maine Interconnection is nearing completion. The parties anticipate that trial operation and testing will commence in September of 2025 and that the line will be placed in service under full commercial operation between October and December 2025. The parties are submitting this filing at this time with the intent of having the NECEC TOA, IOA, and AOA in place before trial operation and testing commences. Accordingly, the Filing Parties

⁵ See Actions of the Reliability Committee from the January 22, 2025 Meeting (reflecting NEPOOL Reliability Committee’s support for ISO-NE entering into the IOA), *available at* https://www.iso-ne.com/static-assets/documents/100019/012225_rc_actions_letter.pdf; Actions of the Transmission Committee from the January 29, 2025 Meeting (reflecting NEPOOL Transmission Committee’s support for ISO-NE entering into the NECEC TOA), *available at* https://www.iso-ne.com/static-assets/documents/100019/2025_1_29_tc_actions_letter_final.pdf; Noticed Actions of the NEPOOL Participants Committee from its February 6, 2025 meeting (reflecting the NEPOOL Participants Committee’s support for ISO-NE entering into the NECEC TOA and IOA, the latter being included on the Committee’s consent agenda), *available at* <https://www.iso-ne.com/static-assets/documents/100020/npc-noa-20250206.pdf>.

request an effective date of June 20, 2025, which is sixty (60) days after this filing, for the NECEC TOA, IOA, and AOA.

As addressed more fully below, pursuant to the NECEC TOA, NECEC is responsible for establishing facility ratings for the NECEC Transmission Line and communicating those transmission line ratings to the ISO-NE. NECEC is therefore requesting application of the “exceptions” process per the Order No. 881 requirements and Attachment Q of the ISO-NE OATT to the NECEC Transmission Line.

I. BACKGROUND

A. Overview of the NECEC Transmission Line

1. Description of the NECEC Transmission Line and Related Facilities

The NECEC Transmission Line is the NECEC-owned and operated portion located within the United States of the 1,200 MW HVDC interconnection between the electric systems in New England and Quebec (i.e., the Appalachians-Maine Interconnection). The NECEC Transmission Line is interconnecting to the New England Pool Transmission Facilities as an Elective Transmission Upgrade in accordance with Schedule 25 of the ISO-NE OATT.⁶ As such, the line will not be integrated into the Pool Transmission Facilities, but will be operated separately as a controllable HVDC facility (categorized as an “Other Transmission Facility” or “OTF” under the ISO-NE Tariff) with point-to-point transmission service. As described in Attachment 1 of the AOA, the Appalachians-Maine Interconnection consists of an HVDC link utilizing a symmetrical monopole configuration as follows: a new 208 mile +/- 320 kV transmission interconnection that will run between the existing Appalachians Substation in Saint-Adrien-d’Irlande, Québec and a new HVDC converter station, named the “Merrill Road HVDC Converter,” that is approximately 1.2 miles from the existing Larrabee Road Substation in Lewiston, Maine; and new VSC-HVDC converter stations at both ends of the transmission line.

For the U.S. end point, at the Merrill Road VSC-HVDC Converter Substation, the NECEC Transmission Line will have approximately 1,200 MW of injection capability into the New England transmission system. As described in Schedule 2.01(a) of the NECEC TOA, the NECEC Transmission Line consists of the following facilities:

- New 145.0 mile +/- 320 kV HVDC transmission line from the Quebec-Maine border to a new converter substation located near Merrill Road in Lewiston, including a new 1.0 mile +/- 320 kV HVDC underground cable installed by a horizontal directional drill under the Kennebec River (Section 432);

⁶ See ISO-NE OATT, Section II.47.5 and Sched. 25. The NECEC Transmission Line is the subject of two, related Elective Transmission Upgrade Interconnection Agreements (“ETU IAs”), each between ISO-NE, NECEC, and Central Maine Power Company (“CMP”). The first ETU IA addressed terms of the facility interconnections under Queue Position (“QP”) 639. The second ETU IA involves a NECEC QP 889 request requiring internal New England deliverability upgrades as well as changes to the original interconnection facility configurations, which were the subject of QP 889.

- New 1.2 mile 345 kV AC transmission line from the new Merrill Road Converter substation to the existing Larrabee Road Substation (Section 3007);
- New 345 kV AC to +/- 320 kV HVDC 1,200 MW Merrill Road VSC-HVDC Converter Substation;
- New +/- 320kV HVDC Overhead to Underground Termination Station in Moxie Gore;
- New +/- 320kV HVDC Overhead to Underground Termination Station in West Forks Plantation;
- New Underground Cable Monitoring Hut in Johnson Mountain Township; and
- New +/- 320 kV HVDC line telecommunication equipment within the existing CMP Starks Substation.

The NECEC Transmission Line facilities also include additional equipment for metering, telemetering, communications and such other purposes as may be deemed necessary to perform the adequate and satisfactory operation of the Appalachies-Maine Interconnection.

2. Development of the NECEC Transmission Line

The NECEC Transmission Line is developed by NECEC,⁷ with funding for the line provided by the Massachusetts electric distribution companies (“EDCs”) and Hydro-Québec through transmission service agreements (individually “TSA” or collectively, “TSAs”) previously accepted by the Commission. After an extensive bidding and regulatory process, the EDCs received approval from the Massachusetts Department of Public Utilities to contract for the development of the NECEC Transmission Line.

NECEC, as the assignee of CMP, has entered into three (3) TSAs with the EDCs and four (4) TSAs with Hydro-Québec, through which NECEC provides the EDCs and Hydro-Québec with firm transmission service for the NECEC Transmission Line’s 1,200 MW capacity for forty (40) years. Using their firm transmission rights on the NECEC Transmission Line, the EDCs will import into New England 9.5 million MWh annually from Hydro-Québec under a series of twenty (20) year power purchase agreements (“PPAs”) with Hydro-Québec.⁸ Together, these TSAs and PPAs serve as the funding mechanisms for the New England and Québec portions of the new transmission interconnection, with NECEC developing the transmission facilities from the U.S.-Canada border to its interconnection with the New England system in Lewiston, Maine, and Hydro-Québec developing the facilities on the Québec side of the border. At this time, the NECEC Transmission Line is an *energy-only* interconnection that is permitted to *import* energy into New England. Any use of the NECEC Transmission Line to deliver capacity from Québec to New

⁷ The U.S. Department of Energy issued a Presidential Permit, authorizing NECEC to construct, operate, maintain, and connect the NECEC Transmission Line. *NECEC Transmission LLC*, Presidential Permit No. PP-438 (Jan. 14, 2021).

⁸ The PPAs, including the rates, terms and conditions contained therein have been approved by the Massachusetts Department of Public Utilities. Order, D.P.U. 18-64, D.P.U. 18-65, D.P.U. 18-66 (Mass. Dep’t of Pub. Util. June 25, 2019). *See also* discussion *infra* Section I.B.2.

England or to export energy over the line from New England to Québec will require a new interconnection request to evaluate any necessary upgrades to the New England Pool Transmission Facilities for such additional operational capabilities.

B. Operating Agreements and Related Existing Contractual Arrangements

1. Operation of the NECEC Transmission Line

The NECEC Transmission Line will be operated by NECEC, subject to ISO-NE's operational control pursuant to the NECEC TOA (using the control center located at CMP's Maine Control Center at 83 Edison Drive, Augusta, Maine (the "NECEC Control Center")). Operations will be further coordinated with Hydro-Québec, the owner and operator of the Canadian portion of the Appalachians-Maine Interconnection facilities, in accordance with the Appalachians-Maine Operating Protocol, Appalachians-Maine Common Operating Instructions and Appalachians-Maine Common Dispatch Instructions, as each are adopted pursuant to the IOA between ISO-NE and Hydro-Québec and the AOA between NECEC and Hydro-Québec.

2. Existing, Filed NECEC Transmission Line TSAs

Transmission service over the NECEC Transmission Line is a Point-To-Point Service. The foundational terms and conditions for this Point-to-Point Service were first established in seven (7) bilateral, cost-based TSAs between CMP as the original developer of the NECEC Transmission Line, the EDCs, and H.Q. Energy Services (U.S.) Inc. ("HQUS"). These TSAs committed the EDCs and HQUS to fund the construction, operation, and maintenance of what was then CMP's portion of the NECEC Transmission Line in exchange for long-term, firm transmission service over the line.⁹ Subsequently, NECEC has succeeded into the ownership of the FERC jurisdictional transmission facilities and is the signatory transmission owner for each of the TSAs.

Each of the TSAs, in their current forms, are on file with the Commission.¹⁰ Most recently, on October 29, 2024, NECEC filed fourth amendments to the seven TSAs, which the Commission accepted on December 23, 2024.¹¹ The fourth amendments extended critical milestone dates set forth in the TSAs and amended certain applicable law provisions. In addition, the fourth amendments to the TSAs with the EDCs include a rate increase that has been agreed to by the EDCs to account for these changes in law and related delays.

These existing TSAs are listed in Schedule 3.10 of the NECEC TOA as "Grandfathered TSAs." The participating EDCs and HQUS are the "NECEC TSA Customers." Through Section 10.05 and Schedule 10.05 of the NECEC TOA, NECEC and ISO-NE have agreed to a set of procedures which track the potential for ISO-NE's exercise of operational control over the NECEC Transmission Line (excluding actions or directives that ISO-NE issues for the purpose of

⁹ *Cent. Me. Power Co.*, 165 FERC ¶ 61,034 (2018). CMP initially entered those seven TSAs with the following EDCs: NSTAR Electric Company (d/b/a Eversource); Massachusetts Electric Company and Nantucket Electric Company (d/b/a National Grid); Fitchburg Gas and Electric Light Company (d/b/a Unitil); and with H.Q. Energy Services (U.S.) Inc.

¹⁰ *NECEC Transmission LLC*, Bilateral, Cost-Based Transmission Service Agreements Incorporating Fourth Amendments, Docket No. ER25-254-000 et al. (Oct. 29, 2024).

¹¹ *NECEC Transmission LLC*, Letter Order, Docket No. ER25-254-000 et al. (Dec. 23, 2024).

maintaining real-time reliability) to adversely impact the rights and obligations of the parties to the NECEC TSAs and establish firm protocols for ISO-NE and NECEC to confer and resolve such “GTSA Impacts.”¹² These protocols and procedures include requirements for timely notice, good faith negotiations on measures to avoid or otherwise resolve identified “GTSA Impacts” and dispute resolution procedures.¹³

II. DESCRIPTIONS OF THE NECEC TOA, IOA, AND AOA

A. The NECEC TOA

The NECEC TOA provides for coordination between ISO-NE and NECEC on the operations of the NECEC Transmission Line. Through the NECEC TOA, NECEC is transferring operational authority over the NECEC Transmission Line to ISO-NE, and NECEC remains responsible for the physical operation and maintenance of the NECEC Transmission Line. The NECEC TOA addresses this split of responsibilities between ISO-NE and NECEC. Further, certain terms and conditions of the NECEC TOA consider the unique operational and contractual features of the NECEC Transmission Line, including NECEC’s pre-existing obligations relating to the physical operation of the facilities and equipment comprising the NECEC Transmission Line, and the provision of transmission service over the NECEC Transmission Line pursuant to the Grandfathered TSAs. The following is an overview of the NECEC TOA and its functions.

The NECEC TOA:

- defines the NECEC Transmission Line, which is the subject of the agreement (NECEC TOA Article 2);
- defines the scope of ISO-NE’s Operating Authority over the NECEC Transmission Line, including, of particular note, interceding and directing appropriate near-term operational actions in order to maintain reliability and system security; dispatching generation and load and implementing real-time balancing; determining operating limits based on forecasted or real-time system conditions and in accordance with applicable presidential permits and facility ratings; coordinating system operations and emergency procedures with neighboring Control Areas; and issuing instructions to the NECEC Control Center and Local Control Centers in accordance with applicable operating procedures (NECEC TOA, Sections 3.02 and 3.03);
- sets forth the respective operational responsibilities retained by NECEC over the NECEC Transmission Line, including the right and obligation to physically operate the transmission facilities through suitable control centers, subject to the Operating Authority of ISO-NE and to operate, repair, and maintain the NECEC Transmission Line, related facilities and the NECEC Control Center in accordance with applicable law and Good Utility Practice (NECEC TOA Section 3.05);

¹² See *infra* Section II.A. and note 11.

¹³ See *infra* note 14.

- sets forth ISO-NE's and NECEC's reserved rights (NECEC TOA Sections 3.04 and 3.06);
- provides ISO-NE with the authority to approve transmission outage schedules over the NECEC Transmission Line and, under certain circumstances, require rescheduling of transmission outages (NECEC TOA Section 3.07);
- acknowledges that planned outages of the NECEC Transmission Line also must be coordinated with Hydro-Québec (NECEC TOA Section 3.07);
- establishes the terms and conditions under which NECEC will participate in the ISO-NE Planning Process and comply with ISO-NE's Planning Procedures (NECEC TOA Section 3.08);
- governs NECEC's obligations for reliability upgrades on the NECEC Transmission Line and its retained rights to own and construct upgrades on the NECEC Transmission Line (NECEC TOA Section 3.09);
- designates the NECEC TSAs as "Grandfathered TSAs" and establishes procedures and protocols for ISO-NE and NECEC to identify potential adverse effects from ISO-NE Operating Authority decisions on NECEC's compliance with the terms and conditions of the Grandfathered TSA, including procedures for good faith negotiations as well as dispute resolution (NECEC TOA Sections 3.10 and 10.05);¹⁴ and
- sets forth the procedures for amending the NECEC TOA (NECEC TOA Section 11.04).

The term of the NECEC TOA is forty (40) years from its effective date. This will make the NECEC TOA coterminous with the IOA and AOA, and the terms of all three agreements will be comparable with the duration of the TSAs. As further addressed in Section II.D below, ISO-NE and NECEC have agreed that certain critical provisions of the NECEC TOA should be subject to protection under the "public interest" standard of review established under the *Mobile-Sierra* doctrine.¹⁵ These provisions are identified in Section 11.04 (e) of the NECEC TOA. Any changes

¹⁴ ISO-NE's obligations with respect to Grandfathered TSAs are subject to its rights and responsibilities to take such actions and issue such directives as are necessary to maintain short-term reliability. See NECEC TOA, Section 3.05(c)(i)(A) (providing that "in no instance shall a Short-Term Reliability Action or Directive be considered an ISO GTSA Impact Action or Directive," where "Short-Term Reliability Action or Directive" is defined under Schedule 1.01 to the NECEC TOA as "operating actions or directives, including real-time operating actions undertaken by the ISO and real-time operating directives, issued by the ISO to NECEC based on its forecast of system conditions over the next seven (7) days, to comply with the ISO Tariff (including Market Rule 1 thereof), Operating Procedures, Additional HVDC Operating Procedures, applicable NERC/NPCC Requirements, other applicable regulatory standards, and Good Utility Practice. Such directives are generally implemented through the ISO's issuance of instructions to, or coordination with, the NECEC Control Center and any associated Local Control Center with responsibility for the NECEC Transmission Line.").

¹⁵ *Morgan Stanley Cap. Grp. Inc. v. Pub. Util. Dist. No. 1 of Snohomish Cnty.*, 554 U.S. 527, 530 (2008) ("*Morgan Stanley*") (internal citations omitted).

to these provisions of the NECEC TOA proposed by a party, non-party, or by the Commission itself would require a finding that such a change is required by the *Mobile-Sierra* “public interest” standard.

B. The IOA

In their roles as control area operators, ISO-NE and Hydro-Québec have negotiated the IOA in order to provide for their coordinated, reliable operation of the Appalaches-Maine Interconnection, and the associated scheduling and delivery of energy over the Appalaches-Maine Interconnection. The IOA also provides for: (i) the use of the NECEC Transmission Line to provide emergency service between the New England and Quebec control areas during periods of energy or capacity shortage; and (ii) accounting for inadvertent interchange. The IOA may be terminated unilaterally on one year's notice, and subject to efforts to negotiate a mutually agreeable substitute agreement.

More specifically, under the IOA, ISO-NE and Hydro-Québec will, among other things:

- coordinate maintenance outage schedules in a manner that preserves system reliability, operability and security (IOA Section 5.1);
- schedule energy and ancillary service transactions over the Appalaches-Maine Interconnection in accordance with applicable market rules, laws, rules or orders (IOA Section 5.4);
- operate the Appalaches-Maine Interconnection in accordance with the Common Dispatch Instructions and other IOA protocols developed by the Interconnection Operators Committee (of which ISO-NE and Hydro-Québec are the equal-weighted members) and with AOA protocols developed by the Asset Owners Committee under the AOA (such as the Common Operating Instructions) (IOA Section 5.5);
- use the Appalaches-Maine Interconnection to provide maximum reasonable assistance (consistent with NERC and NPCC criteria and procedures) to each other's control area during capacity and energy shortages that cannot be prevented with the exercise of due diligence, subject to the limitation that non- interruptible end-use customer load need not be shed by the party furnishing emergency energy in order to provide such assistance (IOA Section 6.2), and subject to the further limitations discussed below;
- account for inadvertent interchange between the control areas using methods agreed to by the Interconnection Operators Committee, to be returned daily or, at worst, monthly on an equivalent on-peak/off-peak basis to that occurring inadvertently (IOA Sections 7.2 and 7.3); and
- coordinate and administer test energy schedules (IOA Section 7.4).

In addition, through Article 6 of the IOA, ISO-NE and Hydro Quebec will coordinate on emergency energy transactions, within the current scope of interconnection studies. In particular, the transfer of emergency energy is currently limited to flow from, or through, Quebec into New

England. This restriction, stated in Section 6.2 of the IOA, reflects the current scope of interconnection studies for the NECEC Transmission Line—which only examined the impacts of energy flows from, or through Québec, into New England. The NECEC Transmission Line is an Elective Transmission Upgrade (“ETU”) and has a resulting ETU IA (QP 639), which is similarly limited to energy flows from or through Quebec into the New England Transmission System. Pursuant to Schedule 25 of the ISO-NE OATT for ETUs, permitting the facility to flow power from New England to Quebec would require the submission of a new interconnection request, so that the impacts of such flows on the New England transmission system can be properly evaluated.¹⁶ Section 6.2 of the IOA reflects this requirement, stating that “Emergency Energy cannot be provided from New England to Quebec over the Appalachies-Maine Interconnection unless and until such time as the impact of the flows from or through New England to Quebec has been the subject of study, and the provision of Emergency Energy has been deemed acceptable by the ISO in accordance with applicable rules.”¹⁷

C. The AOA

The AOA is the agreement between NECEC and Hydro-Québec in their capacity as owners of the elements of the Appalachies-Maine Interconnection which are physically located, respectively, in the United States and Canada. The AOA sets forth the rights and obligations of NECEC and Hydro-Québec for the interconnected operation of, and the coordinated maintenance, metering and planning for, the Appalachies-Maine Interconnection. NECEC and Hydro-Québec designed the AOA to complement the IOA, and many general terms and conditions in the AOA are identical to terms and conditions in the IOA. Like the IOA, the AOA may be terminated unilaterally on one year’s notice. (AOA Section 3.2)

Under the AOA, NECEC and Hydro-Québec will, among other things:

- independently maintain, plan or upgrade their portions of the Appalachies-Maine Interconnection at their own expense and in accordance with applicable Reliability Criteria, Good Utility Practice, and protocols developed pursuant to the AOA (AOA Section 5.2);
- coordinate their respective operation, testing, metering, maintenance and planned outage schedules of the Appalachies-Maine Interconnection to meet their obligations under the AOA (AOA Section 5.9);

¹⁶ Pursuant to Schedule 25 of ISO-NE OATT, an Interconnection Request must be initiated whenever a Material Modification to an existing Elective Transmission Upgrade is proposed. *See* Schedule 25, Section I (explaining that an Interconnection Request includes a request to “make a Material Modification to the design or operating characteristics of an existing Pool Transmission Facility, Merchant Transmission Facility or Other Transmission Facility that is interconnected with the Administered Transmission System”), and Section 3.1 (explaining the requirements for Interconnection Requests). Under Schedule 25, Section I, a Material Modification includes “a change to the design or operating characteristics of an existing Pool Transmission Facility, Merchant Transmission Facility, or Other Transmission Facility that is interconnected with the Administered Transmission System that may have a significant adverse effect on the reliability or operating characteristics of the New England Transmission System.”

¹⁷ IOA Section 6.2.

- operate the Appalaches-Maine Interconnection in accordance with the Common Operating Instructions and other AOA protocols developed by the Asset Owners Committee that will be consistent with the IOA protocols developed by the Interconnection Operators Committee under the IOA (including the Common Dispatch Instructions) (AOA Sections 5.2 and 7.2);
- exercise reasonable care in accordance with Good Utility Practice, at their own expense, to maintain continuity of transmission or to restore such service if discontinued for any reason, on their portion of the Appalaches-Maine Interconnection (AOA Section 5.3);
- provide for the regular maintenance of their portion of the Appalaches-Maine Interconnection equipment in accordance with Good Utility Practice to maintain the Nominal Transfer Capability (as defined in the AOA) of their portion of the Interconnection Facilities, subject to conditions related to cost recovery for capital investments and associated expenses (AOA Section 5.4);
- complete a mutual study, resulting in a joint report, concerning any significant change to be initiated by a party resulting in the increase or decrease of the Nominal Transfer Capability of their portions of the Appalaches-Maine Interconnection, provided that each party may pursue the implementation of the conclusions of the joint report, in which case the parties to the AOA shall engage in good faith efforts to coordinate the implementation schedule (AOA Section 5.5);
- use commercially reasonable efforts to coordinate and cooperate in the facilitation of any upgrades required under the IOA or TOA as necessary to preserve existing levels of reliability of the Appalaches-Maine Interconnection (AOA Section 5.14); and
- be responsible for installing, operating, maintaining, testing, and inspecting appropriate metering equipment, and gathering data from such equipment on the portion of the Appalaches-Maine Interconnection they own at their own expense (AOA Section 6.1).

D. Application of the *Mobile-Sierra* Doctrine to Identified NECEC TOA, AOA, and IOA Terms

The Filing Parties seek application of the *Mobile-Sierra* presumption in each of these agreements through the respective invocations of the standard through NECEC TOA, Section 11.04(e), IOA, Section 19.10, and AOA, Section 18.10. Section 11.04(e) of the NECEC TOA identifies several provisions in the agreement to which the *Mobile-Sierra* presumption is to be applied. In contrast, Section 19.10 of the IOA and Section 18.10 of the AOA apply the *Mobile-Sierra* presumption to the entirety of these agreements.

The Commission presumes that the rate set out in a freely negotiated contract or agreement meets the “just and reasonable” requirement imposed by law.¹⁸ The NECEC TOA, AOA, and IOA are bilateral operating agreements, mutually agreed upon by the Filing Parties and Hydro-

¹⁸ *Morgan Stanley*, 554 U.S. at 530.

Québec after extensive arms-length negotiations. ISO-NE, NECEC, and Hydro-Québec are sophisticated entities with considerable experience regarding agreements of this nature. The Commission also has acknowledged that *Morgan Stanley* requires it to assume that the parties to an executed contract intend that the contract will receive *Mobile-Sierra* protection, unless the parties expressly provide otherwise in the contract.¹⁹ Therefore, under applicable precedent regarding the *Mobile-Sierra* doctrine, the Commission should presume that the terms and conditions contained in these agreements are just and reasonable and should accept the agreements unless it finds that any rates, terms or conditions therein are contrary to the public interest.²⁰

1. Background – Application of *Mobile-Sierra* to NECEC-related Agreements to Date

The Commission has applied the *Mobile-Sierra* presumption to bilateral contracts including those related to the cost recovery of the NECEC Transmission Line through the Grandfathered TSAs. In *Central Maine Power Co.*, CMP filed bilateral, executed and cost-based transmission service agreements for transmission over the NECEC Transmission Line.²¹ As discussed above, the development of the NECEC Transmission Line, including the Grandfathered TSAs with the EDCs and HQUS, resulted from an intensive, competitive bidding process administered by the Commonwealth of Massachusetts. The Commission accepted the rates, terms and conditions in those agreements and applied the *Mobile-Sierra* presumption in its initial review of those contracts:

[W]e find that the *Mobile-Sierra* presumption applies to the [transmission contracts]. Specifically, we find that the [transmission contracts] are individualized in that they apply only to the parties themselves and are not generally applicable. We also find that [the parties] are sophisticated parties, all of whom have considerable experience with power sales transactions and corresponding negotiations. Finally, we find that those parties negotiated the [transmission contracts] freely at arm's length.²²

2. Application of *Mobile-Sierra* to the IOA and AOA

As explained above, the IOA and the AOA apply the *Mobile-Sierra* presumption to the entirety of the agreement. The Commission has previously accepted similar *Mobile-Sierra* application to arrangements for cross-border, international HVDC transmission facilities interconnecting the transmission systems operated by ISO-NE and Hydro-Québec (the “Phase I/II HVDC-TF”). Specifically, the Asset Owners Agreement and Interconnection Operators

¹⁹ *Standard of Rev. for Modifications to Jurisdictional Agreements*, 125 FERC ¶ 61,310 (2008).

²⁰ The Commission gives deference to voluntary, arms-length agreements between sophisticated parties. The Commission “must presume that the rate set out in a freely negotiated [] contract meets the ‘just and reasonable’ requirement imposed by law. The presumption may be overcome only if FERC concludes that the contract seriously harms the public interest.” *NRG Power Mktg., LLC v. Me. Pub. Util. Comm’n*, 558 U.S. 165, 174 (2010) (citing *Morgan Stanley*, 554 U.S. at 530).

²¹ 165 FERC ¶ 61,034 at PP 19-21.

²² *Id.* at P 21.

Agreements for the Phase I/II HVDC-TF include provisions that subject the entirety of the agreements to the *Mobile-Sierra* presumption.²³

In a similar manner, application of *Mobile-Sierra* to all terms within AOA and IOA is warranted given the unique circumstance of joint operational coordination (IOA) and ownership and maintenance (AOA) of a cross-border, international transmission facility—the Appalaches-Maine Interconnection. The terms and conditions set forth in the IOA and AOA do not merely address the NECEC Transmission Line, which is the FERC jurisdictional element of the Appalaches-Maine Interconnection. Rather, the terms and conditions within the AOA and IOA extend to rights and obligations with respect to transmission facilities and operations under the subject of Canadian regulatory authorities. Further, the IOA and AOA address individual operation and coordinated operations of an HVDC interconnection between two control areas. Accordingly, application of the *Mobile-Sierra* standard is appropriate given the individualized nature of both agreements as well as the application of their terms to cross-border, international facilities.

3. Application of *Mobile-Sierra* to the NECEC TOA

Section 11.04(e) of the NECEC TOA applies *Mobile-Sierra* presumption to specifically identified provisions of that Agreement. In considering the application of the *Mobile-Sierra* to individual, contractually-negotiated terms within an agreement, the Commission has applied a balancing analysis, considering whether the interests of third-party market participants or the effects on the market as a whole are significant.²⁴ Where the application of a term will not have a significant adverse impact on third parties or the New England market, the *Mobile-Sierra* protection applies.²⁵

The provisions of the NECEC TOA subject to *Mobile-Sierra* treatment encompass: (i) terms common to *Mobile-Sierra* terms within the previously approved TOA for the Phase I/II HVDC-TF; and (ii) certain additional facility-specific terms. Mirroring the Phase I/II HVDC-TF TOA, *Mobile Sierra* treatment is sought for NECEC TOA terms covering: the scope of NECEC Transmission Line facilities; ISO-NE's Operating Authority; each party's responsibilities and reserved rights; repair, maintenance, planning; treatment of Grandfathered TSAs; warranty, indemnification, assumption of liability; default and termination; assignment, liabilities, conditions precedent, and defined terms in the NECEC TOA.²⁶

²³ *ISO New England, Inc.*, 111 FERC ¶ 61,244 (2005) (accepting the Interconnection Operators Agreement and Asset Owners Agreement for the Phase I/II HVDC-TF, which included *Mobile-Sierra* provisions that apply the standard to the entire agreement).

²⁴ *ISO New England Inc. v. New England Power Pool*, 109 FERC ¶ 61,147 at P 74 (2004) (“Specifically, we will grant *Mobile-Sierra* protection, as requested, applicable to the following provisions of the Transmission Operating Agreement: sections 3.01, 3.09, 3.11, 3.13, 4.01(e), 4.07, 11.04(a)-(d) and 11.05”), *aff’d sub nom. Me. Pub. Utils. Comm’n v. FERC*, 454 F.3d 378 (D.C. Cir. 2006).

²⁵ *See id.* at PP 73-74.

²⁶ *See* NECEC TOA, Secs. 2.01, 2.02, 2.03 (NECEC facilities), Secs. 3.01, 3.02, 3.03, 3.04, 10.02 (ISO-NE Operating Authority), Secs. 3.05, 3.06, 3.09 (NECEC responsibilities and reserved rights), Secs. 2.07, 3.08 (repair, maintenance and planning), Secs. 3.10, 10.05 (grandfathered TSAs), Sec. 4.01(e) (warranties), Secs. 9.01, 9.06, 10.01(d), 11.15, 11.17 (indemnification, liabilities, conditions precedent and termination), Secs. 10.03, 10.04 (default), Sec. 11.06 (assignment).

NECEC and ISO-NE have identified additional NECEC TOA terms warranting *Mobile-Sierra* application because they address fundamental elements of the parties' specific rights and obligations under the NECEC TOA.²⁷ These additional terms cover: review of transmission plans prescribing modification of the NECEC Transmission Line; presidential permits and other governmental authorizations; covenants of NECEC and the ISO; terms that survive the NECEC TOA; third-party beneficiaries; specific performance and Force Majeure; and severability of invalid provisions.²⁸

Application of the *Mobile-Sierra* doctrine to all of the specifically identified NECEC TOA provisions is justified because of their intrinsic relationship to, and implications upon, the operation of the broader Appalachians-Maine Interconnection. These terms and conditions are the result of independent, arms-length negotiations between mutually sophisticated parties through which the parties have negotiated, and agreed upon, the allocation of responsibilities between ISO-NE and NECEC in the coordinated operation of the NECEC Transmission Line.²⁹ Moreover, consistent with the Commission's finding with respect to the TSAs applicable to the NECEC facilities, the terms identified for *Mobile-Sierra* protection in the NECEC TOA are of specific applicability between contractual parties that do not bind or materially impact third parties nor have any future general applicability.³⁰ Finally, as operational coordination and asset management-related terms for an OTF, the identified provisions do not materially impact the New England Market as a whole. In conclusion, the resulting NECEC TOA terms are individualized in application, central to the Parties' implementation of the overall NECEC Transmission Line and will have no future general applicability to third parties or the New England markets.

For the reasons noted above, ISO-NE and NECEC collectively request that the Commission confirm application of the *Mobile-Sierra* doctrine to the NECEC TOA, IOA, and AOA, as specified in the respective agreement terms.

III. REQUEST FOR CONFIRMATION OF APPLICABILITY OF ORDER NO. 881 EXCEPTIONS PROCESS TO THE NECEC TRANSMISSION FACILITY RATINGS PROCESS

Under Section 3.05(a)(iv) of the NECEC TOA, NECEC is responsible for adopting and implementing a facility ratings methodology for the NECEC Transmission Line, calculating such ratings, and informing ISO-NE of the applicable facility ratings. As an HVDC facility with a section of underground cable, the NECEC Transmission Line is not affected by ambient air temperature changes or solar heating. Given these operating characteristics, NECEC requests confirmation that the facility rating procedures for the NECEC Transmission Line are eligible for

²⁷ These additional terms are also referenced in Section 11.04(e) of the NECEC TOA, the *Mobile-Sierra* provision of the agreement.

²⁸ See NECEC TOA, Sec. 2.05 (review of transmission plans), Sec. 3.13 (presidential permits and governmental authorizations), Secs. 5.01, 6.01 (covenants), Secs. 8.01, 10.01(f) (terms that survive the NECEC TOA), Secs. 11.05, 11.11, 11.13 (third-party beneficiaries, specific performance, Force Majeure, and severability of invalid provisions).

²⁹ See *NRG Power Mktg., LLC v. Me. Pub. Util. Comm'n*, 558 U.S. at 174 (citing *Morgan Stanley*, 554 U.S. at 530); *Cent. Me. Power Co.*, 165 FERC ¶ 61,034 at P 21.

³⁰ *Cent. Me. Power Co.*, 165 FERC ¶ 61,034 at P 21 (“[W]e find that the [transmission contracts] are individualized in that they apply only to the parties themselves and are not generally applicable.”).

the Order No. 881 ambient-adjusted rating (“AAR”) exception set forth in Attachment Q to the ISO-NE OATT.

In Order No. 881, FERC directed transmission providers to adopt and implement the new *pro forma* OATT Attachment M, which requires transmission providers to implement AARs on the transmission lines over which they provide transmission service.³¹ However, Order No. 881 allows for exceptions from the use of AAR requirements that are contained therein, where the line is not affected by ambient temperatures such that the application of an AAR would not change the rating of the line.³²

In compliance with Order No. 881, ISO-NE has adopted transmission line ratings requirements, including AARs, as Attachment Q to the ISO-NE OATT. While Attachment Q has been filed with, and accepted by the Commission, these terms are subject to a future effective date.³³ In accordance with Order No. 881, the Commission-Accepted Attachment Q sets forth the process under which AAR exceptions apply.³⁴ Consistent with Order No. 881 and the ISO-NE OATT, NECEC proposes to rely on the AAR exception process set forth in the Commission-Accepted Attachment Q. Specifically, Attachment Q states in relevant part:

Where a [transmission operator] determines, consistent with Good Utility Practice, that the Local Transmission Line Rating of a transmission line is not affected by ambient air temperature or solar heating, the [transmission operator] may, consistent with the rights and obligations of the parties under the Transmission Operating Agreement, use a Local Transmission Line Rating for that Non-PTF transmission line that is not an AAR or Seasonal Local Line Rating.³⁵

NECEC has reviewed and concluded that, as an HVDC facility with a section of underground cable, the NECEC Transmission Line is not affected by ambient air temperature changes or solar heating and accordingly is eligible for the AAR exception set forth in Attachment Q to the ISO-NE OATT. In accordance with Attachment Q, NECEC will document this exception in its database of Local Transmission Line Ratings and Local Transmission Line Rating methodologies on OASIS, and will include in that documentation “the nature of and basis for each exception, the date(s) and time(s) that the exception was initiated, and (if applicable) the date(s) and time(s) that each exception was withdrawn and the standard rating became effective again.”³⁶ Further, NECEC will reevaluate this exception at least every five years. Furthermore, the application of an AAR exception for the NECEC Transmission Line pursuant to the Commission-

³¹ *Managing Transmission Line Ratings*, Order No. 881, 177 FERC ¶ 61,179 at P 29 (2021) (“Order No. 881”).

³² *Id.* at P 227.

³³ On April 3, 2025, the ISO-NE and the Participating Transmission Owners Administrative Committee sought an extension of the effective date of the Commission-Accepted Attachment Q terms. Specifically, due to ongoing technical challenges in necessary software development, an extension of the effective date has been requested from the currently-set, July 12, 2025 up to and including December 15, 2026. *See ISO New England Inc.*, Motion for Deferral of Effective Dates of ISO New England Inc. and the Participating Transmission Owners Administrative Committee, Docket Nos. ER22-2357-000 and ER25-410-000 (Apr. 3, 2025).

³⁴ *ISO New England Inc.*, Revisions to the ISO New England Inc. Transmission, Markets and Services Tariff in Further Compliance with Order No. 881, Docket No. ER22-2357-001 (Aug. 14, 2023) (“Commission-Accepted Attachment Q”).

³⁵ *Id.*

³⁶ *See id.*

Accepted Attachment Q is consistent with the transmission line ratings approach for another New England HVDC facility, the Cross-Sound Cable LLC, which was accepted by the Commission in Docket No. ER22-2357-001.³⁷

IV. REQUEST FOR TIMELY CONSIDERATION

This filing package presents a comprehensive, just and reasonable set of arrangements for the reliable operation of the Appalachies-Maine Interconnection. The NECEC TOA, IOA, and AOA have the full support of the Filing Parties, as well as Hydro-Québec, which is a signatory to the IOA and AOA. Further, the NECEC TOA and IOA were presented to ISO-NE stakeholder committees and received an affirmative advisory vote of the NEPOOL Participants Committee. The Filing Parties request that the Commission accept the submitted documents without modification or condition with an effective date of June 20, 2025, which is sixty (60) days after the date of this filing and prior to the commencement of the trial operation and testing of the NECEC Transmission Line.

Respectfully submitted,

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Attachments

³⁷ ISO New England Inc., Letter Order, Docket No. ER22-2357-001 (Dec. 4, 2023).

NECEC TRANSMISSION OPERATING AGREEMENT

As Between

ISO New England Inc. and NECEC Transmission LLC

NECEC TRANSMISSION OPERATING AGREEMENT

TABLE OF CONTENTS

ARTICLE I. DEFINITIONS; INTERPRETATIONS 2

 1.01 Definitions; Interpretations. 2

ARTICLE II. NECEC TRANSMISSION LINE 4

 2.01 NECEC Transmission Line..... 4

 2.02 Upgrades to NECEC Transmission Line. 4

 2.03 Excluded Assets. 4

 2.04 Connection with Non-Parties. 6

 2.05 Review of Transmission Plans. 6

 2.06 Condemnation. 7

ARTICLE III. OPERATING AUTHORITY 7

 3.01 Grant of Operating Authority..... 7

 3.02 Definition of the ISO’s Operating Authority. 8

 3.03 The ISO’s Responsibilities. 13

 3.04 ISO Reserved Rights. 13

 3.05 NECEC’s Responsibilities. 14

 3.06 NECEC Reserved Rights. 17

 3.07 Repair and Maintenance of the NECEC Transmission Line. 19

 3.08 Planning. 20

 3.09 NECEC Obligations for Reliability Upgrades. 21

 3.10 Grandfathered Transmission Service Agreements..... 22

 3.11 Contractors/Subcontractors..... 23

 3.12 Presidential Permits and Other Governmental Authorizations..... 23

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE PARTIES 23

 4.01 Representations and Warranties of NECEC. 23

 4.02 Representations and Warranties of the ISO. 24

ARTICLE V. COVENANTS OF NECEC	24
5.01 Covenants of NECEC.	24
5.02 Permit Applications and Other Public Filings.	24
5.03 Expenses.	25
5.04 Consents and Approvals.	25
5.05 Notice and Cure.	25
ARTICLE VI. COVENANTS OF THE ISO	26
6.01 Covenants of the ISO.	26
6.02 Permit Applications and Other Public Filings.	26
6.03 Expenses.	26
6.04 Consents and Approvals.	26
6.05 Notice and Cure.	27
ARTICLE VII. TAX MATTERS	27
7.01 Responsibility for NECEC Taxes.	27
7.02 Responsibility for ISO Taxes.	27
ARTICLE VIII. RELIANCE; SURVIVAL OF AGREEMENTS.....	27
8.01 Reliance; Survival of Agreements.	27
ARTICLE IX. INDEMNIFICATION; INSURANCE; ASSUMPTION OF LIABILITIES	28
9.01 Indemnification.	28
9.02 Notice of Proceedings.	28
9.03 Defense of Claims.	29
9.04 Subrogation.	30
9.05 Insurance.	30
9.06 Assumption of Liability.	32
ARTICLE X. ; DEFAULT, REMEDIES, AND TERMINATION	33
10.01 Term; Termination Date.....	33
10.02 Release of Operating Authority.	36

10.03 Events of Default of the ISO..... 36

10.04 Events of Default of NECEC..... 38

10.05 Procedures Relating to Grandfathered Transmission Service Agreements. 39

ARTICLE XI. MISCELLANEOUS 41

11.01 Notices. 41

11.02 Supersession of Prior Agreements. 42

11.03 Waiver..... 42

11.04 Amendment; Coordination; Limitations on Modifications of Agreement. . 42

11.05 No Third-Party Beneficiaries..... 44

11.06 No Assignment; Binding Effect..... 44

11.07 Further Assurances; Information Policy; Access to Records..... 44

11.08 Business Day..... 46

11.09 Governing Law. 46

11.10 Consent to Service of Process..... 46

11.11 Specific Performance; Force Majeure..... 47

11.12 Dispute Resolution..... 47

11.13 Invalid Provisions. 48

11.14 Headings and Table of Contents..... 48

11.15 Liabilities; No Joint Venture..... 48

11.16 Counterparts..... 48

11.17 Conditions Precedent. 49

Schedule 1.01 51

Schedule 2.01(a) 60

Schedule 3.02(d) 61

Schedule 3.02(e) 64

Schedule 3.10 65

Schedule 10.05(a) 69

Schedule 11.01 72

Schedule 11.02 73

NECEC TRANSMISSION OPERATING AGREEMENT

This NECEC Transmission Operating Agreement (this “NECEC TOA” or this “Agreement”), is made and entered into by the NECEC Transmission LLC (“NECEC”) and ISO New England Inc. (the “ISO”) (each a “Party”, and collectively the “Parties”) and is dated as of the latest date of the signatures affixed hereto.

WHEREAS, NECEC, a special purpose entity formed to develop, own, and operate transmission facilities in the United States and Hydro-Québec, a utility operating within the province of Quebec, Canada, have jointly developed a 1,200 megawatt (“MW”) high voltage direct current (“HVDC”) interconnection between the electric systems in New England and Quebec, which is referred to, as a whole, as the Appalachians-Maine Interconnection, with the transmission facilities to be owned and operated, in the United States, by NECEC, referred to as the “NECEC Transmission Line”;

WHEREAS, the ISO is a non-stock, non-profit corporation organized and existing under the laws of the State of Delaware that is the regional transmission organization (“RTO”) for New England and is authorized by the Federal Energy Regulatory Commission (“FERC”) to exercise the functions required of RTOs pursuant to FERC’s Order No. 2000 (“Order No. 2000”) and FERC’s RTO regulations;

WHEREAS, the NECEC Transmission Line, as further described in Schedule 2.01 of this Agreement, will be within the New England Control Area, classified as transmission facilities in the New England Transmission System and interconnected with the New England Transmission System pursuant to the Elective Transmission Upgrade Interconnection Agreement for QP 639 by and among the ISO, NECEC, and the Central Maine Power Company (“CMP”), and the Elective Transmission Upgrade Interconnection Agreement for QP 889 by and among the ISO, NECEC, and CMP (collectively, the “NECEC ETUIAs”);

WHEREAS, the ISO is responsible for system planning and reliability coordination within the New England region;

WHEREAS, the functions to be performed by the ISO under the ISO New England Inc. Transmission, Markets, and Services Tariff (the “ISO Tariff”) require that the ISO have the requisite operational authority over the NECEC Transmission Line;

WHEREAS, in accordance with the terms set forth herein, NECEC desires for the ISO to exercise, and the ISO desires to exercise, Operating Authority (as defined in Section 3.02 of this Agreement) over the NECEC Transmission Line (as defined in this Agreement);

WHEREAS, NECEC will, among other things, have a responsible operator and associated control equipment necessary for operating the NECEC Transmission Line, located at CMP’s Maine Control Center in 83 Edison Drive, Augusta, Maine (for purposes of this Agreement, the “NECEC Control Center”), and will make all necessary reports to the ISO, and other Local Control Centers where applicable, necessary for the reliable dispatch of the NECEC Transmission Line;

WHEREAS, NECEC will continue to own, physically operate, and maintain the NECEC Transmission Line;

WHEREAS, NECEC and Hydro-Québec will enter into the Appalaches-Maine Interconnection Asset Owners Agreement (“Appalaches-Maine AOA”) addressing the coordinated operation of the Appalaches-Maine Interconnection, including the NECEC Transmission Line, with such operations to be implemented through common operating protocols, operating instructions and common dispatch instructions, which shall be jointly developed by NECEC and Hydro-Québec;

WHEREAS, the ISO will enter into an Interconnection Operators Agreement with Hydro-Québec addressing the coordinated operation of the NECEC Transmission Line with the Appalaches-Maine Interconnection facilities operated by Hydro-Québec in Quebec (“Appalaches-Maine IOA”);

WHEREAS, NECEC has certain pre-existing obligations relating to the physical operation of the facilities and equipment comprising the NECEC Transmission Line, including the aforementioned Appalaches-Maine AOA, as listed in Schedule 3.10(A) as well as existing agreements for the provision of transmission service over the NECEC Transmission Line as listed in Schedule 3.10(B) of this Agreement; and

WHEREAS, in addition to the provision of transmission service over the NECEC Transmission Line pursuant to existing agreements listed in Schedule 3.10(B) of this Agreement, transmission service over the NECEC Transmission Line will be subject to the terms set forth in [Schedule 20B] to the ISO Open Access Transmission Tariff (the “ISO OATT”), which is Section II of the ISO Tariff.

NOW, THEREFORE, in consideration of the promises, and the mutual representations, warranties, covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, NECEC and the ISO agree as follows:

ARTICLE I. DEFINITIONS; INTERPRETATIONS

1.01 Definitions; Interpretations.

Each of the capitalized terms and phrases used in this Agreement (including the foregoing recitals) and not otherwise defined herein shall have the meaning specified in Schedule 1.01, below. In this Agreement, unless otherwise provided herein:

- (a) words denoting the singular include the plural and vice versa;
- (b) words denoting a gender include all genders;
- (c) references to a particular part, clause, section, paragraph, article, exhibit, schedule, appendix or other attachment shall be a reference to a part, clause, section, paragraph, or article of, or an exhibit, schedule, appendix or other attachment to, this Agreement;

- (d) the exhibits, schedules, and appendices attached hereto are incorporated herein by reference and shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein;
- (e) a reference to any statute, regulation, proclamation, ordinance, or law includes all statutes, regulations, proclamations, amendments, ordinances, or laws varying, consolidating or replacing the same from time to time, and a reference to a statute includes all regulations, policies, protocols, codes, proclamations, and ordinances issued or otherwise applicable under that statute unless, in any such case, otherwise expressly provided in any such statute or in this Agreement;
- (f) a reference to a particular section, paragraph, or other part of a particular statute shall be deemed to be a reference to any other section, paragraph, or other part substituted therefor from time to time;
- (g) a definition of or reference to any document, instrument, or agreement includes any amendment or supplement to, or restatement, replacement, modification or novation of, any such document, instrument, or agreement unless otherwise specified in such definition or in the context in which such reference is used;
- (h) a reference to any Person (as hereinafter defined) includes such Person's successors and permitted assigns in that designated capacity;
- (i) any reference to "days" shall mean calendar days unless "Business Days" (as hereinafter defined) are expressly specified;
- (j) if the date as of which any right, option or election is exercisable, or the date upon which any amount is due and payable, is stated to be on a date or day that is not a Business Day, such right, option or election may be exercised, and such amount shall be deemed due and payable, on the next succeeding Business Day with the same effect as if the same was exercised or made on such date or day (without, in the case of any such payment, the payment or accrual of any interest or other late payment or charge, provided such payment is made on such next succeeding Business Day);
- (k) words such as "hereunder," "hereto," "hereof," and "herein" and other words of similar import shall, unless the context requires otherwise, refer to this Agreement as a whole and not to any particular article, section, subsection, paragraph, or clause hereof;
- (l) a reference to "include" or "including" means including without limiting the generality of any description preceding such term, and for purposes hereof the rule of ejusdem generis shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned; and

- (m) neither this Agreement nor any other agreement, document or instrument referred to herein or executed and delivered in connection herewith shall be construed against any Person as the principal draftsman hereof or thereof.

ARTICLE II. NECEC TRANSMISSION LINE

2.01 NECEC Transmission Line.

- (a) Upon the Effective Date, the ISO shall assume and exercise Operating Authority over the NECEC Transmission Line, in accordance with the terms set forth herein, *provided that* all elements of the NECEC Transmission Line have completed the testing and assessments necessary for commercial operation in accordance with the ISO OATT and the NECEC ETUIAs. Facilities may be added to or deleted from Schedule 2.01(a), and thereby to the scope of the NECEC Transmission Line under this Agreement, without the necessity of an amendment to this Agreement, but only in the following manner:
 - (i) at the direction of a Governmental Authority with jurisdiction over the NECEC Transmission Line in question, *provided that* the ISO shall be provided prior written notice of such changes; or
 - (ii) as agreed between the ISO and NECEC.
- (b) The NECEC Transmission Line listed in Schedule 2.01(a) shall not include Excluded Assets as defined in Section 2.03.

2.02 Upgrades to NECEC Transmission Line.

Consistent with Section 2.01, any upgrades to the NECEC Transmission Line within the United States and interconnected with the New England Transmission System which are constructed, have completed the testing and assessments necessary for commercial operation in accordance with the ISO OATT and the NECEC ETUIAs, and are placed in service after the Effective Date shall be added to Schedule 2.01(a) pursuant to Section 2.01(a), above, and become subject to the Operating Authority of the ISO.

2.03 Excluded Assets.

The “Excluded Assets” of NECEC shall consist of those assets and/or facilities set forth in this Section 2.03. Such Excluded Assets are expressly excluded from the definition of NECEC Transmission Line under this NECEC TOA, and the ISO shall not have Operating Authority over the NECEC Excluded Assets:

- (a) Any assets, facilities, and/or portions of facilities owned by NECEC that are connected with or associated with those facilities listed in Schedule 2.01(a) to the extent specifically excluded pursuant to the following items (i) through (vi) of this Section 2.03(a):
 - (i) proceeds from the use or disposition of NECEC Transmission Line;

- (ii) any payment, refund, or credit owed to NECEC (1) relating to Taxes in respect of the NECEC Transmission Line, (2) arising under any contracts or tariffs of which NECEC is a signatory and relating to services provided by NECEC prior to the beginning of the Term, (3) arising under any contract or tariff that provides for rates that are subject to regulation by an agency other than FERC, or (4) relating to a Grandfathered Transmission Service Agreement;
 - (iii) any rights, ownership, title, or interest NECEC may have with respect to telecommunications assets and equipment, *provided that* the ISO shall continue to have the right to use such telecommunication assets and equipment attached to or associated with the NECEC Transmission Line solely to the extent needed for the exercise of the ISO's Operating Authority and further *provided that* such use right shall not be assignable by the ISO;
 - (iv) any existing contracts to which NECEC is a party or contract rights held by NECEC relating in any manner to NECEC Transmission Line unless NECEC assigns or transfers such contracts to the ISO, *provided that* NECEC shall exercise its rights and responsibilities under the Grandfathered Transmission Service Agreements in accordance with Section 3.10 and the applicable provisions of this Agreement;
 - (v) any causes of action or claims related to NECEC Transmission Line, *provided that* upon the written agreement of NECEC and the ISO to the assumption by the ISO of the management of such claims under mutually agreed terms and conditions, the ISO may manage NECEC's causes of action or claims against a third party relating to the NECEC Transmission Line, and *provided further that* the ISO shall have the right to pursue causes of action or claims against third parties to the extent necessary for the ISO to fulfill its responsibilities; and
 - (vi) any asset or facility for which Operating Authority may not be lawfully transferred or assigned.
- (b) Any assets or facilities of NECEC that are not specifically defined as part of the NECEC Transmission Line, including without limitation the facilities or portions of facilities described in items (i) through (xi) of this Section 2.03(b):
- (i) all cash, cash equivalents, bank deposits, accounts receivable, and any income, sales, payroll, property, or other Tax receivables;
 - (ii) proceeds from the use or disposition of any facilities or assets owned by NECEC;
 - (iii) certificates of deposit, shares of stock, securities, bonds, debentures, and evidences of indebtedness;

- (iv) any rights or interest in trade names, trademarks, service marks, patents, copyrights, domain names, or logos;
- (v) any payment, refund or credit (1) relating to Taxes, (2) arising under any contracts or tariffs of NECEC and relating to services provided prior to the beginning of the Term, or (3) arising under any contract or tariff that provides for rates that are subject to regulation by an agency other than FERC;
- (vi) any NECEC facilities, including transmission facilities, located outside the New England Transmission System;
- (vii) any rights, ownership, title, or interest that NECEC may have with respect to telecommunications assets and equipment;
- (viii) any existing contracts or contract rights of NECEC unless NECEC agrees to assign or transfer such contracts to the ISO;
- (ix) any causes of action or claims;
- (x) any asset or facility for which Operating Authority may not be lawfully transferred or assigned; and
- (xi) any interests of any kind in NECEC's real property, *provided that* nothing in this Section 2.03 shall restrict NECEC from conveying interests in real property in any future written agreement into which the ISO and NECEC may, in their sole discretion, enter.

2.04 Connection with Non-Parties.

NECEC shall be responsible for administering and acting upon any request to interconnect with the NECEC Transmission Line in accordance with applicable Laws and the NECEC ETUIAs. The Parties agree to coordinate on any required affected system study for potential impacts to the New England Transmission System, with any identified system upgrades assigned to the requesting interconnection customer in accordance with applicable Laws.

2.05 Review of Transmission Plans.

NECEC shall submit to the ISO in such form, manner and detail as the ISO may reasonably prescribe: (i) any new or materially changed plans for retirement or physical modification of, or changes in the capacity, of the NECEC Transmission Line or the Appalachies-Maine Interconnection as a whole, and (ii) any new or materially changed plan for any other action to be taken by NECEC which may have a significant effect on the stability, reliability or operating characteristics of the NECEC Transmission Line, the Appalachies-Maine Interconnection as a whole, the New England Transmission System or the facilities of any Transmission Owner or the system of a Participant. Unless prior to the expiration of ninety (90) days from receipt of NECEC's submittal, the ISO notifies NECEC in writing that it has determined that implementation of the plan will have a significant adverse effect upon the reliability or operating characteristics of the

NECEC Transmission Line, the Appalaches-Maine Interconnection as a whole, the New England Transmission System, the facilities of any Transmission Owner, or the system of a Participant, NECEC shall be free to proceed. If the ISO notifies NECEC that implementation of such plan has been determined to adversely affect the NECEC Transmission Line, the Appalaches-Maine Interconnection as a whole, the New England Transmission System, or the facilities of any Transmission Owner or the system of a Participant, NECEC shall not proceed to implement such plan unless NECEC takes such action or constructs such facilities as the ISO determines to be reasonably necessary to avoid such adverse effect. The review of transmission plans as set forth in this Section 2.05 shall not supersede, and NECEC shall comply with, all other requirements for reviews and authorizations for any retirements, modifications or changes of transmission and interconnection facilities under the ISO OATT and NECEC ETUIAs.

2.06 Condemnation.

If, at any time, any Governmental Authority commences any process to acquire all or any part of the NECEC Transmission Line or any other interest in the NECEC Transmission Line then held by NECEC through condemnation or otherwise through the power of eminent domain, (i) NECEC shall provide the ISO with written notice of such process, (ii) NECEC shall, at its cost, direct any litigation or proceeding regarding such condemnation or eminent domain matter, (iii) NECEC shall have the right to settle any such proceeding without the consent of the ISO, and (iv) any award in condemnation or eminent domain shall be paid to NECEC without any claim to such award by the ISO.

ARTICLE III. OPERATING AUTHORITY

3.01 Grant of Operating Authority.

Subject to the terms set forth in this Agreement, including Article III and Article X hereof, and effective as of the Effective Date, NECEC hereby authorizes the ISO, through its officers, employees, consultants, independent contractors and other personnel, to exercise Operating Authority over the NECEC Transmission Line and the ISO hereby agrees to assume and exercise Operating Authority over the NECEC Transmission Line in accordance with this Agreement, including the obligation to exercise such Operating Authority in accordance with Good Utility Practice.

- (a) The grant by NECEC to the ISO and the assumption by the ISO of Operating Authority over the NECEC Transmission Line solely allows the ISO to fulfill the functions of an RTO as specified herein and does not constitute an assumption by the ISO of any liabilities with respect to the NECEC Transmission Line except as otherwise specifically provided herein (including as provided in Article IX of the Agreement).
- (b) Nothing herein or elsewhere contained shall be construed as requiring or effecting a transfer of NECEC's responsibility (or the assumption thereof by the ISO) for the physical control of the NECEC Transmission Line, including the physical operation, repair, maintenance and replacement of all or a portion of the NECEC Transmission Line, or as conveying to the ISO: (x) any right, ownership, title, or

interest in or to NECEC Transmission Line, in whole or in part; (y) any right of access to an NECEC's real property, except as specified in Section 3.02(i); or (z) any rights or authority with respect to any of NECEC's Excluded Assets, except as specifically provided herein.

3.02 Definition of the ISO's Operating Authority.

Consistent with the provisions of this Agreement, including Section 3.02(a) below, "Operating Authority" shall mean those functions and responsibilities set forth in Sections 3.02, 3.03, and 3.06 and shall not include those rights, responsibilities, and functions set forth in Sections 3.04 and 3.05. Subject to the first sentence of this Section 3.02, the ISO shall exercise such Operating Authority in accordance with applicable Operating Procedures and Additional HVDC Procedures as specified in Sections 3.02(d) and (e) below.

- (a) The ISO shall perform the following functions with respect to the NECEC Transmission Line, consistent with applicable North American Electric Reliability Corporation ("NERC") / Northeast Power Coordinating Council ("NPCC") Requirements and other applicable regulatory standards, including (as needed) issuing instructions to, or coordinating with the NECEC Control Center and any associated Local Control Center with responsibility for the NECEC Transmission Line:
 - (i) centrally dispatch generation and dispatchable and interruptible load, and implement real-time balancing, including meeting NERC control performance criteria;
 - (ii) determine Operating Limits based on forecasted or real-time system conditions and in accordance with Presidential Permits and the facility ratings established by NECEC in collaboration with the ISO pursuant to Section 3.05(a)(vi);
 - (iii) take such actions as may be necessary to plan and maintain short-term (including real-time) reliability and system security (including curtailment of External Transactions in accordance with the ISO Tariff);
 - (iv) consistent with the ISO Information Policy, exchange transmission security information with NECEC, any associated Local Control Center, Hydro-Québec, and other neighboring systems and regional entities;
 - (v) provide for an ISO Control Center and an independent Back-up Control Center, as the ISO deems necessary to comply with applicable NERC/NPCC Requirements and any applicable regulatory requirement; and
 - (vi) dispatch the NECEC Transmission Line via the NECEC Control Center or any associated Local Control Center as applicable and in accordance with applicable Operating Procedures and Additional HVDC Procedures (including the Appalaches-Maine Operating Protocol, Appalaches-Maine

Common Operating Instructions and Appalaches-Maine Common Dispatch Instructions, as each are adopted pursuant to the Appalaches-Maine IOA or Appalaches-Maine AOA, as applicable). The ISO will coordinate directly with the NECEC Control Center and any associated Local Control Center as applicable for the purpose of scheduling External Transactions and the associated power transfers with external Control Areas including the notification of ramp time, duration, and magnitude.

- (b) The ISO shall enter into Coordination Agreements and operating arrangements with the operators of neighboring Control Areas; coordinate system operation and emergency procedures with neighboring Control Areas; act in a manner not inconsistent with Interconnection Agreements with neighboring Control Areas; and administer scheduling provisions of the tariff(s) applicable to External Transactions, in accordance with the terms of those agreements and tariffs.
- (c) The ISO has been designated as the Reliability Coordinator for the New England Transmission System. As the Reliability Coordinator, the ISO may intercede and direct appropriate near-term operational actions in order to protect reliability, *provided that* nothing in this Section 3.02(c) shall require NECEC to undertake an action contrary to applicable Law or shall limit the right of NECEC pursuant to Section 3.05 to take any action(s) that it deems necessary to prevent loss of human life, injury to persons and/or damage to property.
- (d) (i) The ISO shall exercise Operating Authority over the NECEC Transmission Line in accordance with the Operating Procedures listed in Schedule 3.02(d). Such Operating Procedures shall initially consist of the Operating Procedures in existence or developed as of the Effective Date (hereinafter “Existing Operating Procedures”). Such Existing Operating Procedures shall consist of those Operating Procedures listed in Schedule 3.02(d). The ISO shall develop any modifications to Operating Procedures (including Existing Operating Procedures) and any new Operating Procedures that it may deem necessary or appropriate: (A) in coordination with the NECEC for the purpose of ensuring that the NECEC Transmission Line will be operated in accordance with such Operating Procedures (and the NECEC Control Center and any associated Local Control Center, as applicable) so as to ensure that NECEC’s knowledge of the NECEC Transmission Line is given due consideration in the development or modification of the transmission-related portions of such Operating Procedures, and (B) in consultation with other stakeholders in accordance with the ISO Participants Agreement. The ISO shall have the authority to modify Operating Procedures or develop new Operating Procedures without coordination or consultation with NECEC when the ISO determines, in good faith, that: (I) failure to immediately modify or implement an Operating Procedure would substantially adversely affect the reliability or security of the New England Transmission System or the NECEC Transmission Line, as applicable, or the competitiveness or efficiency of the New England Markets, and (II) undertaking such coordination or consultation would not allow the ISO to timely address the emergent and unanticipated circumstances. In the event that the ISO and NECEC disagree about modifications to the transmission-

related portions of the Operating Procedures or any new Operating Procedures related to the operation of the NECEC Transmission Line, NECEC will have the opportunity to submit the dispute for resolution in accordance with the dispute resolution provisions set forth in Section 11.12 herein. Pending such resolution, the ISO shall have the authority, as the system operator with ultimate authority for the real-time operation of the New England Transmission System, to implement any such new Operating Procedures or modified Operating Procedures.

- (ii) Notwithstanding anything in the foregoing, procedures related to the establishment of, or changes to, ratings for the NECEC Transmission Line (collectively, "Rating Procedures") shall be developed by NECEC in accordance with applicable NERC/NPCC Requirements and placed into effect pursuant to Section 3.05(a)(vi).
- (iii) To the extent NECEC will be required to physically operate the NECEC Transmission Line in accordance with any operational documents in effect as of the Effective Date or as subsequently developed or amended by the ISO (other than Operating Procedures), including any protocols developed by the ISO pursuant to the Appalaches-Maine IOA and any similar Coordination Agreement, the ISO shall develop or amend such operational documents in coordination with NECEC (and the NECEC Control Center and any associated Local Control Center, as applicable) with respect to how the NECEC Transmission Line will be operated in accordance with such documents, subject to the right of the ISO to place such operating documents into effect in the event of a dispute concerning such documents and the right of NECEC to submit the dispute for resolution in accordance with the dispute resolution provisions set forth in Section 11.12 herein.
- (iv) Any coordination and consultation with NECEC under this Section 3.02(d), including the sharing of information related to such consultation, shall be conducted in accordance with the regulations implementing FERC Order No. 889 and any other applicable FERC orders. The ISO reserves the right to satisfy any coordination or consultation with NECEC required under this Section 3.02(d) through a consolidated consultation with other Participating Transmission Owners, Local Control Centers or an ISO Committee, where the ISO has a commensurate consultation or coordination obligation.
- (e) In addition to the procedures listed in Schedule 3.02(d), NECEC and the ISO may negotiate in good faith to adopt Additional HVDC Procedures for the operation of the NECEC Transmission Line in Schedule 3.02(e) to this Agreement. These procedures may include, but are not limited to, operating instructions established between the ISO and NECEC including those that address the functions and responsibilities of the NECEC Control Center. If the functions and responsibilities of the NECEC Control Center as stipulated in this Agreement are performed by a Local Control Center as of the Effective Date, then NECEC may satisfy the NECEC Control Center functions and responsibilities pursuant to this Agreement through the Local Control Center, and the Additional HVDC Procedures shall so specify.

Following the Effective Date, as mutually agreed between the ISO and NECEC, the list of Additional HVDC Procedures in Schedule 3.02(e) may be added to, or deleted from, without the necessity of an amendment to this Agreement.

- (f) The ISO shall seek agreement with NECEC, where time limitations do not make it impracticable to do so, on real-time operational decisions affecting the NECEC Transmission Line or the Appalaches-Maine Interconnection as a whole which are not otherwise specified in the Operating Procedures developed in accordance with Section 3.02(d) and the Additional HVDC Procedures developed in accordance with Section 3.02(e). In the absence of such agreement, or if time limitations do not permit reaching agreement, the ISO shall implement its operational decision. If such ISO decision is disputed, the ISO's position shall control pending resolution of the dispute.
- (g) The ISO shall coordinate voltage and reactive dispatch of facilities to the extent normal schedules are unable to be maintained by applicable Local Control Centers or the NECEC Control Center.
- (h) The ISO shall direct the implementation of emergency procedures, including inter-Control Area emergency energy transactions, Load Shedding and voltage reduction, in coordination with the NECEC Control Center and any applicable Local Control Centers in accordance with applicable NERC/NPCC Requirements.
- (i) The ISO shall have the authority to perform the following tasks in relation to compliance with current or future NERC/NPCC responsibilities relating to the NECEC Transmission Line:
 - (i) perform all compliance and monitoring responsibilities of the ISO, including the issuance of sanction letters, with respect to existing or successor NERC or NPCC compliance programs associated with standards, criteria and measurements for which NECEC are responsible and accountable to the ISO. To the extent that the ISO receives a sanction letter from NERC or NPCC that is substantially related to the actions of NECEC, the ISO may issue a sanction letter to NECEC;
 - (ii) perform all compliance and monitoring responsibilities of the ISO associated with Operating Procedures and Additional HVDC Procedures relating to standards, criteria and measurements for which NECEC is responsible and accountable to the ISO. Such responsibilities shall include audits of NECEC for compliance with Operating Procedures and Additional HVDC Procedures to the extent the ISO determines such audits are necessary and the issuance of sanction letters;
 - (iii) perform periodic audits of the NECEC Control Center and NECEC's performance of the functions listed in Sections 3.05(a)(i), (ii), (iii), (iv), (v), (vi), (viii), (x), (xi), (xii), (xiii), and (xiv) in accordance with applicable Operating Procedures and applicable NERC/NPCC Requirements,

including audits to monitor compliance of the NECEC Control Center employees performing functions within, or interacting with the NECEC Control Center and any associated Local Control Center, with the ISO Information Policy and applicable standards of conduct consistent with FERC Order No. 889 and FERC orders implementing such standards of conduct. The NECEC Control Center and NECEC performance audits shall generally be conducted no more frequently than once every three years, *provided that* the ISO shall have the authority to conduct an audit more frequently if it determines that circumstances so require.

All audits conducted pursuant to this Section 3.02(i) shall be conducted by the ISO or by an independent third party, with expenses of the ISO (or the third-party auditor) borne by the ISO and recovered through the ISO Tariff. NECEC shall bear its own expenses in complying with the audit. Such audits shall be conducted during normal business or operational hours and with reasonable notice. The general scope of each audit and the general process for conducting the audit will be discussed with NECEC in advance. Nothing in this Section 3.02(i) shall imply that a sanction letter shall include any financial or other penalties. Nothing in this Section 3.02(i) shall limit the right of the ISO to separately file proposals at FERC to assess financial or other penalties against any entity or shall limit the right of NECEC to comment on or protest any such proposals.

In the event that any Governmental Authority is established as the successor to NERC or NPCC or that a Governmental Authority assumes responsibility for performing the audit functions contemplated by this Section 3.02(i), the Parties shall negotiate in good faith modifications to this Section 3.02(i) that are appropriate to address such changes in circumstances.

- (j) The ISO shall perform security analyses and monitor and control, on a real-time basis, power flows, voltage, and system frequency for the NECEC Transmission Line and the New England Transmission System as a whole, taking into account the facility ratings established by NECEC in collaboration with the ISO pursuant to Section 3.05(a)(vi).
- (k) The ISO shall coordinate with the NECEC Control Center and any applicable Local Control Centers, as required, on the settings for dynamic reactive resources, FACTS controllers, special protection systems, PARS, and other similar dynamic equipment that affects power flows, and approve or direct changes to such settings.
- (l) If at any time, a Party provides notice to the other Party that it believes NERC and NPCC documents that are not NERC/NPCC Requirements have been modified so as to expand the scope of the functions to be performed by the ISO or NECEC, the Parties shall consider in good faith changes to this Agreement that will allow the Parties to follow such guidelines; *provided that* the Parties shall have no obligation to agree to such changes. If the Parties cannot agree to such changes, the dispute resolution procedures of Section 11.12 shall be utilized. Nothing in this Section 3.02(l) shall be construed to excuse any Party from complying with applicable NERC/NPCC Requirements.

3.03 The ISO's Responsibilities.

- (a) In addition to its other obligations under this Agreement, in performing its obligations and responsibilities hereunder, and in accordance with Good Utility Practice, the ISO shall:
 - (i) maintain system reliability;
 - (ii) in all material respects, act in accordance with applicable Laws and conform to, and implement, all applicable reliability criteria, policies, standards, rules, regulations, orders, license requirements and all other applicable NERC/NPCC Requirements, Presidential Permits, the ISO's export authorization from the U.S. Department of Energy, and other applicable reliability organizations' reliability rules, and all applicable requirements of federal or state laws or regulatory authorities; and
 - (iii) act without undue preference to any Party.
- (b) The ISO shall obtain and retain all necessary authorizations of FERC and other regulatory authorities to function as the New England RTO and shall possess the characteristics and perform the functions required for that purpose.
- (c) The ISO shall operate and maintain the OASIS for New England (or a successor system) as required by FERC, including posting of TTC on the Schedule 20B Service Provider page(s) on the OASIS for New England; *provided that* such system shall conform to the requirements for such systems as specified by FERC.
- (d) The ISO shall provide NECEC with access to OASIS and WebTrans systems (or any succeeding transmission service portal), as necessary, for NECEC to carry out its retained responsibility as the transmission service provider over the NECEC Transmission Line.

3.04 ISO Reserved Rights.

Nothing in this Agreement shall be deemed to impair or infringe on any other rights or obligations of the ISO under the Federal Power Act ("FPA") (including Sections 205 and 206 of the FPA) and FERC's rules and regulations thereunder, including the ISO's rights and obligations to implement and modify the ISO Tariff and submit filings with FERC to recover its administrative, capital, and other costs, *provided that* any such rights are not inconsistent with the express terms of this Agreement. Further, the ISO retains the right to take whatever actions, consistent with Good Utility Practice, necessary to fulfill the ISO's obligations under applicable Law, including actions necessary to ensure the reliable operations of the New England Transmission System and New England Control Area under applicable NERC, NPCC, and local reliability rules.

3.05 NECEC's Responsibilities.

- (a) From and after the Effective Date, NECEC shall, in accordance with Good Utility Practice:
 - (i) direct switching and tagging and clearance procedures, physically operate, repair, and maintain the NECEC Transmission Line and NECEC Control Center: (A) in accordance with this Agreement, applicable Law, applicable Operating Procedures, applicable Additional HVDC Procedures, and (B) in a manner that does not result in the violation of NERC/NPCC Requirements;
 - (ii) through the NECEC Control Center, carry out the orders of the ISO for the purpose of scheduling power transfers with external Control Areas, including the notification of ramp time, duration, and magnitude;
 - (iii) operate and maintain, or arrange for a third party, approved by NECEC in its sole discretion, to operate and maintain the NECEC Control Center. Subject to prior consultation with the ISO and appropriate documentation through an Additional HVDC Procedure, the functions and responsibilities of the NECEC Control Center may be performed by a Local Control Center. As specified in the NECEC Operating Procedures, Appalaches-Maine Common Dispatch Instructions and applicable Additional HVDC Procedures, the NECEC Control Center will either report to and coordinate directly with the ISO or will have direct reporting responsibilities to a Local Control Center which will report to and coordinate with the ISO. In the event that the NECEC Control Center will report to a Local Control Center, physical and electrical proximity to the NECEC Transmission Line will be considered in the designation of the Local Control Center to which such reporting shall be made.
 - (iv) If the functions and responsibilities of the NECEC Control Center as stipulated in this Agreement cannot be fully performed solely through the NECEC Control Center, then NECEC may satisfy the NECEC Control Center functions and responsibilities pursuant to this Agreement through a Local Control Center, *provided that* any transfer or delegation of functions or responsibilities to the Local Control Center is documented in accordance with applicable NERC/NPCC Requirements. Such transfer or delegation of functions and responsibilities for control of the NECEC Transmission Line to the Local Control Center shall be documented in an Additional HVDC Procedure, through procedures that are consistent with NECEC's responsibilities set forth in Section 3.04 and shall be listed in Schedule 3.02(e). The list set forth in Schedule 3.02(e) may be modified to reflect the resumption of all functions and responsibilities by the NECEC Control Center without the necessity of an amendment to this Agreement.

- (v) An NECEC employee who is engaged in such coordination and who is not a NECEC Control Center employee or an applicable Local Control Center employee shall be subject to the same standards of conduct and applicable provisions of the ISO Information Policy as a NECEC Control Center employee.
- (vi) NECEC shall adopt and implement a facility ratings methodology for the NECEC Transmission Line in accordance with NERC/NPCC Requirements and timely provide and update the ISO on the applicable facility ratings for the purposes of the ISO's security analysis on the NECEC Transmission Line for planning, real-time operating, monitoring, and controlling the system power flows, voltage and frequency within limits.
- (vii) NECEC shall ensure that all settings or changes to settings for NECEC-owned dynamic equipment that affect power flows, including reactive resources, FACTS controllers, special protection systems, PARS and other similar equipment, are coordinated, approved and provided to the ISO as well as the NECEC Control Center and applicable Local Control Centers.
- (viii) NECEC shall provide the ISO with reasonable notice of any significant change to the NECEC Transmission Line, NECEC Control Center, or an applicable Local Control Center which impacts the ability of the ISO to exercise its responsibilities under this Agreement and shall coordinate with the ISO to ensure that such a change will not adversely affect the reliable operation of the New England Transmission System and Appalaches-Maine Interconnection as a whole. NECEC shall have the responsibility to ensure that the NECEC Control Center and any applicable Local Control Center will: operate the NECEC Transmission Line on a 24-hour basis, implement the instructions, orders and directions received from the ISO in the exercise of its Operating Authority in accordance with Section 3.02, and perform the following functions in accordance with applicable Operating Procedures and/or Additional HVDC Procedures:
 - (A) switching and tagging (provided that the physical switching and tagging of the NECEC Transmission Line will be performed by NECEC with lines of demarcation established in consultation with the ISO consistent with applicable Operating Procedures and Additional HVDC Procedures,);
 - (B) real-time monitoring of the NECEC Transmission Line;
 - (C) security analysis with respect to the NECEC Transmission Line;
 - (D) provide voltage and reactive support (within the capability of the NECEC Transmission Line) equipment *provided that* the ISO shall dispatch voltage and reactive power to the extent the Local Control

Centers are unable to maintain normal voltage schedules with the NECEC Transmission Line;

- (E) coordinate the development of settings for dynamic reactive resources, FACTS controllers, special protection systems, PARS, and other similar dynamic equipment that affects power flows;
 - (F) operation and maintenance of communication systems and software;
 - (G) implementation of Load Shedding (in accordance with applicable Operating Procedures and applicable Additional HVDC Procedures);
 - (H) coordinate with the ISO with respect to congestion management efforts; and
 - (I) coordinate with other entities interconnected with the New England Transmission System.
- (ix) cooperate with the ISO's performance of the monitoring and audits in connection with all monitoring and compliance provisions detailed in Sections 3.02(i) and 3.02(j) of this Agreement;
- (x) collaborate with the ISO with respect to:
- (A) the development of Rating Procedures for the NECEC Transmission Line;
 - (B) the establishment of ratings for upgrades to the NECEC Transmission Line; and
 - (C) the establishment of any changes to existing ratings for the NECEC Transmission Line in effect as of the Effective Date.

To the extent there is any disagreement between the ISO and NECEC concerning Rating Procedures or the rating of the NECEC Transmission Line, such disagreement shall be the subject of good faith negotiations between NECEC and the ISO, *provided that*: (x) NECEC's position concerning such Rating Procedures for the NECEC Transmission Line ratings shall govern until NECEC and the ISO agree on a resolution to such disagreement; and (y) nothing in this Section 3.05(a)(x) shall limit the rights of the ISO or NECEC to submit a filing under Section 206 of the FPA with respect to NECEC Transmission Line ratings or Rating Procedures. During any FERC proceeding, collaboration or discussions concerning the NECEC Transmission Line ratings, NECEC shall continue to provide the ISO with up-to-date ratings information in accordance with the applicable Rating Procedures.

- (xi) undertake operating actions in accordance with any tariffs or rate schedules approved or accepted by FERC;
- (xii) provide the ISO with the right to use a level of communications capacity (and maintain the equipment associated with this capacity in accordance with Good Utility Practice) on NECEC's telecommunication assets and equipment attached to or associated with the NECEC Transmission Line in order to supply reliability-related data including meter, voice and data communications; continue to receive and send telemetry to and from the NECEC Transmission Line; provide for the receipt of such information from the NECEC Transmission Line, and provide metering data and/or telemetry to the ISO, as reasonably necessary for the ISO to perform its obligations under this Agreement and the ISO OATT consistent with the Operating Procedures; *provided that* NECEC shall have the unfettered right to use communications capacity on its telecommunication assets and equipment attached to or associated with the NECEC Transmission Line for other business purposes to the extent such capacity is not being used by the ISO;
- (xiii) notify the ISO prior to making planned changes to the operational status of the NECEC Transmission Line and provide information on the operational status of the NECEC Transmission Line. If unplanned changes or emergencies occur which impact the operational status of the NECEC Transmission Line, provide information to the ISO, as soon as practicable, on the operational status of the NECEC Transmission Line in accordance with Operating Procedures;
- (xiv) receive and administer all requests for Transmission Service over the NECEC Transmission Line in accordance with procedures, terms and conditions under Schedule 20B;
- (xv) provide for or arrange to provide the ISO with revenue metering data in accordance with the ISO Tariff, Operating Procedures, and NECEC ETUIAs;
- (xvi) in all material respects, comply with all applicable Laws, regulations, orders, license requirements, and with all applicable NERC/NPCC Requirements, Presidential Permits, export authorization, other applicable reliability organizations' local reliability rules, and all applicable requirements of federal or state laws or regulatory authorities; and
- (xvii) Nothing in this Agreement shall modify or alter the obligations of NECEC under the Grandfathered Transmission Service Agreements.

3.06 NECEC Reserved Rights.

- (a) Notwithstanding any other provision of this Agreement to the contrary, NECEC shall retain all of the rights set forth in this Section 3.06; *provided that* such rights

shall be exercised in a manner consistent with applicable NERC/NPCC Requirements and applicable regulatory standards. This Section 3.06 is not intended to reduce or limit any other rights held by NECEC as a signatory to this Agreement or under the ISO Tariff.

- (i) Nothing in this Agreement shall restrict any rights for NECEC to: (A) make filings under Section 205 of the FPA with FERC regarding NECEC's role as a party to a merger, acquisition or other restructuring transaction subject to FERC jurisdiction; (B) make any necessary filings with FERC with respect to NECEC's reallocation or redistribution of revenues or the assignment of its rights or obligations, to the extent the FPA requires such filings; or (C) terminate its participation in this Agreement pursuant to Article X of this Agreement.
- (ii) Except as expressly provided in the grant of Operating Authority to the ISO, NECEC retains all rights that it otherwise has incident to its ownership of, and legal and equitable title to, its assets, including the NECEC Transmission Line and all land and land rights, including the right to build, acquire, sell, lease, merge, dispose of, retire, use as security, or otherwise transfer or convey all or any part of its assets, subject to NECEC's compliance with Section 2.05 of this Agreement. Subject to Article X, NECEC may, directly or indirectly, by merger, sale, conveyance, consolidation, recapitalization, operation of law, or otherwise, transfer all or any portion of the NECEC Transmission Line subject to this Agreement, but only if such transferee or successors shall agree in writing to be bound by the terms of this Agreement to the extent that, upon such event, the NECEC Transmission Line remains within the New England Transmission System and service over the NECEC Transmission Line will continue to be provided under the ISO Tariff.
- (iii) The responsibilities granted to the ISO under this Agreement shall not affect the rights of NECEC to modify or expand the NECEC Transmission Line in accordance with the ISO OATT and NECEC ETUIAs, nor confer upon the ISO any authority to direct NECEC to modify or expand the NECEC Transmission Line, except as specified in Section 3.09 hereof.
- (iv) NECEC shall have the right to adopt and implement, consistent with Good Utility Practice, procedures and to take such actions it deems necessary to protect its facilities from physical damage or to prevent injury or damage to persons or property.
- (v) NECEC retains the right to take whatever actions, consistent with Good Utility Practice, it deems necessary to fulfill its obligations under applicable Law.

- (vi) Nothing in this Agreement shall be construed as limiting in any way the rights of NECEC to make any filing with any applicable state or local or federal regulatory authority.
- (vii) Subject to Section 2.04, NECEC shall retain the right to enter into Interconnection Agreements with the ISO and the requesting interconnection customer for any connection by a generator or another transmission facility with the NECEC Transmission Line and to jointly file, with the ISO, such Interconnection Agreements for approval or acceptance with FERC.
- (viii) NECEC shall retain all rights under Section 205 of the FPA with respect to the NECEC Transmission Line and all rights under Section 206 of the FPA, *provided that* nothing in this Section 3.06 shall impair the ISO's other legal rights and obligations as set forth in Section 3.04 of this Agreement.
- (ix) NECEC shall have the right to retain one or more contractors or subcontractors to perform any or all of its obligations under this Agreement. The retention of a contractor or subcontractor pursuant to the terms of this Section 3.06 shall not relieve NECEC of its primary liability for the performance of any of its obligations under this Agreement.
- (b) Any and all other rights and responsibilities of NECEC related to the ownership or operation of the NECEC Transmission Line not expressly assigned to the ISO under this Agreement shall remain with NECEC.
- (c) Nothing in this Agreement shall be deemed to impair or infringe on any rights or obligations of NECEC under the FPA and FERC's rules and regulations thereunder, *provided that* any such rights are not inconsistent with the express terms of this Agreement.

3.07 Repair and Maintenance of the NECEC Transmission Line.

- (a) Planning, Scheduling, and Approval of the NECEC Transmission Facility Outages.
 - (i) NECEC shall submit to the ISO long-term plans for any outages of all or a portion of the NECEC Transmission Line, obtain the ISO's approval for all outages of the NECEC Transmission Line in accordance with, and to the extent required by the ISO Tariff, applicable Operating Procedures, applicable Additional HVDC Procedures, and NERC/NPCC Requirements, and submit schedules to the ISO for all outages of the NECEC Transmission Line, in whole or in part, *provided that* NECEC shall coordinate planned outage schedules with Hydro-Québec in accordance with the Appalaches-Maine AOA. ISO shall determine whether to approve planned or requested outages of the NECEC Transmission Line in coordination with Hydro-Québec in accordance with the Appalaches-Maine IOA.

- (ii) Notwithstanding any of the foregoing, nothing in this Section 3.07 shall be construed to require NECEC to reschedule an outage of the NECEC Transmission Line or to require NECEC to refrain from initiating switching and tagging procedures to take the NECEC Transmission Line out of service or place it back into service to the extent NECEC determines that such outage or actions are necessary to prevent injury or damage to persons or property or to protect its facilities from physical damage, in accordance with Section 3.06(a)(iv) of this Agreement.
- (b) The ISO shall address its scheduling and coordination of the NECEC Transmission Facility outages as part of any reports on the ISO's overall outage coordination efforts prepared pursuant to applicable Law or the ISO Tariff.
- (c) Market Monitoring of Outage Scheduling. The Market Monitoring Unit of the ISO shall monitor the outage scheduling for the NECEC Transmission Line. The Market Monitoring Unit of the ISO shall have the right to request that NECEC provide information to the Market Monitoring Unit concerning the scheduling of outages of the NECEC Transmission Line, including the rescheduling or cancellation of any planned, scheduled or approved outage of the NECEC Transmission Line, and NECEC shall provide such information to the Market Monitoring Unit in accordance with Section 11.07(c) of this Agreement.
- (d) Damage or Destruction of the NECEC Transmission Line. If, at any time during the Term, any of the NECEC Transmission Line are damaged or destroyed, then, NECEC shall determine, in its sole discretion, consistent with Good Utility Practice and applicable Law, whether or not (and if so, in what manner) to restore or cause the restoration of such damaged or destroyed NECEC Transmission Line to substantially the same condition, character or use as existed before the damage or destruction, if at all, *provided that* NECEC shall consult with the ISO prior to making such determination and shall comply with the requirements specified in Section 2.05.

3.08 Planning.

- (a) NECEC will participate in the ISO Planning Process for reliability purposes and to perform studies of the impact of regional and interregional projects on the NECEC Transmission Line with coordination, as necessary, with Hydro-Québec relating to impacts on the Appalaches-Maine Interconnection as a whole. As requested by the ISO, such support may include supplying information and data as necessary for ISO to conduct any necessary studies, including system impact studies and facilities studies for the NECEC Transmission Line, assisting in the performance of such studies or any additional studies, and supplying any information and data reasonably required by ISO to prepare an ISO System Plan or to perform transmission enhancement and expansion studies. To the extent that NECEC contracts with a third party for transmission planning support, it shall timely notify the ISO of such arrangement and designate such entity as the contact and agent for NECEC in the performance of planning studies under this Section 3.08. NECEC

shall remain wholly responsible for the actions or inactions of any designated agent in the performance of planning efforts pursuant to this Section 3.08, the ISO OATT and applicable Operating Procedures.

- (b) NECEC shall make reasonable efforts to provide information and support in response to the ISO's requests within the ISO's requested time frames and shall comply with all deadlines set forth in the ISO Planning Process, as specified in the ISO OATT.
- (c) NECEC shall comply with the ISO's Planning Procedures, consistent with Section 3.07(a) above (which are supplemental to the ISO Planning Process, as specified in the ISO OATT), *provided that* any modifications to existing Planning Procedures and any new Planning Procedures applicable to studies and planning functions affecting the NECEC Transmission Line shall be developed in consultation with NECEC and, where applicable, with other stakeholders in accordance with the ISO Participants Agreement. In the event that the ISO and NECEC disagree about modifications to the portions of Planning Procedures applicable to studies and planning functions affecting the NECEC Transmission Line or any new Planning Procedures applicable to studies and planning functions affecting the NECEC Transmission Line, NECEC will have the opportunity to submit the dispute for resolution in accordance with the dispute resolution provisions set forth in Section 11.12 herein. Pending such resolution, the ISO shall have the authority to implement any such new Planning Procedures or modified Planning Procedures.

3.09 NECEC Obligations for Reliability Upgrades.

- (a) Subject to the satisfaction of the conditions specified in Section 3.09(c) below, and the restrictions specified in Section 3.09(d) below, and to the requirements of applicable Law, government regulations and approvals, including requirements to obtain any necessary federal, state, or local siting, construction and operating permits, the availability of required financing, the ability to acquire necessary rights-of-way, the ability to obtain any necessary participation and cooperation in facilitating such upgrades by Hydro-Québec, and satisfaction of the other conditions set forth in this Section 3.09, NECEC shall have the obligation to own and construct (or cause to be constructed) any upgrade to the NECEC Transmission Line that is necessary to preserve existing levels of reliability of the NECEC Transmission Line and that is included in the approved ISO System Plan. NECEC may enter into appropriate contracts to fulfill any obligations associated with the ownership and construction of such upgrades. Nothing in this Section 3.09 shall limit the rights of NECEC under applicable Law, including rights under this Agreement or any other agreement relating to the NECEC Transmission Line, to retire the NECEC Transmission Line, subject to NECEC's compliance with Section 2.05 of this Agreement. Each Party shall use Commercially Reasonable Efforts to secure, as necessary and in accordance with this Agreement and the Appalaches-Maine IOA, participation and cooperation in facilitating such upgrades by Hydro-Québec of the Canadian facilities interconnecting with the NECEC Transmission Line.

- (b) Subject to Section 3.09(a), NECEC shall have the right to own and construct (or cause to be constructed) any upgrade connected to the NECEC Transmission Line.
- (c) NECEC shall not have an obligation to build pursuant to Section 3.09(a) above: (i) if NECEC is unable to obtain, under the circumstances described in Section 3.09(d) below, the agreement of Hydro-Québec and any other necessary parties under the Grandfathered Transmission Service Agreements to provide NECEC with full cost recovery for capital investments and associated expenses incurred over the life of any upgrades to be constructed in meeting NECEC's obligation under Section 3.09(a), and (ii) if NECEC is not able to obtain all necessary regulatory approvals associated with such cost recovery. Notwithstanding the foregoing, NECEC shall have the obligation to undertake Commercially Reasonable Efforts to pursue alternative means of obtaining such cost recovery and, if successful in those efforts, to build upgrades pursuant to Section 3.09(a) above.
- (d) NECEC shall not have an obligation to build pursuant to Section 3.09(a) above if:
 - (i) with respect to such an upgrade to the NECEC Transmission Line, the alterations, modifications and additions to the NECEC Transmission Line equipment would diminish the value or utility or impair the condition of the NECEC Transmission Line below the value, utility or condition thereof immediately prior to such alterations, modifications or additions; or
 - (ii) constructing such an upgrade would cause NECEC to maintain an equity capitalization or take other actions with respect to financing of the project that would violate applicable Law.

3.10 Grandfathered Transmission Service Agreements.

- (a) Nothing in this Agreement shall require the modification, abrogation or early termination of a Grandfathered Transmission Service Agreement listed in Schedule 3.10. The procedures set forth in Section 10.05 shall govern the relationship between the Parties' exercise of their rights and obligations under this Agreement and the terms of such Grandfathered Transmission Service Agreements.
- (b) All payments due to NECEC under Grandfathered Transmission Service Agreements shall continue to be invoiced and collected by NECEC in accordance with the terms of those agreements and shall not be invoiced or collected by the ISO. Notwithstanding the foregoing, NECEC and the ISO may enter into separate agreements such that the ISO provides invoicing services for such payments.
- (c) Nothing in this Agreement shall alter the standards, procedures or requirements applicable to the modification of any Grandfathered Transmission Service Agreement. The ISO shall have no right to amend any Grandfathered Transmission Service Agreement or direct NECEC to amend any such agreement.

3.11 Contractors/Subcontractors.

NECEC acknowledges and agrees that, subject to the terms set forth herein, including Section 3.06, the ISO has the right to retain one or more contractors or subcontractors to perform any or all of its obligations under this Agreement. The retention of a contractor or subcontractor pursuant to the terms of this Section 3.11 shall not relieve the ISO of its primary liability for the performance of any of its obligations under this Agreement.

3.12 Presidential Permits and Other Governmental Authorizations

The Parties acknowledge that the NECEC Transmission Line is the subject of a Presidential Permit No. PP-438 as well as other governmental permits and authorizations. Transfer of Operational Authority over the NECEC Transmission Line to the ISO shall not relieve NECEC of its sole responsibility for compliance with the terms and conditions of Presidential Permit No. PP-438 and any other applicable governmental permits and authorizations which are necessary for the development, siting, construction or operation of the NECEC Transmission Line.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

4.01 Representations and Warranties of NECEC.

As of the time of execution of this Agreement, NECEC represents and warrants to the ISO as follows:

- (a) Organization. It is duly organized, validly existing and in good standing under the laws of the state of its organization.
- (b) Authorization. It has all requisite power and authority to execute, deliver, and perform this Agreement; the execution, delivery, and performance by NECEC of this Agreement have been duly authorized by all necessary and appropriate action on the part of NECEC; and this Agreement has been duly and validly executed and delivered by NECEC and constitutes the legal, valid, and binding obligations of NECEC, enforceable against NECEC in accordance with its terms.
- (c) No Breach. The execution, delivery, and performance by NECEC of this Agreement will not result in a breach of any terms, provisions, or conditions of any agreement to which NECEC is a party which breach has a reasonable likelihood of materially and adversely affecting NECEC's performance under this Agreement.
- (d) NECEC Transmission Line. The NECEC Transmission Line listed in Schedule 2.01(a) constitutes all of the NECEC Transmission Line in New England that is subject to this Agreement.
- (e) NO WARRANTY REGARDING THE NECEC TRANSMISSION LINE. IN CONNECTION WITH NECEC'S GRANT OF OPERATING AUTHORITY TO THE ISO OVER THE NECEC TRANSMISSION LINE PURSUANT TO THE TERMS OF THIS AGREEMENT, THE NECEC TRANSMISSION LINE IS BEING MADE AVAILABLE PURSUANT TO THIS AGREEMENT TO THE

ISO “AS IS, WHERE IS,” AND NECEC IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, CONCERNING THE NECEC TRANSMISSION LINE, INCLUDING, IN PARTICULAR, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY EXPRESSLY EXCLUDED AND DISCLAIMED. THE FOREGOING PROVISION IS NOT INTENDED TO LIMIT OR CONDITION ANY OBLIGATIONS OF NECEC EXPRESSLY PROVIDED FOR ELSEWHERE IN THIS AGREEMENT.

4.02 Representations and Warranties of the ISO.

As of the time of execution of this Agreement, the ISO represents and warrants to NECEC as follows:

- (a) Organization. It is duly organized, validly existing, and in good standing under the laws of the state of its organization.
- (b) Authorization. It has all requisite power and authority to execute, deliver, and perform this Agreement; the execution, delivery, and performance by the ISO of this Agreement have been duly authorized by all necessary and appropriate action on the part of the ISO; and this Agreement has been duly and validly executed and delivered by the ISO and constitutes the legal, valid, and binding obligation of the ISO, enforceable against the ISO in accordance with its terms.
- (c) No Breach. The execution, delivery, and performance by the ISO of this Agreement will not result in a breach of any of the terms, provisions, or conditions of any agreement to which the ISO is a party which breach has a reasonable likelihood of materially and adversely affecting the ISO’s performance under this Agreement.

ARTICLE V. COVENANTS OF NECEC

5.01 Covenants of NECEC.

NECEC covenants and agrees that during (i) the Term, or (ii) the period expressly specified herein, as applicable, NECEC shall comply with all covenants and provisions of this Article V, except to the extent that the ISO and NECEC, pursuant to Section 11.03, consent in writing to waive such covenants or performance is excused pursuant to Section 11.11(b).

5.02 Permit Applications and Other Public Filings.

- (a) Upon a request by the ISO, NECEC shall make available to the ISO any permit applications or any other filing with any Governmental Authority which are relevant to the exercise of Operating Authority over the NECEC Transmission Line. Upon such a request, NECEC may either provide the requested filing directly or provide information sufficient to allow the ISO to locate such permit applications or other public filings, including the date and place of the filing of the relevant documents. To the extent that the requested applications or filings contain

confidential or non-public information, provision of such information shall be subject to compliance with Section 11.07.

5.03 Expenses.

Except to the extent specifically provided herein, all costs and expenses incurred by NECEC in connection with the negotiation of this Agreement shall be borne by NECEC; *provided that* nothing herein shall prevent NECEC from recovering such expenses in accordance with applicable Law.

5.04 Consents and Approvals.

- (a) NECEC shall exercise Commercially Reasonable Efforts to promptly prepare and file all necessary documentation to effect all necessary applications, notices, petitions, filings, and other documents, and shall exercise Commercially Reasonable Efforts to obtain (and will cooperate with the ISO in obtaining) any consent, acquiescence, authorization, order or approval of, or any exemption or non-opposition by, any Governmental Authority required to be obtained or made by NECEC in connection with this Agreement or the taking of any action contemplated by this Agreement.
- (b) NECEC shall exercise Commercially Reasonable Efforts to obtain consents of all other third parties necessary for NECEC to perform this Agreement and promptly notify the ISO of any failure to obtain any such consents. If requested by the ISO, NECEC shall provide the ISO copies of all such consents obtained by NECEC.
- (c) Nothing in this Section 5.04 shall require NECEC to pay any sums to a third party, including any Governmental Authority, excluding filing fees paid to any Governmental Authority in connection with a filing necessary or appropriate to discharge its obligations hereunder.

5.05 Notice and Cure.

NECEC shall notify the ISO in writing of, and contemporaneously provide the ISO with true and complete copies of any and all information or documents relating to, any event, transaction or circumstance, as soon as practicable after it becomes Known to NECEC, that causes or shall cause any covenant or agreement of NECEC under this Agreement to be breached or that renders or shall render untrue any representation or warranty of NECEC contained in this Agreement as if the same were made on or as of the date of such event, transaction or circumstance. NECEC shall use all Commercially Reasonable Efforts to cure such event, transaction or circumstance as soon as practicable after it becomes Known to NECEC. No notice given pursuant to this Section 5.05 shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein or shall in any way limit the ISO's right to seek indemnity under Article IX.

ARTICLE VI. COVENANTS OF THE ISO

6.01 Covenants of the ISO.

The ISO covenants and agrees that during (i) the Term, or (ii) the period expressly specified herein, as applicable, the ISO shall comply with all covenants and provisions of this Article VI, except to the extent that the ISO and NECEC, pursuant to Section 11.03, consent in writing to a waiver of such covenants or performance is excused pursuant to Section 11.11(b).

6.02 Permit Applications and Other Public Filings.

To the extent not provided to stakeholders generally or made publicly available by the ISO, NECEC may request and the ISO shall make available to NECEC any permit applications or any other publicly available filings with a Governmental Authority, where such filings are directly relevant to the exercise of Operating Authority over, and operation of, the NECEC Transmission Line. Upon such a request, the ISO may either provide the requested filing directly or provide information sufficient to allow NECEC to locate such permit applications or other public filings, including the date and place of the filing of the relevant documents. To the extent that the requested applications or filings contain confidential or non-public information, provision of such information shall be subject to compliance with Section 11.07.

6.03 Expenses.

Except to the extent specifically provided herein, all costs and expenses incurred by the ISO in connection with the negotiation of this Agreement shall be borne by the ISO; *provided that* nothing herein shall prevent the ISO from recovering such expenses in accordance with the ISO Tariff and applicable Law.

6.04 Consents and Approvals.

- (a) The ISO shall exercise Commercially Reasonable Efforts to promptly prepare and file all necessary documentation to effect all necessary applications, notices, petitions, filings and other documents, and shall exercise Commercially Reasonable Efforts to obtain (and will cooperate with NECEC in obtaining) any consent, acquiescence, authorization, order or approval of, or any exemption or non-opposition by, any Governmental Authority required to be obtained or made by the ISO in connection with this Agreement or the taking of any action contemplated by this Agreement.
- (b) The ISO shall exercise Commercially Reasonable Efforts to obtain consents of all other third parties necessary for the ISO to perform this Agreement. The ISO shall promptly notify NECEC of any failure or anticipated failure to obtain any such consents and, if requested by NECEC, shall provide copies of all such consents obtained by the ISO.
- (c) Nothing in this Section 6.04 shall require the ISO to pay any sums to a third party, including any Governmental Authority, excluding filing fees paid to any

Governmental Authority in connection with a filing necessary or appropriate to discharge its obligations hereunder.

6.05 Notice and Cure.

The ISO shall notify NECEC in writing of, and contemporaneously shall provide NECEC with true and complete copies of any and all information or documents relating to, any event, transaction or circumstance, as soon as practicable after it becomes Known to the ISO, that causes or shall cause any covenant or agreement of the ISO under this Agreement to be breached or that renders or shall render untrue any representation or warranty of the ISO contained in this Agreement as if the same were made on or as of the date of such event, transaction or circumstance. The ISO shall use all Commercially Reasonable Efforts to cure such event, transaction or circumstance as soon as practicable after it becomes Known to the ISO. No notice given pursuant to this Section 6.05 shall have any effect on the representations, warranties, covenants, or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein or shall in any way limit any right of NECEC to seek indemnity under Article IX.

ARTICLE VII. TAX MATTERS

7.01 Responsibility for NECEC Taxes.

NECEC shall prepare and file all Tax Returns and other filings related to its Transmission Business and the NECEC Transmission Line and pay any Tax liabilities related to its Transmission Business and the NECEC Transmission Line. The ISO shall not be responsible for, or required to file, any Tax Returns or other reports for NECEC and shall have no liability for any Taxes related to NECEC's Transmission Business or the NECEC Transmission Line. The ISO and NECEC hereby agree that, for tax purposes, the NECEC Transmission Line shall be deemed to be owned by NECEC.

7.02 Responsibility for ISO Taxes.

The ISO shall prepare and file all Tax Returns and other filings related to its operations and pay any Tax liabilities related to its operations. NECEC shall not be responsible for, or required to, file any Tax Returns or other reports for the ISO and shall have no liability for any Taxes related to the ISO's operations.

ARTICLE VIII. RELIANCE; SURVIVAL OF AGREEMENTS

8.01 Reliance; Survival of Agreements.

Notwithstanding any right of any Party (whether or not exercised) to investigate the accuracy of any of the matters subject to indemnification by any other Party contained in this Agreement, each Party has the right to rely fully upon the representations, warranties, covenants, and agreements of the other Party contained in this Agreement. The provisions of Sections 10.01(f), 11.01, 11.07, 11.09, 11.11, and 11.15 and Articles VII and IX shall survive the termination of this Agreement.

ARTICLE IX. INDEMNIFICATION; INSURANCE; ASSUMPTION OF LIABILITIES

9.01 Indemnification.

- (a) Subject to Section 9.06(b) through 9.06(e), (i) NECEC shall release, indemnify, and hold harmless the ISO from and against any and all damages, losses, liabilities, obligations, claims, demands, suits, proceedings, recoveries, judgments, settlements, costs and expenses, court costs, attorneys' fees, and all other obligations (each, an "Indemnifiable Loss") asserted against the ISO by a Person that is not a Party to this Agreement (a "Third Party") including but not limited to any action by an NECEC employee, to the extent alleged to result from, arise out of or be related to NECEC's acts or omissions that give rise to such Indemnifiable Loss; and (ii) the ISO shall release, indemnify, and hold harmless NECEC from and against any Indemnifiable Loss asserted against NECEC by a Third Party, including but not limited to any action by an ISO employee, to the extent alleged to result from, arise out of or be related to the ISO's acts or omissions that give rise to such Indemnifiable Loss, including an ISO directive and/or instructions to a Party.
- (b) The indemnification by the ISO set forth in Section 9.01(a)(ii) above shall be limited to the extent that the liability of NECEC that is the subject of an indemnification request is limited by any applicable Law and arises from a claim by (i) NECEC or an affiliate of NECEC in its role as a Transmission Customer, or (ii) a customer of NECEC.
- (c) NECEC shall release, indemnify, and hold harmless the ISO from and against any Environmental Damages that the ISO becomes subject to as a result of its exercise of Operating Authority over the NECEC Transmission Line, to the extent such Environmental Damages arose prior to the Effective Date or did not result from the ISO's acts or omissions.
- (d) NECEC and/or the ISO each hereby (i) waives any defense or immunity it might otherwise have under applicable workers' compensation laws or any other statute, or judicial decision, disallowing or limiting such indemnification, and (ii) consents to a cause of action for indemnity and/or contribution in connection with such indemnification.

9.02 Notice of Proceedings.

The Party entitled to receive indemnification under this Agreement ("Indemnitee") shall promptly notify the other Party holding the indemnification obligation hereunder (the "Indemnifying Party") of any Indemnifiable Loss in respect of which the Indemnitee is or may be entitled to indemnification pursuant to Section 9.01. Such notice shall be given as soon as reasonably practicable after the Indemnitee becomes aware of the Indemnifiable Loss and that any such claim or proceeding may give rise to an indemnification obligation hereunder. Such notice shall describe the nature of the loss or proceeding in reasonable detail and shall indicate, if practicable, the estimated amount of the Indemnifiable Loss that has been or may be sustained by

the Indemnatee. The delay or failure of such Indemnatee to provide the notice required pursuant to this Section 9.02 shall not release the Indemnifying Party from any indemnification obligation which it may have to such Indemnatee except (a) to the extent that such failure or delay materially and adversely affects the Indemnifying Party's ability to defend such action or increases the amount of the Indemnifiable Loss, and (b) that the Indemnifying Party shall not be liable for any costs or expenses of the Indemnatee in the defense of the claim, suit, action or proceeding during such period of failure or delay.

9.03 Defense of Claims.

- (a) Unless and until the Indemnifying Party (i) acknowledges in writing its obligation within ten (10) calendar days of the Indemnatee's notice of a claim, suit, action or proceeding, and (ii) assumes control of the defense of such claim, suit, action or proceeding in accordance with Section 9.03(b), the Indemnatee shall have the right, but not the obligation, to contest, defend and litigate, with counsel of its own selection, any claim, action, suit, or proceeding by any third party alleged or asserted against such Indemnatee in respect of, resulting from, related to or arising out of any matter for which it is entitled to be indemnified hereunder, and the reasonable costs and expenses thereof shall be subject to the indemnification obligations of the Indemnifying Party hereunder.
- (b) Upon acknowledging in writing its obligation to indemnify an Indemnatee to the extent required pursuant to this Article IX and paying all reasonable costs incurred by such Indemnatee in its defense, including reasonable attorneys' fees, the Indemnifying Party shall be entitled, at its option (subject to Section 9.03(d)), to assume and control the defense of such claim, action, suit or proceeding at its expense with counsel of its selection, subject to the prior reasonable approval of the Indemnatee.
- (c) Neither the Indemnifying Party nor the Indemnatee shall be entitled to settle or compromise any such claim, action, suit, or proceeding without the prior written consent of the other; *provided that* such consent shall not be unreasonably withheld.
- (d) Following the acknowledgment of the indemnification and the assumption of the defense by the Indemnifying Party pursuant to Section 9.03(b), the Indemnatee shall have the right to employ its own counsel and such counsel may participate in such action, but the fees and expenses of such counsel shall be at the expense of such Indemnatee, when and as incurred, unless: (i) the employment of counsel by such Indemnatee has been authorized in writing by the Indemnifying Party; (ii) the Indemnatee shall have reasonably concluded and specifically notified the Indemnifying Party that there may be a conflict of interest between the Indemnifying Party and the Indemnatee in the conduct of the defense of such action; (iii) the Indemnifying Party shall not in fact have employed independent counsel reasonably satisfactory to the Indemnatee to assume the defense of such action and shall have been so notified by the Indemnatee; (iv) the Indemnatee shall have reasonably concluded and specifically notified the Indemnifying Party that there may be specific defenses available to it which are different from or additional to

those available to the Indemnifying Party or that such claim, action, suit or proceeding involves or could have a material adverse effect upon the Indemnatee beyond the scope of this Agreement; or (v) the Indemnifying Party shall not have taken reasonable steps necessary to defend diligently such action within twenty (20) calendar days after receiving notice from the Indemnatee that the Indemnatee believes the Indemnifying Party has failed to take such steps. If clause (ii), (iii), (iv), or (v) of the preceding sentence shall be applicable, then counsel for the Indemnatee shall have the right to direct the defense of such claim, action, suit, or proceeding on behalf of the Indemnatee and the reasonable fees and disbursements of such counsel shall constitute indemnifiable legal or other expenses hereunder.

- (e) If the amount of any Indemnifiable Loss incurred by an Indemnatee, at any time subsequent to the making of an indemnity payment by an Indemnifying Party in respect thereof, is reduced by recovery, settlement, or otherwise under or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement, or payment by or against any other entity, the amount of such reduction, less any costs, expenses or premiums incurred in connection therewith (together with interest thereon from the date of payment thereof at the Prime Rate) shall promptly be repaid by the Indemnatee to the Indemnifying Party. In the event that the claim, demand, or suit giving rise to an Indemnifiable Loss is ultimately adjudicated, if a Final Order confirms that the Indemnatee was not entitled to indemnification hereunder, then the amount advanced by the Indemnifying Party in respect of such Indemnifiable Loss (together with interest thereon from the date of payment thereof at the Prime Rate) shall promptly be paid by the Indemnatee to the Indemnifying Party.

9.04 Subrogation.

Upon payment of any indemnification by a party pursuant to this Article IX, the Indemnifying Party, without any further action, shall be subrogated to any and all claims that the Indemnatee may have relating thereto, and such Indemnatee shall at the request and expense of the Indemnifying Party cooperate with the Indemnifying Party and give at the request and expense of the Indemnifying Party such further assurances as are necessary or advisable to enable the Indemnifying Party vigorously to pursue such claims.

9.05 Insurance.

- (a) The ISO shall at all times, at its own cost and expense, carry and maintain or cause to be carried and maintained throughout the Term: (i) liability and errors and omissions insurance (including blanket coverage for contractual liability), insuring the ISO against liability for injury or death to persons, damage to property and environmental restoration, (ii) worker's compensation insurance, (iii) property insurance, and (iv) directors' and officers' insurance. The amount of the insurance coverages and deductibles shall generally be comparable to other independent system operators or RTOs, taking into consideration the relative size of the ISO and its contractual and tariff liabilities as compared to the other system operators or RTOs administering similar market structures. In assessing the comparable

coverages and deductibles, the ISO may rely on the advice of its insurance consultants.

- (b) In accordance with Good Utility Practice, and to the extent coverage is available in the commercial insurance markets, NECEC will maintain: (i) property insurance on the NECEC Transmission Line, (ii) liability and errors and omissions insurance (including blanket coverage for contractual liability), insuring against liability for injury or death to persons, damage to property and environmental restoration, (iii) worker's compensation insurance, (iv) directors' and officers' insurance, and (v) third-party and liability insurance covering personal injuries (including death) and property damage incurred. NECEC may self-insure its transmission and related facilities as per its risk management and insurance practice, the risk management and insurance practices of its corporate parent, and in accordance with utility industry practices, and shall provide evidence suitable to the ISO that such self-insurance satisfies these requirements.
- (c) All insurance required under this Section 9.05 by outside insurers shall be maintained with insurers qualified to insure the obligations or liabilities under this Agreement and having a Best's rating of at least B+ VIII (or an equivalent Best's rating from time to time of B+ VIII), or in the event that from time to time Best's ratings are no longer issued with respect to insurers, a comparable rating by a nationally recognized rating service or such other insurers as may be agreed upon by NECEC and the ISO.
- (d) The insured Party shall have the other Party listed as an additional insured party on its liability and errors and omissions insurance. Upon execution of this Agreement, and when requested thereafter, each Party shall furnish the other Party with certificates of all such insurance policies setting forth the amounts of coverage, policy numbers, and date of expiration for such insurance in conformity with the requirements of this Agreement. Where NECEC is self-insuring pursuant to Section 9.05(b), it shall provide written evidence of self-insurance in lieu of a certificate of insurance. Any policy which lists a Party as an additional insured shall include a separation of insured clause.
- (e) The insurance policies maintained by the Party hereunder shall not be canceled, terminated or the terms thereof modified or amended without at least thirty (30) days' prior notice to the other Party.
- (f) In addition, for any services to be solely subcontracted by a Party under this Agreement, that Party shall ensure that (i) each subcontractor procures and maintains all insurance as per that Party's risk management and insurance practices, and (ii) that each subcontract contains a clause stating that the insurance requirements required as per each Party's risk management and insurance practices shall not be construed as a limitation of liability or limit/diminish any of contractor /subcontractors indemnity obligation(s) or other liabilities/responsibilities maintained under the subcontract or agreement, or any statutes, law, or regulation.

- (g) If any insurance policy required to be maintained by a Party hereunder shall not be available to the Party on a commercially reasonable basis (taking into account both terms and premiums), the Party shall obtain a written report of an independent insurance advisor of recognized national standing, chosen by the other Party and reasonably acceptable to the Insuring Party, confirming in reasonable detail that such insurance policy, in respect of amount or scope of coverage, is not available on a commercially reasonable basis from insurers of recognized standing. During any period with respect to which any insurance policy required by this Agreement is not commercially available, the Insuring Party shall nevertheless maintain insurance that approximates such required insurance policy as closely as commercially practical, to the extent it is available on a commercially reasonable basis from insurers of recognized standing. If any insurance policy which was previously not held or discontinued because of its commercial unavailability later becomes available on a commercially reasonable basis, the Insuring Party shall obtain or reinstate such insurance.

9.06 Assumption of Liability.

- (a) NECEC shall be liable to the ISO, and the ISO shall be liable to NECEC, for losses, liabilities, damages, diminution in value, obligations, claims, proceedings, fines, deficiencies, and expenses (collectively, “Losses”) caused by such Party’s grossly negligent acts or omissions or willful misconduct (including the grossly negligent acts or omissions or willful misconduct of such Party’s directors, Affiliates, members, officers, employees, agents, and contractors) in connection with the performance of such Party of its obligations under this Agreement; and (ii) no Party shall be liable to another Party for any incidental, indirect, special, exemplary, punitive or consequential damages, including lost revenues or profits, even if such damages are foreseeable or the damaged Party has advised such Party of the possibility of such damages and regardless of whether any such damages are deemed to result from the failure or inadequacy of any exclusive or other remedy. The foregoing limitations shall not apply to the right of the Parties to seek indemnification under this Agreement in accordance with Section 9.01.
- (b) Nothing in this Agreement shall be deemed to affect the right of the ISO to recover its costs due to liability under this Article IX through the ISO Participants Agreement or the ISO Tariff.
- (c) The ISO shall not be liable to NECEC with respect to any damages incurred by NECEC that are directly attributable to the ISO’s reliance on facility ratings established by NECEC.
- (d) NECEC shall not be liable to the ISO by reason of this Agreement (whether based on contract, indemnification, warranty, tort, strict liability or otherwise) for any acts or omissions taken or done in compliance with, or good faith attempts to comply with, the directives and/or instructions of the ISO, except in cases of the gross negligence or willful misconduct of NECEC.

- (e) Notwithstanding any of the foregoing, the ISO shall be liable in actual damages for failure to make payments or transfer sums under Section 3.10(b) of this Agreement if the ISO fails to discharge its obligation to prepare and send bills or to perform its obligations pursuant to Section 3.10(b) of this Agreement.

ARTICLE X. ; DEFAULT, REMEDIES, AND TERMINATION

10.01 Term; Termination Date.

- (a) Term and Effective Date.
 - (i) Term. Subject to the terms set forth in this Section 10.01, the initial term of this Agreement (the “Initial Term”) shall commence on the Effective Date and shall continue for a period of forty (40) years from the Effective Date. Subject to the terms set forth in this Section 10.01, the Initial Term shall be extended automatically for additional two-year periods (each, an “Additional Term”), *provided that*, in no event shall the term of this Agreement be extended beyond the term of the Appalachies-Maine AOA. Together, the Initial Term and the Additional Term(s), if any, shall constitute the term (the “Term”) of this Agreement.
 - (ii) Effective Date. The “Effective Date” shall be the date on which the ISO and NECEC unanimously agree to place this Agreement and related agreements and documents into effect.
 - (iii) Termination. Subject to Sections 10.01(d), 10.01(e), and 10.01(f), this Agreement may be terminated: (i) at any time by the mutual agreement of the Parties, with the effective date of such termination also subject to mutual agreement, (ii) pursuant to Sections 10.01(b) and 10.01(c), or (iii) by either Party at the end of the Initial Term by providing no less than one-hundred-eighty (180) days prior notice of such termination.
- (b) Termination by NECEC. Subject to Section 10.01(e), NECEC may terminate this Agreement at any time during the Term if any of the following shall have occurred:
 - (i) upon an ISO event of default in accordance with Section 10.03(a), *provided that* NECEC shall exercise this right in accordance with Section 10.03(b)(i);
 - (ii) if a Final Order of FERC, a Final Order of a Federal court, or a Federal law sets forth a change in policy stating that: (A) the federal government no longer encourages the participation of transmission owners in RTOs and such Final Order or law affirmatively states that transmission owners participating in an RTO may withdraw therefrom, or (B) the recovery of costs for the NECEC Transmission Line will be subject to any change in policy which prevents NECEC from recovering the full costs of the NECEC Transmission Line through any applicable, existing support arrangements or otherwise on a regulated cost-of-service basis; *provided that* termination pursuant to (A) or (B) of this provision shall require notice to the other Party

not less than one-hundred-eighty (180) days prior to the Termination Date established pursuant to Section 10.01(e);

- (iii) FERC issues an order putting into effect changes to the relative rights and responsibilities of NECEC and the ISO, individually or collectively, under this Agreement, including changing the scope and definition of Operating Authority, so as to materially adversely affect the interests of NECEC, unless NECEC has agreed to such changes in accordance with Section 11.04; *provided that*: (A) termination pursuant to this provision shall require notice to the ISO not less than one-hundred-eighty (180) days prior to the Termination Date established pursuant to Section 10.01(e), and (B) NECEC shall be required to rescind such notice if FERC issues a subsequent order prior to the Termination Date so as to eliminate the changes to the relative rights and responsibilities of NECEC and the ISO under this Agreement;
 - (iv) NECEC has entered into an agreement to form or join an Independent Transmission Company in accordance with Attachment M to the ISO OATT which has been accepted for filing by the FERC, *provided that* termination pursuant to this provision shall be effective concurrent with the effective date of such agreement;
 - (v) NECEC has obtained authorization from the FERC to join another RTO or other similar organization (such as an Independent System Operator) in connection with a merger with or acquisition by another entity;
 - (vi) Hydro-Québec withdraws from, or otherwise terminates, the Appalaches-Maine IOA, *provided that* NECEC shall only terminate its obligations under this Agreement if it also terminates its obligations under the Appalaches-Maine AOA; or
 - (vii) if withdrawal of NECEC is authorized in accordance with Section 10.05.
- (c) Termination By the ISO. The ISO may terminate its obligations under this Agreement and surrender its Operating Authority over the NECEC Transmission Line if any of the following shall have occurred:
- (i) There have been: (A) material changes in the ownership or operations of the Appalaches-Maine Interconnection that, as a result, jeopardizes the ISO's ability to maintain system reliability or administer efficient and competitive markets while exercising Operating Authority over the NECEC Transmission Line, or (B) Hydro-Québec withdraws from, or otherwise terminates, the Appalaches-Maine IOA, *provided that* the ISO shall only terminate its obligations under this Agreement if it also terminates its obligations under the Appalaches-Maine IOA;
 - (ii) FERC issues an order putting into effect material changes in the liability and indemnification protections afforded to the ISO under this Agreement or the ISO OATT, *provided that*: (A) termination pursuant to this provision

shall require notice to NECEC not less than one-hundred-eighty (180) days prior to the Termination Date established pursuant to Section 10.01(e), and (B) the ISO shall be required to rescind such notice if FERC issues a subsequent order prior to the Termination Date so as to eliminate the material changes to such liability and indemnification protections;

- (iii) upon an NECEC event of default in accordance with Section 10.04(a), *provided that* the ISO shall exercise this right in accordance with Section 10.04(b)(i);
 - (iv) FERC issues an order putting into effect an amendment or modification of this Agreement that materially adversely affects the ISO's ability to carry out its responsibilities under this Agreement, unless the ISO has agreed to such changes in accordance with Section 11.04, *provided that*: (A) termination pursuant to this provision shall require notice to NECEC not less than one-hundred-eighty (180) days prior to the Termination Date established pursuant to Section 10.01(e), and (B) the ISO shall be required to rescind such notice if FERC issues a subsequent order prior to the Termination Date so as to eliminate the material adverse effect to the ISO's ability to carry out its responsibilities under this Agreement; or
 - (v) if withdrawal of the ISO is authorized in accordance with Section 10.05.
- (d) Actions Prior To Termination. Upon submission of a written notice of termination by NECEC or the ISO, such notice shall commence the development of a plan under which Operating Authority shall be transferred from the ISO to another entity. The Termination Date with respect to NECEC or the ISO shall not occur until both: (i) the ISO and NECEC have agreed upon a plan addressing the technical, operational, transmission service, and market issues associated with the transfer of Operating Authority in connection with such termination and such plan has been implemented, *provided that*, if the Parties are unable to reach agreement on such plan, any affected Party shall have the right to submit the matter to FERC for resolution without additional negotiation under Section 11.12, and (ii) all required reliability and regulatory approvals, if any, have been obtained for such termination, including any approvals required pursuant to Section 10.01(e).
- (e) Effective Termination Date. To the extent that termination of this Agreement occurs under Sections 10.01(b) or 10.01(c), the Termination Date shall be set by the terminating Party in its notice of termination *provided that* such Termination Date may not be earlier than one-hundred-eighty (180) days after the provision of a written notice of termination and is only effective upon the completion of a termination plan and receipt of all required reliability and regulatory approvals in accordance with Section 10.01(d). Notwithstanding any other provision contained herein or in any other document to the contrary, any termination requested under this Section 10.01 shall be effective upon the established Termination Date: (i) unless a party to this Agreement seeking to challenge the request demonstrates that the requested termination is contrary to the public interest under the Mobile-Sierra

Doctrine, and (ii) subject to the FERC's determination under Section 205 of the FPA that the termination is just, reasonable and not unduly discriminatory or preferential.

- (f) Continuing Obligations. The terminating Party shall have the following continuing obligations following withdrawal from this Agreement:
- (i) All financial obligations incurred and payments applicable to the time period prior to the Termination Date shall be honored by the terminating Party in accordance with the terms of this Agreement, and such terminating Party shall remain liable for all obligations arising hereunder prior to the Termination Date; and
 - (ii) NECEC shall file a replacement transmission tariff to replace the affected portion of the ISO OATT to the extent a FERC regulation or order requires NECEC to file such a tariff.

10.02 Release of Operating Authority.

- (a) Upon the Termination Date, the ISO's right and obligation to exercise Operating Authority over the NECEC Transmission Line shall promptly cease, and, in accordance with Section 10.01, the ISO shall be deemed to have released and returned, and NECEC (or its designee) shall have assumed, Operating Authority over the NECEC Transmission Line on the Termination Date.
- (b) After the Termination Date, the ISO shall take Commercially Reasonable Efforts to assist NECEC (or its designee) in resuming performance of the functions comprising Operating Authority.
- (c) The expenses associated with any termination under Section 10.01 shall be at NECEC's expense unless (i) the termination is by the ISO pursuant to Section 10.01(d)(ii) or 10.01(d)(iii), or (ii) pursuant to Section 10.03 in the event of an ISO Default.

10.03 Events of Default of the ISO.

- (a) Events of Default of the ISO. Subject to the terms and conditions of this Section 10.03, the occurrence of any of the following events shall constitute an event of default of the ISO ("ISO Default") under this Agreement:
 - (i) Failure by the ISO to perform any material obligation set forth in this Agreement and continuation of such failure for longer than thirty (30) days after the receipt by the ISO of written notice of such failure from NECEC; *provided that* if the ISO is diligently pursuing a remedy during such thirty (30) day period, said cure period shall be extended for an additional thirty (30) days or as otherwise agreed by NECEC;

- (ii) If there is a dispute between the ISO and NECEC as to whether the ISO has failed to perform a material obligation, the cure period(s) provided in Section 10.03(a)(i) above shall run from the point at which a finding of failure to perform has been made by a Governmental Authority;
 - (iii) Failure of the ISO to pay when due any other amounts payable to NECEC by the ISO pursuant to this Agreement within thirty (30) days of the due date;
 - (iv) Any attempt (not including consideration of strategic options or entering into exploratory discussions) by the ISO to transfer an interest in, or assign its obligations under, this Agreement, except as otherwise permitted hereunder;
 - (v) The exercise of Operating Authority or other responsibilities under this Agreement in a manner that results in a material amount of damage to or the destruction of the NECEC Transmission Line due to the willful misconduct or gross negligence of the ISO or the repeated and persistent exercise by the ISO of its Operating Authority in a manner that subjects the NECEC Transmission Line to the significant risk of a material amount of damage, *provided that* exercise by the ISO of its Operating Authority over the NECEC Transmission Line both in accordance with the Operating Procedures and within the ratings established by NECEC for the NECEC Transmission Line shall not be considered to subject the NECEC Transmission Line to risk of damage and *further provided that* nothing in this Section 10.03(a)(v) shall be deemed to excuse the ISO from complying with its obligations under this Agreement or to limit the other events of default specified in this Section 10.03(a).
 - (vi) With respect to the ISO, (A) the filing of any petition in bankruptcy or insolvency, or for reorganization or arrangement under any bankruptcy or insolvency laws, or voluntarily taking advantage of any such laws by answer or otherwise or the commencement of involuntary proceedings under any such laws; (B) assignment by the ISO for the benefit of creditors; or (C) allowance by the ISO of the appointment of a receiver or trustee of all or a material part of its property if such receiver or trustee is not discharged within thirty (30) days after such appointment.
- (b) Remedies for Default. If an event of default by the ISO occurs and is continuing, NECEC shall have the right to avail itself of any or all of the following remedies, all of which shall be cumulative and not exclusive:
- (i) To terminate this Agreement in accordance with Sections 10.01(b) and 10.01(e); *provided that* if the ISO contests NECEC's allegation of an ISO event of default under Section 10.03(a), this Agreement shall remain in effect pending resolution of the dispute, but any applicable notice period shall run during the pendency of the dispute;

- (ii) To demand that the ISO immediately make arrangements for the orderly transfer of Operating Authority over the NECEC Transmission Line and assist NECEC (or its designee) in resuming performance of the functions comprising Operating Authority, *provided that*: (A) NECEC shall not be liable for the reimbursement of the ISO for any costs and expenses incurred by the ISO in connection therewith, (B) the ISO and NECEC shall agree upon a plan addressing the technical and operational issues associated with such transfer of Operating Authority, as such plan has been implemented, and (C) if the Parties are unable to reach agreement on such plan, any affected Party shall have the right to submit the matter to FERC for resolution without additional negotiation under Section 11.12, *provided that* such action shall be consistent with Section 10.01(d);
- (iii) To make any payment or perform or comply with any agreement that the ISO shall be obligated to pay, perform, or comply with under this Agreement and the amount of reasonable expenses (including attorneys' fees and any other reasonable professionals' fees and expenses) of NECEC incurred in connection with such payment or the performance of or compliance with any such agreement shall be payable by the ISO upon demand;
- (iv) To obtain such specific performance and/or an injunction to prevent breaches of this Agreement and to enforce specifically the terms and conditions hereof; and/or
- (v) To obtain damages pursuant to the indemnity provisions of Sections 9.01 and 9.06 of this Agreement.

10.04 Events of Default of NECEC.

- (a) Events of Default of NECEC. Subject to the terms and conditions of this Section 10.04, the occurrence of any of the events listed below shall constitute an event of default of NECEC under this Agreement (in each instance, an "NECEC Default"):
 - (i) Failure by NECEC to perform any material obligation set forth in this Agreement and continuation of such failure for longer than thirty (30) days after the receipt by NECEC of written notice of such failure from the ISO, *provided that* if NECEC is diligently pursuing a remedy during such thirty (30) day period, said cure period shall be extended for an additional thirty (30) days or as otherwise agreed by the ISO;
 - (ii) If there is a dispute between the ISO and NECEC as to whether NECEC has failed to perform a material obligation, the cure period(s) provided in Section 10.03(a)(i) above shall run from the point at which a finding of failure to perform has been made by a Governmental Authority; or
 - (iii) With respect to NECEC, (A) the filing of any petition in bankruptcy or insolvency, or for reorganization or arrangement under any bankruptcy or

insolvency laws, or voluntarily taking advantage of any such laws by answer or otherwise or the commencement of involuntary proceedings under any such laws, (B) assignment by NECEC for the benefit of creditors, or (C) allowance by NECEC of the appointment of a receiver or trustee of all or a material part of its property if such receiver or trustee is not discharged within thirty (30) days after such appointment.

- (b) Remedies for Default. If an event of default by NECEC occurs and is continuing, the ISO shall have the following remedies, all of which shall be cumulative and not exclusive:
 - (i) terminate this Agreement in accordance with Sections 10.01(c) and 10.01(e); *provided that* if NECEC contests the ISO's allegation of an NECEC event of default, this Agreement shall remain in effect pending resolution of the dispute, but any applicable notice period shall run during the pendency of the dispute;
 - (ii) such specific performance and/or an injunction to prevent breaches of this Agreement and to enforce specifically the terms and conditions hereof; or
 - (iii) obtain damages pursuant to the indemnity provisions of Sections 9.01 and 9.06.
- (c) Notwithstanding anything to the contrary herein, nothing in this Section 10.04 shall be deemed to give the ISO or any ISO agent or designee the right to exercise any functions other than those enumerated as Operating Authority in Section 3.02 or the right to take physical control of the NECEC Transmission Line.

10.05 Procedures Relating to Grandfathered Transmission Service Agreements.

- (a) In recognition that the Grandfathered Transmission Service Agreements include certain provisions that could relate to the Parties' exercise of their rights and obligations under this Agreement, the Parties establish the procedures set forth in this Section 10.05. As used in this Agreement, "GTSA Impacts" are those actions listed in Schedule 10.05(a) to this Agreement, with reference to the specific provisions of the Grandfathered Transmission Service Agreements as noted in Schedule 3.10 to this Agreement.
- (b) In the event that a Grandfathered Transmission Service Agreement is amended to modify one or more provisions cited in Schedule 10.05(a), the Parties shall promptly confer in good faith, and if necessary, mutually agree to modify any GTSA Impact associated with a modified Grandfathered Transmission Service Agreement provision. Any modifications to any GTSA Impact mutually agreed upon by the Parties may be made to Schedule 10.05(a), without the necessity of an amendment to this Agreement. The ISO shall not be obligated to comply with a materially modified GTSA provision which was previously identified as an GTSA Impact on Schedule 10.05(a), unless the Parties have conferred and mutually agreed

upon the continued application of a GTSA Impact designation for such modified Grandfathered Transmission Service Agreement term.

- (c) Should the ISO take any action or direct NECEC to take an action that NECEC believes is a GTSA Impact (an “ISO GTSA Impact Action or Directive”):
 - (i) NECEC shall provide notice to the ISO within seven (7) days after identifying the occurrence of such ISO GTSA Impact Action or Directive of the occurrence of an ISO GTSA Impact Action or Directive and whether such action shall be discontinued or such directive shall be rescinded, *provided that* (A) in no instance shall a Short-Term Reliability Action or Directive be considered an ISO GTSA Impact Action or Directive; (B) no ISO GTSA Impact Action or Directive shall be deemed to have occurred where the pertinent provision of a Grandfathered Transmission Service Agreement has expired or terminated; and (C) actions or directives which are either required to be undertaken pursuant to applicable Laws or are the subject of the ISO’s reserved authorities under Section 3.04, shall not constitute an ISO GTSA Impact Action or Directive.
 - (ii) Following the giving of such notice, the Parties shall continue to carry out all of their other obligations under this Agreement.
 - (iii) For so long as the Parties comply with the provisions of this Section 10.05 and the ISO has been notified accordingly, NECEC’s election that an ISO GTSA Impact Action or Directive shall be discontinued or rescinded shall not be an NECEC Default under Section 10.04 of this Agreement, nor shall an ISO GTSA Impact Action or Directive be an ISO Default under Section 10.03 of this Agreement or a basis for requiring indemnification by the ISO under Article IX of this Agreement, *provided that* the occurrence of an ISO GTSA Impact Action or Directive shall not limit the rights of NECEC to seek indemnification to the extent there is an independent basis for seeking such indemnification under the terms of this Agreement.
 - (iv) An ISO GTSA Impact Action or Directive that involves an ISO-requested upgrade to the NECEC Transmission Line shall be addressed under Section 3.08 of this Agreement and not under this Section 10.05.
 - (v) Within ten (10) business days of the ISO’s receipt of the notice identified in Section 10.05(c)(i), and notwithstanding the fact that such ISO GTSA Impact Action or Directive has been discontinued or rescinded, the ISO and NECEC shall meet to negotiate a resolution in good faith. The ISO and NECEC shall each send an officer-level representative to conduct such negotiations.
 - (vi) In the event that the ISO and NECEC are unable to reach a mutually acceptable resolution within thirty (30) days of the inception of the negotiations described in Section 10.05(c)(v), or within such additional

period mutually agreed to by the Parties, the ISO and NECEC must promptly undertake one or more of the following actions:

- (A) the ISO and NECEC may agree to pursue non-binding mediation; *provided that*, if the Parties agree to pursue such mediation but cannot agree on a mediator, FERC's Dispute Resolution Service or a FERC settlement judge shall serve as the mediator;
 - (B) the ISO or NECEC may initiate an action seeking declaratory, injunctive or other equitable relief with respect to the ISO GTSA Impact Action or Directive, including whether the ISO's action or directive in fact creates a GTSA Impact; and
 - (C) the ISO or NECEC may give notice of termination pursuant to Sections 10.01(b) or 10.01(c) of this Agreement respectively and pursue the termination process specified in Sections 10.01(d), 10.01(e), and 10.01(f) of this Agreement.
- (d) Notwithstanding any other provision contained herein, in the event that a change to the ISO Tariff Operating Procedures or Additional HVDC Procedures that relate to the schedule or provision of transmission service over the NECEC Line is proposed, which, if adopted, would prevent or impede NECEC's performance of its obligations under the Grandfathered Transmission Service Agreements, NECEC may raise such change with the ISO, and the Parties in good faith will consider the potential impacts of such change on the Grandfathered Transmission Service Agreements and negotiate any modifications to this Section 10.05 and Schedule 10.05(a) that are appropriate to address such change. NECEC holds and reserves the right to participate in any applicable stakeholder process or FERC proceeding related to such change, and nothing in this Agreement shall limit or restrict the positions NECEC may assert in such process or proceeding.
- (e) In the event of a dispute, conflict, or ambiguity between Section 10.05 and Schedule 10.05(a), the terms of this Section 10.05 are controlling.

ARTICLE XI. MISCELLANEOUS

11.01 Notices.

Unless otherwise expressly specified or permitted by the terms hereof, all communications and notices provided for herein shall be in writing and any such communication or notice shall become effective (a) upon personal delivery thereof, including by overnight mail or courier service, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (c) in the case of notice by facsimile, upon receipt thereof; *provided that* such transmission is promptly confirmed by either of the methods set forth in clauses (a) or (b) above, in each case addressed to receiving Party at its address set forth in Schedule 11.01 or, at such other address as such receiving Party may from time to time designate by written notice to the other Party hereto; *further provided that* a notice given in connection with

this Section 11.01 but received on a day other than a Business Day, or after business hours in the situs of receipt, will be deemed to be received on the next Business Day.

11.02 Supersession of Prior Agreements.

With respect to the subject matter hereof, this Agreement (together with all schedules and exhibits attached hereto) constitutes the entire agreement and understanding among the Parties with respect to all subjects covered by this Agreement and supersedes all prior discussions, agreements and understandings among the Parties with respect to such matters, including those agreements set forth on Schedule 11.02 attached hereto. To the extent that such other agreements address subjects addressed in this Agreement, this Agreement shall govern.

11.03 Waiver.

Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, shall be cumulative and not alternative.

11.04 Amendment; Coordination; Limitations on Modifications of Agreement.

- (a) Except as otherwise specifically provided herein, this Agreement shall only be subject to modification or amendment by mutual agreement of NECEC and the ISO and the acceptance of any such amendment by FERC. The ISO and NECEC shall be deemed to have agreed to such amendment upon the execution of the amendment by each Party.
- (b) The Parties recognize that:
 - (i) The ISO is a party to the Appalaches-Maine IOA with Hydro-Québec and NECEC is a party to the Appalaches-Maine AOA with Hydro-Québec. Given the interrelated nature of the rights and obligations of the ISO, NECEC and Hydro-Québec, the ISO and NECEC agree to make good faith efforts to coordinate performance, amendments and dispute resolution under this Agreement and the other agreements referenced in this Section 11.04(b), so that the ISO and NECEC do not become subject to conflicting rights and obligations under the Appalaches-Maine IOA and Appalaches-Maine AOA.
 - (ii) The ISO and NECEC are parties to the NECEC ETUIAs which also include CMP as the signatory interconnecting transmission owner. Given the interrelated nature of the rights and obligations regarding the interconnection of the NECEC Transmission Line to the New England Transmission System and the coordination of operations of the NECEC Transmission Line under this Agreement, the ISO and NECEC agree to

make good faith efforts to coordinate performance, amendments, and dispute resolution under this Agreement, so that the ISO and NECEC do not become subject to conflicting rights and obligations under the NECEC ETUIAs.

- (c) In light of the foregoing, the Parties agree that they shall not rely to their detriment on any purported amendment, waiver or other modification of any rights under this Agreement unless the requirements of this Section 11.04 are satisfied, and further agree not to assert equitable estoppel or any other equitable theory to prevent enforcement of this provision in any court of law or equity, arbitration or other proceeding.
- (d) In the event of a material change in applicable Law that prevents or impedes either Party from fulfilling their obligations under this Agreement, the Parties shall negotiate in good faith any amendments to this Agreement necessary to adapt the terms of this Agreement to such change in applicable Law.
- (e) Absent the agreement of the Parties to any proposed change hereof or an amendment hereof pursuant to Section 11.04(a), the standard of review for changes to the following sections of this Agreement (or changes to any schedules associated with such sections) proposed by a Party, a non-party or FERC acting sua sponte shall be the “public interest” standard of review under the Mobile-Sierra Doctrine: Sections 2.01, 2.02, 2.03, 2.05, 3.01, 3.02, 3.03, 3.04, 3.05, 3.06, 3.07, 3.08, 3.09, 3.10, 3.12, 4.01(e), 5.01, 6.01, 8.01, 9.01, 9.06, 10.01(d), 10.01(f), 10.02, 10.03, 10.04, 10.05, 11.04(a)-(e), 11.05, 11.06, 11.11, 11.13, 11.15, 11.17, and Article I, as it applies to the foregoing sections. Absent the agreement of the Parties to any proposed change hereof or an amendment hereof pursuant to Section 11.04(a), with respect to changes to the remaining provisions of this Agreement proposed by a Party, a non-party, or FERC acting sua sponte, the standard of review shall be that provided under Section 206 of the FPA.
- (f) Notwithstanding the Parties’ rights under Sections 3.05 and 3.11 hereof, neither the ISO nor NECEC shall propose to modify or amend the ISO OATT nor any other tariff, rate schedule, procedure, protocol, or agreement applicable to the ISO or any NECEC in any manner that would limit, alter, or adversely affect the rights and responsibilities of the non-proposing Party under this Agreement or that would otherwise be inconsistent with the provisions of this Agreement unless: (i) NECEC and the ISO have entered into a prior written agreement to make corresponding modifications to this Agreement in accordance with this Section 11.04; or (ii) if the corresponding modifications to the provisions of this Agreement enumerated in Section 11.04(c) above are required, the proposing Party also requests FERC to find (or FERC has already so found) that the corresponding modifications are required under the “public interest” standard of review under the Mobile-Sierra Doctrine; or (iii) if corresponding modifications to the remainder of the Agreement are required, the proposing Party also requests FERC to find (or FERC has already so found) that the corresponding modifications are required under the standard of review under Section 206 of the FPA.

- (g) Any amendments to this Agreement shall be subject to all applicable consultation and other stakeholder engagement requirements pursuant to the ISO Participants Agreement. Accordingly, the ISO shall notify stakeholders of proposed amendments to this Agreement by posting such amendments on the ISO website prior to the filing of such amendments with FERC and shall consider input from interested stakeholders concerning such proposed amendments.

11.05 No Third-Party Beneficiaries.

Except as provided in Article IX, it is not the intention of this Agreement or of the Parties to confer a third-party beneficiary status or rights of action upon any Person or entity whatsoever other than the Parties and nothing contained herein, either express or implied, shall be construed to confer upon any Person or entity other than the Parties any rights of action or remedies either under this Agreement or in any manner whatsoever.

11.06 No Assignment; Binding Effect.

Neither this Agreement nor any right, interest or obligation hereunder may be assigned by a Party (including by operation of law) without the prior written consent of the other Party in its sole discretion and any attempt at assignment in contravention of this Section 11.06 shall be void. NECEC may assign or transfer any or all of its rights, interests and obligations hereunder upon the transfer of its assets through sale, reorganization, or other transfer, *provided that*:

- (a) NECEC's successors and assigns shall agree to be bound by the terms of this Agreement except that NECEC's successors and assigns shall not be required to be bound by any obligations hereunder to the extent that NECEC has agreed, in writing, to retain such obligations; and
- (b) notwithstanding Section 11.06 (a), NECEC shall have the right to assign or transfer to any new owner of the NECEC Transmission Line subject to this Agreement all of the rights, responsibilities and obligations associated with the physical operation of the NECEC Transmission Line as well as all of the rights, responsibilities and obligations associated with the ISO's Operating Authority with respect to the NECEC Transmission Line.

Subject to the foregoing, this Agreement is binding upon, inures to the benefit of and is enforceable by the Parties and their respective permitted successors and assigns. No assignment shall be effective until NECEC receives all required regulatory approvals for such assignment.

11.07 Further Assurances; Information Policy; Access to Records.

- (a) Each Party agrees, upon another Party's request, to make Commercially Reasonable Efforts to execute and deliver such additional documents and instruments, provide information, and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and of the transactions contemplated hereby.

- (b) The ISO shall, upon NECEC's request, make available to NECEC any and all information within the ISO's custody or control that is necessary for NECEC to perform its responsibilities and obligations or enforce its rights under this Agreement, *provided that* such information shall be made available to NECEC only to the extent permitted under the ISO Information Policy and subject to any applicable restrictions in the ISO Information Policy, including provisions of the ISO Information Policy governing the confidential treatment of non-public information, and *further provided that* NECEC employees and all personnel working on behalf of NECEC at the NECEC Control Center and any associated Local Control Center shall comply with such ISO Information Policy and any applicable standards of conduct to prevent the disclosure of such information to any unauthorized Person. Any dispute concerning what information is necessary for NECEC to perform its responsibilities and obligations or enforce its right under this Agreement shall be subject to dispute resolution under Section 11.12 of this Agreement.
- (c) NECEC shall, upon the ISO's request:
 - (i) make available to the ISO any and all information within NECEC's custody or control that is necessary for the ISO to perform its responsibilities and obligations or enforce its rights under this Agreement, *provided that* such information shall be made available to the ISO only to the extent permitted under the ISO Information Policy and subject to any applicable restrictions in the ISO Information Policy, including provisions of the ISO Information Policy governing the confidential treatment of non-public information, and *further provided that* any ISO employee shall comply with such ISO Information Policy and any applicable standards of conduct to prevent the disclosure of such information to any unauthorized Person. Any dispute concerning what information is necessary for the ISO to perform its responsibilities and obligations or enforce its right under this Agreement shall be subject to dispute resolution under Section 11.12 of this Agreement; and
 - (ii) make reasonable efforts to provide information and support in response to the ISO's requests within the ISO's requested time frames as specified in the ISO OATT.
- (d) If, in order to properly prepare its respective Tax Returns, other documents or reports required to be filed with Governmental Authorities or its financial statements or to fulfill its obligations hereunder, it is necessary that either the ISO or NECEC be furnished with additional information, documents or records not referred to specifically in this Agreement, and such information, documents or records are in the possession or control of the ISO or NECEC, the ISO or NECEC shall use its best efforts to furnish or make available such information, documents or records (or copies thereof) at the ISO's or NECEC's request, cost, and expense. Any information obtained by the ISO or NECEC in accordance with this paragraph shall be subject to any applicable provisions of the ISO Information Policy.

- (e) Notwithstanding anything to the contrary contained in this Section 11.07:
- (i) no Party shall be obligated by this Section 11.07 to undertake studies or analyses that such Party would not otherwise be required to undertake or to incur costs outside the normal course of business to obtain information that is not in such Party's custody or control at the time a request for information is made pursuant to this Section 11.07;
 - (ii) if NECEC and the ISO are in an adversarial relationship in litigation or arbitration, the furnishing of information, documents or records by the ISO or NECEC in accordance with this Section 11.07 shall be subject to applicable rules relating to discovery;
 - (iii) no Party shall be compelled to provide any privileged and/or confidential documents or information that are attorney work product or subject to the attorney/client privilege; and
 - (iv) no Party shall be required to take any action that impairs or diminishes its rights under this Agreement, diminishes any other Party's obligations under this Agreement or otherwise lessens the value of this Agreement to such Party.

11.08 Business Day.

Notwithstanding anything herein to the contrary, if the date on which any payment is to be made pursuant to this Agreement is not a Business Day, the payment otherwise payable on such date shall be payable on the next succeeding Business Day with the same force and effect as if made on such scheduled date and, *provided that* such payment is made on such succeeding Business Day, no interest shall accrue on the amount of such payment from and after such scheduled date to the time of such payment on such next succeeding Business Day.

11.09 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts including all matters of construction, validity, and performance without regard to the conflicts-of-laws provisions thereof.

11.10 Consent to Service of Process.

Each of the Parties hereby consents to service of process by registered mail, Federal Express, or similar courier at the address to which notices to it are to be given, it being agreed that service in such manner shall constitute valid service upon such party or its respective successors or assigns in connection with any such action or proceeding; *provided that* nothing in this Section 11.10 shall affect the right of any such Parties or their respective successors and permitted assigns to serve legal process in any other manner permitted by applicable Law or affect the right of any such Parties or their respective successors and assigns to bring any action or proceeding against any other one of such Parties or its respective property in the courts of other jurisdictions.

11.11 Specific Performance; Force Majeure.

- (a) Specific Performance. The Parties specifically acknowledge that a breach of this Agreement, whether or not an event of default, and notwithstanding any cure period in Section 10.03(b), would cause the non-breaching Party to suffer immediate and irreparable harm due to the unique relationship among the Parties. The non-breaching Party hereto shall be entitled to seek specific performance and/or an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and conditions hereof in any court of competent jurisdiction, such remedy being in addition to any other remedy to which any Party may be entitled at law or in equity.
- (b) Force Majeure. A Party shall not be considered to be in default as to an obligation under this Agreement if it is prevented from fulfilling such obligations by reason of an event of Force Majeure. An event of Force Majeure is any act of God, labor disturbance, failure of contractors or suppliers of materials (not including as a result of non-payment), act of the public enemy or terrorists, war, invasion, insurrection, riot, fire, storm, flood, ice, explosion, breakage or accident to machinery or equipment or by any other cause or causes (not including a lack of funds or other financial causes) beyond such Party's reasonable control, including any order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities. Notwithstanding the foregoing, no event of Force Majeure shall excuse a Party from any payment, charge, penalty, financial consequence or settlement responsibility that it is obligated to make under this Agreement. A Party whose performance under this Agreement is prevented or delayed by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement and promptly notify the other Party of the commencement and the end of the event of Force Majeure. Notwithstanding the general reasonable efforts standard herein, settlement of strikes and labor disturbances that constitute an event of Force Majeure shall be wholly within the discretion of the Party that is subject to such strike or labor disturbance.

11.12 Dispute Resolution.

The Parties agree that any dispute arising under this Agreement shall be the subject of good-faith negotiations among the Parties. Each Party shall designate one or more representatives with the authority to negotiate the matter in dispute to participate in such negotiations. The Parties shall engage in such good-faith negotiations for a period of not less than sixty (60) calendar days, unless: (a) a Party identifies exigent circumstances reasonably requiring expedited resolution of the dispute by FERC or a court or agency with jurisdiction over the dispute; or (b) the provisions of this Agreement otherwise provide a Party the right to submit a dispute directly to FERC for resolution. Any other dispute that is not resolved through good-faith negotiations may, by either Party, be submitted for resolution by FERC or a court or agency with jurisdiction over the dispute upon the conclusion of such negotiations. A Party may request that any dispute submitted to FERC for resolution be subject to FERC settlement procedures. Notwithstanding the foregoing, any dispute arising under this Agreement may be submitted to arbitration or any other form of

alternative dispute resolution upon the agreement of all affected Parties and all affected market participants to participate in such an alternative dispute resolution process.

11.13 Invalid Provisions.

If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future Law, and if the rights or obligations of any Party under this Agreement shall not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance here from, and (d) the court holding such provision to be illegal, invalid or unenforceable may in lieu of such provision add as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as it deems appropriate; *provided that* nothing in this Section 11.13 shall limit a Party's right to appeal conditions to regulatory approval in accordance with Section 11.17(c).

11.14 Headings and Table of Contents.

The headings of the sections of this Agreement and the Table of Contents are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

11.15 Liabilities; No Joint Venture.

- (a) The obligations and liabilities of the ISO and NECEC arising out of or in connection with this Agreement shall be several, and not joint, and each Party shall be responsible for its own debts, including Taxes. Neither Party shall have the right or power to bind the other Party to any agreement without the prior written consent of such other Party. The Parties do not intend by this Agreement to create nor does this Agreement constitute a joint venture, association, partnership, corporation or an entity taxable as a corporation or otherwise. No express or implied term, provision or condition of this Agreement shall be deemed to constitute the parties as partners or joint venturers.
- (b) To the extent one Party has claims against the other Party, such claiming Party may only look to the assets of the other Party for the enforcement of such claims and may not seek to enforce any claims against the directors, members, officers, employees, affiliates, or agents of such other Party who, each Party acknowledges and agrees, have no liability, personal or otherwise, by reason of their status as directors, members, officers, employees, affiliates, or agents of the Party that is subject of a claim under this Agreement, with the exception of fraud or willful misconduct.

11.16 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. The

parties hereto agree that any document or signature delivered by facsimile transmission shall be deemed an original executed document for all purposes hereof.

11.17 Conditions Precedent.

Notwithstanding anything to the contrary in this Agreement, this Agreement shall not be effective with respect to any Party unless all of the conditions precedent set forth in this Section 11.17 shall have been satisfied or waived.

- (a) Required Regulatory Approvals. All final required regulatory approvals shall have been obtained and be in full force and effect and shall not be subject to the satisfaction of any condition or conditions that, if accepted, would: (i) in the case of NECEC, in the reasonable judgment of NECEC, in the aggregate have a material adverse effect on the value of the NECEC Transmission Line, its expected level of transmission revenues, or its electric utility business, revenues, or financial condition, unless NECEC waives said condition, *provided that* with respect to any required regulatory approval obtained from a Governmental Authority of a State, the condition set forth in this clause shall apply only if NECEC operates its Transmission Business within such State; and (ii) in the case of the ISO, in its reasonable judgment, have a material adverse effect on the ISO's ability to perform its obligations under this or any other agreement to which it is subject, unless the ISO waives such condition.
- (b) Board Consent. The board of directors of each Party, in its sole discretion, shall have authorized and approved such Party's executing, delivering, and performing this Agreement.
- (c) Right to Appeal Conditions to Regulatory Approval. In the event that a Governmental Authority conditions its regulatory approval of this Agreement on acceptance of a contractual provision, contractual modification, or any other condition or ruling that is not acceptable to a Party, such Party shall have the option of agreeing to permit this Agreement to become effective with the condition or ruling to which it objects and appeal the propriety of the condition or ruling to courts of competent jurisdiction; *provided that*, in the event a Final Order requires a vacation or modification of such objectionable condition or ruling, this Agreement shall thereupon be modified consistent with that Final Order; *provided that* the other Party may exercise their rights to withdraw from or terminate this Agreement pursuant to Sections 10.01(b) or 10.01(d), as applicable.

IN WITNESS WHEREOF, the Parties authorized representatives have executed this Agreement.

ISO NEW ENGLAND INC.

DATE: 4/4/2025

Signed by:



FDBAFCA483C1467...

Vamsi Chadalavada

Senior Vice-President and Chief Operating Officer

ISO New England Inc.

One Sullivan Road

Holyoke, MA 01040-2841 USA

NECEC TRANSMISSION LLC

DATE: 4/2/2025

Signed by:



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Manuel lorenzo Marquez asensio

Vice President

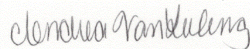
NECEC Transmission LLC

83 Edison Drive

August, ME 04336

DATE: 4/3/2025

Signed by:



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Andrea Vanluling

Vice President Controller – Networks

NECEC Transmission LLC

One City Center

Portland, ME 04032

Schedule 1.01

Schedule of Definitions

Additional Term. “Additional Term” shall have the meaning ascribed thereto in Section 10.01(a) of this Agreement.

Additional HVDC Procedures. “Additional HVDC Procedures” shall have the meaning ascribed thereto in Section 3.02(e).

Agreement. This NECEC Transmission Operating Agreement, as it may be amended from time to time.

Ancillary Service. Those services that are necessary to support the transmission of electric capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with Good Utility Practice.

Appalaches-Maine Common Dispatch Instructions (“CDI”). “Appalaches-Maine Common Dispatch Instructions” are a specific protocol concerning the coordinated dispatch of the NECEC Transmission Line developed pursuant to the Appalaches-Maine IOA.

Appalaches-Maine Common Operating Instructions (“COI”). “Appalaches-Maine Common Operating Instructions” are a specific protocol concerning the operation of the NECEC Transmission Line developed pursuant to the Appalaches-Maine AOA.

Appalaches-Maine AOA. The Appalaches-Maine AOA is the agreement between NECEC and Hydro-Québec addressing the coordinated operation of the Appalaches-Maine Interconnection, of which the NECEC Transmission Line are the portion of such facilities located in the United States which is further addressed in the recitals, herein.

Appalaches-Maine IOA. The Appalaches-Maine IOA is the Coordination Agreement between the ISO and Hydro-Québec addressing the coordinated operation of the Appalaches-Maine Interconnection by the ISO and Hydro-Québec, which is further addressed in the recitals herein.

Back-up Control Center. The control center established by the ISO as a back-up to the ISO Control Center.

Business Day. Any day other than a Saturday or Sunday or an ISO holiday, as posted by the ISO on its website.

CMP. Central Maine Power Company.

Commercially Reasonable Efforts. A level of effort which in the exercise of prudent judgment in the light of facts or circumstances known, or which should reasonably be known, at the time a decision is made, can be expected by a reasonable person to accomplish the desired result in a manner consistent with Good Utility Practice and which takes the performing party’s interests into consideration. “Commercially Reasonable Efforts” will not be deemed to require a Person to undertake unreasonable measures or measures that have a significant adverse economic effect on

such Person, including the payment of sums in excess of amounts that would be expended in the ordinary course of business for the accomplishment of the stated purpose.

Control Area. An electric power system or combination of electric power systems, bounded by metering, to which a common automatic generation control scheme is applied in order to:

- (a) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (b) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- (c) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice and applicable NERC/NPCC Requirements; and
- (d) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Coordination Agreement. An agreement between the ISO and the operator(s) of one or more neighboring Control Areas addressing issues including interchange scheduling, operational arrangements, emergency procedures, energy for emergency and reliability needs, the exchange of information among Control Areas, and other aspects of the coordinated operation of the Control Areas.

EDC TSAs. “EDC TSAs” mean those Grandfathered Transmission Service Agreements where the TSA Counterparty is either Fitchburg Gas and Electric Light Company d/b/a Unitil, NSTAR Electric Company d/b/a Eversource Energy, or Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid.

Effective Date. “Effective Date” shall have the meaning ascribed thereto in Section 10.01(a)(ii) of this Agreement.

Environment. Soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

Environmental Damages. “Environmental Damages” shall mean any cost, damages, expense, liability, obligation, or other responsibility arising from or under Environmental Law consisting of or relating to:

- (a) any environmental matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products);

- (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial or inspection costs and expenses arising under Environmental Law;
- (c) financial responsibility under Environmental Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment or other remediation or response actions (“Cleanup”) required by applicable Environmental Law (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person) and for any natural resource damages; or
- (d) any other compliance, corrective, investigative, or remedial measures required under Environmental Law.

Environmental Laws. Any Law now or hereafter in effect and as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of the Environment, health or safety or to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

Excluded Assets. “Excluded Assets” shall have the meaning ascribed thereto in Section 2.03 of this Agreement.

Existing Operating Procedures. “Existing Operating Procedures” shall have the meaning ascribed thereto in Section 3.02(d) of this Agreement.

External Transactions. Interchange transactions between the New England Transmission System and neighboring Control Areas.

FERC. The Federal Energy Regulatory Commission.

Final Order. An order issued by a Governmental Authority in a proceeding after all opportunities for rehearing are exhausted (whether or not any appeal thereof is pending) that has not been revised, stayed, enjoined, set aside, annulled or suspended, with respect to which any required waiting period has expired, and as to which all conditions to effectiveness prescribed therein or otherwise by law, regulation or order have been satisfied.

FPA. The Federal Power Act.

Generally Accepted Accounting Principles. The widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board.

GTSA Impacts. “GTSA Impacts” shall have the meaning ascribed thereto in Section 10.05(a)(i) of this Agreement.

Good Utility Practice. Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts

known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, regard for the operating characteristics of the NECEC Transmission Line and expedition. Good Utility Practice is not intended to be limited to a single optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the New England region.

Governmental Authority. The government of any nation, state or other political subdivision thereof, including any entity exercising executive, military, legislative, judicial, regulatory, or administrative functions of or pertaining to a government, not including NECEC or the ISO.

Grandfathered Transmission Service Agreement. “Grandfathered Transmission Service Agreement” shall have the meaning ascribed thereto in Section 3.10(a) of this Agreement and further set forth in Schedule 3.10 of this Agreement.

Hazardous Materials. Any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

HQUS Additional TSA. “HQUS Additional TSA” means that Grandfathered Transmission Service Agreement where the TSA Counterparty is H.Q. Energy Services (U.S.) Inc. for 110 MW of firm transmission service for the first forty (40) years of operation referenced in Section 4 of Schedule 3.10.

HQUS TSAs. “HQUS TSAs” mean those Grandfathered Transmission Service Agreements where the TSA Counterparty is H.Q. Energy Services (U.S.) Inc.

HQUS TSAs Years 21-40. “HQUS TSAs Years 21-40” means those Grandfathered Transmission Service Agreements where the TSA Counterparty is H.Q. Energy Services (U.S.) Inc. for firm transmission service for years 21-40 of operation referenced in Sections 5, 6, and 7 of Schedule 3.10.

Indemnifiable Loss. “Indemnifiable Loss” shall have the meaning ascribed thereto in Section 9.01(a)(i) of this Agreement.

Indemnified Person. “Indemnified Person” shall have the meaning ascribed thereto in Section 9.01(b) of this Agreement.

Indemnified NECEC. “Indemnified NECEC” shall have the meaning ascribed thereto in Section 9.01(a)(i) of this Agreement.

Indemnifying Party. “Indemnifying Party” shall have the meaning ascribed thereto in Section 9.02 of this Agreement.

Indemnifying NECEC. “Indemnifying NECEC” shall have the meaning ascribed thereto in Section 9.01(b) of this Agreement.

Indemnatee. “Indemnatee” shall have the meaning ascribed thereto in Section 9.02 of this Agreement.

Initial Term. “Initial Term” shall have the meaning ascribed thereto in Section 10.01(a) of this Agreement.

Interconnection Agreement. An agreement or agreements for the interconnection of any entity to the NECEC Transmission Line. For purposes of this Agreement, the term “Interconnection Agreement” shall not include agreements between the ISO and the operator(s) of one or more neighboring Control Areas, which agreements shall be defined herein as “Coordination Agreements.”

Interconnection Standard. The applicable interconnection standards set forth in the ISO OATT.

ISO. ISO New England Inc. has the meaning given in the second paragraph in the recitals above.

ISO Control Center. The primary control center established by the ISO for the exercise of its Operating Authority and the performance of functions as an RTO.

ISO Default. “ISO Default” shall have the meaning ascribed thereto in Section 10.03(a) of this Agreement.

ISO GTSA Impact Action or Directive. “ISO GTSA Impact Action or Directive” shall have the meaning ascribed thereto in Section 10.05(c) of this Agreement.

ISO Information Policy. The information policy set forth in the ISO OATT.

ISO-NE. ISO New England Inc.

ISO OATT. The ISO Open Access Transmission Tariff, Section II of the ISO Tariff, as in effect from time to time.

ISO Participants Agreement. The agreement among the ISO and New England Power Pool addressing, *inter alia*, the stakeholder process for the ISO.

ISO Planning Process. The process set forth in the ISO OATT, for the coordinated planning and expansion of the New England Transmission System.

ISO System Plan. The regional system expansion plan for the New England Transmission System.

ISO Tariff. The ISO New England Transmission, Markets and Services Tariff on file with FERC, as in effect from time to time.

Knowledge and Known. With respect to a Party, the collective actual knowledge of the directors and members of management of such Party, after reasonable inquiry by them of selected employees of such Party whom they believe, in good faith, to be the persons generally responsible for the subject matters to which the knowledge is pertinent. “Known” shall have the meaning correlative to “Knowledge.”

Law. Any federal, state, local or foreign statute, law, ordinance, regulation, rule, code, order, other requirement or rule of law.

Load Shedding. The systematic reduction of system demand by temporarily decreasing load.

Local Control Center. Those control centers now in existence (including the CONVEX, REMVEC, Maine and New Hampshire control centers) or established by the Participating Transmission Owners in accordance with the Transmission Operating Agreement that are separate from the ISO Control Center.

Market Monitoring Unit. Any market monitoring unit established by the ISO, including any internal market monitoring unit of the ISO and any external market monitoring unit of the ISO.

Mobile-Sierra Doctrine. The term “Mobile-Sierra Doctrine” means the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and as further defined in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 554 U.S. 527 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 557 U.S. 165 (2010). .

NECEC. “NECEC” shall have the meaning ascribed thereto in the opening paragraph of the Agreement.

NECEC Control Center. A station or facility responsible for the operations of the NECEC Transmission Line which may or may not be on the site of the NECEC Transmission Line and which is required to implement the instructions of a Local Control Center and/or the ISO as applicable in accordance with this Agreement.

NECEC Default. “NECEC Default” shall have the meaning ascribed thereto in Section 10.04(a) of this Agreement.

NECEC ETUIAs. The Elective Transmission Upgrade Interconnection Agreement by and among ISO New England Inc., New England Clean Energy Connect LLC, and CMP for QP 639 dated October 29, 2020, as such may be amended and filed with FERC and the Elective Transmission Upgrade Interconnection Agreement for QP 889 by and among the ISO, NECEC, and CMP dated June 2, 2023, as such may be amended and filed with FERC.

NECEC Transmission Line. “NECEC Transmission Line” shall have the meaning ascribed thereto in Section 2.01 of this Agreement.

NEPOOL. The New England Power Pool.

NERC. The North American Electric Reliability Council.

NERC/NPCC Requirements. NPCC criteria, guides, and procedures, NERC reliability standards, and NERC operating policies and planning standards (until such time as they are replaced by NERC reliability standards) and any successor documents.

New England Control Area. The Control Area consisting of the interconnected electric power system or combination of electric power systems in the geographic region consisting of Vermont, New Hampshire, Maine, Massachusetts, Connecticut, and Rhode Island.

New England Markets. Markets or programs (including congestion pricing and design and implementation of Financial Transmission Rights) for the purchase of energy, capacity, ancillary services, demand response services or other related products or services that are offered in the New England Control Area and that are administered by the ISO pursuant to rules, rates, or agreements on file from time to time with FERC.

New England Transmission System. The system comprised of the transmission facilities over which the ISO has operational jurisdiction, including the NECEC Transmission Line.

NPCC. The Northeast Power Coordinating Council.

OASIS. The Open Access Same-Time Information System for New England.

Operating Authority. “Operating Authority” shall have the meaning ascribed thereto in Section 3.02 of this Agreement and shall include the responsibilities set forth in Section 3.05.

Operating Limits. The transfer limits for the NECEC Transmission Line determined in accordance with Section 3.02(a)(ii) of this Agreement.

Operating Procedures. The operating manuals, procedures, transmission operating guides and protocols relating to the exercise of Operating Authority over the NECEC Transmission Line, as such guides, manuals, procedures, and protocols may be modified from time to time in accordance with Section 3.02(d) of this Agreement.

Operations Date. “Operations Date” shall have the meaning ascribed thereto in the Transmission Operating Agreement.

Order No. 2000. FERC’s Order No. 2000, *i.e.*, *Regional Transmission Organizations*, Order No. 2000, 65 Fed. Reg. 809 (Jan. 6, 2000), FERC Stats. & Regs. ¶ 31,089 (1999), *order on reh’g*, Order No. 2000-A, 65 Fed. Reg. 12,088 (Mar. 8, 2000), FERC Stats. & Regs. ¶ 31,092 (2000), *aff’d sub nom. Pub. Util. Dist. No. 1 of Snohomish Cnty. v. FERC*, 272 F.3d 607 (D.C. Cir. 2001).

PARS. Phase angle regulators.

Participant. A participant in the New England markets, a Transmission Customer under the ISO Tariff, or an entity that has entered into the ISO Participants Agreement.

Participating Transmission Owner. A transmission owner that is a party to the Transmission Operating Agreement (“TOA”).

Party or Parties. A “Party” shall mean the ISO or NECEC, as the context requires. “Parties” shall mean NECEC and the ISO.

Person. An individual, partnership, joint venture, corporation, business trust, limited liability company, trust, unincorporated organization, government or any department or agency thereof, or any other entity.

Planning Procedures. The guides, manuals, procedures and protocols for planning and expansion of the New England Transmission System, as such guides, manuals, procedures, and protocols may be modified from time to time in accordance with this Agreement.

Presidential Permits. “Presidential Permits” shall mean those permits issued by the Department of Energy or successors thereto with respect to the construction, connection, operation, and maintenance of the NECEC Transmission Line, including the currently issued Presidential Permit No. PP-438.

Prime Rate. The interest rate that commercial banks charge their most creditworthy borrowers, as most recently published in the Wall Street Journal in its “Monday Rates” column. Rating Procedures. “Rating Procedures” shall have the meaning ascribed thereto in Section 3.02(d) of this Agreement.

RTO. An independent entity that complies with Order No. 2000 and FERC’s corresponding regulations (or an entity that complies with all such requirements except for the scope and regional configuration requirements), as determined by the FERC.

Short-Term Reliability Actions or Directives. “Short-Term Reliability Actions or Directives” shall mean operating actions or directives, including real-time operating actions undertaken by the ISO and real-time operating directives, issued by the ISO to NECEC based on its forecast of system conditions over the next seven (7) days, to comply with the ISO Tariff (including Market Rule 1 thereof), Operating Procedures, Additional HVDC Operating Procedures, applicable NERC/NPCC Requirements, other applicable regulatory standards, and Good Utility Practice. Such directives are generally implemented through the ISO’s issuance of instructions to, or coordination with, the NECEC Control Center and any associated Local Control Center with responsibility for the NECEC Transmission Line.

System Failure. Widespread telecommunication, hardware or software failure or systemic ISO hardware or software failures that makes it impossible to receive or process bid information, dispatch resources, or exercise Operating Authority over the NECEC Transmission Line.

Tax or Taxes. All taxes, charges, fees, levies, penalties or other assessments imposed by any United States federal, state or local or foreign taxing authority, including, but not limited to, income, excise, property, sales, transfer, franchise, payroll, withholding, social security or other taxes, including interest, penalties, or additions attributable thereto.

Tax Return. Any return, report, information return, or other document (including any related or supporting information) required to be supplied to any authority with respect to Taxes.

Term. “Term” shall have the meaning ascribed thereto in Section 10.01(a) of this Agreement.

Termination Date. “Termination Date” shall have the meaning ascribed thereto in Section 10.01 of this Agreement.

Transmission Business. The business activities of NECEC related to the ownership, operation, and maintenance of its NECEC Transmission Line.

Transmission Customer. Any entity taking Transmission Service under the ISO OATT.

Transmission Operating Agreement (“TOA”). “Transmission Operating Agreement” shall mean the agreement described as such in Section I of the ISO Tariff.

Transmission Owner. “Transmission Owner” shall have the meaning ascribed thereto in the ISO OATT.

TSA Counterparties. “TSA Counterparties” means the entities that are counterparties to the agreements listed in Sections 1-3 of Schedule 3.10, including H.Q. Energy Services (U.S.) Inc., Fitchburg Gas and Electric Light Company d/b/a Unitil, NSTAR Electric Company d/b/a Eversource Energy, and Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid.

TTC. Total Transfer Capability.

Schedule 2.01(a)

Schedule of the NECEC Transmission Line

The NECEC Transmission Line shall consist of those facilities listed in this Schedule 2.01(a), as updated from time to time in accordance with Section 2.01 of this Agreement. The following is a general description of those NECEC Transmission Line provided for convenience only. Such general description shall not be construed to affect the meaning or construction of any of the provisions of this Agreement or to create any new obligations or requirements for any Party. In the event of any conflict between this general description of the NECEC Transmission Line and the list of facilities in this Schedule 2.01(a), as updated from time to time in accordance with Section 2.01 of this Agreement, the list of facilities shall govern.

The NECEC Transmission Line consists of the following facilities, all located within the State of Maine, USA:

- New 145.0 mile +/-320 kV HVDC transmission line from the Québec-Maine border to a new converter substation located near Merrill Road in Lewiston, including a new 1.0 mile +/-320 kV HVDC underground cable installed by a horizontal directional drill under the Kennebec River (Section 432);
- New 1.2 mile 345 kV AC transmission line from the new Merrill Road Converter Substation to the existing Larrabee Road Substation (Section 3007)
- New 345 kV AC to +/-320 kV HVDC 1200 MW Merrill Road VSC-HVDC Converter Substation;
- New +/-320 kV HVDC Overhead to Underground Termination Station in Moxie Gore;
- New +/-320 kV HVDC Overhead to Underground Termination Station in West Forks Plantation;
- New Underground Cable Monitoring Hut in Johnson Mountain Township; and
- New +/-320 kV HVDC line telecommunication equipment within the existing CMP Starks Substation.

The NECEC Transmission Line facilities include additional equipment for metering, telemetering, communications and such other purposes as may be deemed necessary to perform the adequate and satisfactory operation of the Appalachians-Maine Interconnection.

Schedule 3.02(d)

List of Existing Operating Procedures

This Schedule 3.02(d) is inclusive of all procedures and manuals in the main Transmission Operating Agreement. The Parties and operators responsible for the NECEC Transmission Line described in Schedule 2.01(a) to the HVDC Transmission Operating Agreement are bound to adhere to these Existing Operating Procedures except for those procedures or portions thereof that are inapplicable to the NECEC Transmission Line.

1. ISO New England Manual 6 – Financial Transmission Rights
2. ISO New England Manual 11 – Market Operations
3. ISO New England Manual 20 – Forward Capacity Market
4. ISO New England Manual 28 – Market Rule 1 Accounting
5. ISO New England Manual 35 – Definitions And Abbreviations
6. ISO New England Manual 36 – Forward Reserve and Real-Time Reserve
7. ISO New England Manual MVDR – Measurement and Verification of On-Peak Demand Resources and Seasonal Peak Demand Resources
8. ISO New England Manual REG – Regulation Market
9. ISO New England Manual RPA – Registration and Performance Auditing
10. ISO New England Operating Procedure No. 1 – Central Dispatch Operating Responsibilities and Authority
11. ISO New England Operating Procedure No. 2 – Maintenance Of Communications, Computers, Metering and Computer Support Equipment
12. ISO New England Operating Procedure No. 3 – Transmission Outage Scheduling
13. ISO New England Operating Procedure No. 4 – Action During a Capacity Deficiency
14. ISO New England Operating Procedure No. 5 – Resource Maintenance and Outage Scheduling
15. ISO New England Operating Procedure No. 7 – Action In An Emergency
16. ISO New England Operating Procedure No. 8 – Operating Reserve and Regulation
17. ISO New England Operating Procedure No. 9 – Scheduling and Dispatch of External Transactions

18. ISO New England Operating Procedure No. 10 – Emergency Incident and Disturbance Notifications
19. ISO New England Operating Procedure No. 11 – Blackstart Resource Administration
20. ISO New England Operating Procedure No. 12 –Voltage and Reactive Control
21. ISO New England Operating Procedure No. 13 – Standards For Voltage Reduction and Load Shedding Capability
22. ISO New England Operating Procedure No. 14 – Technical Requirements for Generators, Demand Response Resources, Asset Related Demands, and Alternative Technology Regulation Resources
23. ISO New England Operating Procedure No. 16 – Transmission System Data
24. ISO New England Operating Procedure No. 17 – Load Power Factor and System Assessment
25. ISO New England Operating Procedure No. 18 – Metering and Telemetry Criteria
26. ISO New England Operating Procedure No. 19 – Transmission Operations
27. ISO New England Operating Procedure No. 20 – Analysis and Reporting of Power System Incidents
28. ISO New England Operating Procedure No. 21 – Operational Surveys, Energy Forecasting & Reporting and Actions During An Energy Emergency
29. ISO New England Operating Procedure No. 22 – Disturbance Monitoring Requirements
30. ISO New England Operating Procedure No. 23 – Resource Auditing
31. ISO New England Operating Procedure No. 24 – Protection Outages, Settings and Coordination
32. Master/Local Control Center Procedure No. 1 – Nuclear Plant Transmission Operations
33. Master/Local Control Center Procedure No. 2 – Abnormal Conditions Alert
34. Master/Local Control Center Procedure No. 6 Attachment B – Procedure for the Development of a New England Area Control Error (ACE) at CONVEX
35. Master/Local Control Center Procedure No. 6 Attachment F – Significant Unit Lists

36. Master/Local Control Center Procedure No. 7 – Processing Outage Applications
37. Master/Local Control Center Procedure No. 8 – Coordination of Generator Voltage Regulator and Power System Stabilizer Outages
38. Master/Local Control Center Procedure No. 10 Generator Governor Control and Operation
39. Master/Local Control Center Procedure No. 11 – Maintenance and Verification of New England System Restoration Plan
40. Master/Local Control Center Procedure No. 12 – Identification and Coordination of ISO and LCC TOP Responsibilities
41. Master/Local Control Center Procedure No. 13 – ISO and LCC Communication Practices
42. Master/Local Control Center Procedure No. 15 – System Operating Limits Methodology
43. Master/Local Control Center Procedure No. 16 – Seasonal Preparations
44. Master/Local Control Center Procedure No. 17 – ISO and Local Control Center Training
45. Master/Local Control Center Procedure No. 18 – New England System Restoration Plan
46. Master/Local Control Center Procedure No. 19 – Geomagnetic Disturbance Operating Plan
47. Master/Local Control Center Procedure No. 20 – Operating Plan for Operating Emergencies
48. Master/Local Control Center Procedure No. 22 – Emergency Preparedness Conference Call Procedure

Schedule 3.02(e)

List of Existing Additional HVDC Procedures

1. Appalaches-Maine Common Operating Instructions
2. Appalaches-Maine Common Dispatch Instructions
3. Appalaches-Maine Operating Protocol

Schedule 3.10

(A) Pre-Existing Operational Agreements

1. Appalaches-Maine Interconnection Asset Owners Agreement

(B) Grandfathered Transmission Service Agreements

1. The Transmission Service Agreement by and between Central Maine Power Company and NSTAR Electric Company d/b/a Eversource Energy dated June 13, 2018 for 579.335 MW of firm transmission service for the first 20 years of operation.
 - a. The First Amendment to the Transmission Service Agreement by and between Central Maine Power Company and NSTAR Electric Company d/b/a Eversource Energy dated as of October 9, 2018.
 - b. The Second Amendment to Transmission Service Agreement and Consent to Assignment by and among Central Maine Power Company, NECEC Transmission LLC, and NSTAR Electric Company d/b/a Eversource Energy dated June 25, 2020.
 - c. The Third Amendment to the Transmission Service Agreement by and between NECEC Transmission LLC and NSTAR Electric Company d/b/a Eversource dated August 23, 2021.
 - d. The Fourth Amendment to the Transmission service Agreement by and between NECEC Transmission LLC and NSTAR Electric Company d/b/a Eversource dated October 24, 2024.
2. The Transmission Service Agreement by and between Central Maine Power Company and Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid dated June 13, 2018 for 498.348 MW of firm transmission service for the first 20 years of operation.
 - a. The First Amendment to the Transmission Service Agreement by and between Central Maine Power Company and Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid dated as of October 9, 2018.
 - b. The Second Amendment to Transmission Service Agreement and Consent to Assignment by and among Central Maine Power Company, NECEC Transmission LLC, and Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid dated June 25, 2020.
 - c. The Third Amendment to the Transmission Service Agreement by and between NECEC Transmission LLC and Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid dated August 23, 2021.

- d. The Fourth Amendment to the Transmission Service Agreement by and between NECEC Transmission LLC and Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid dated October 24, 2024.
- 3. The Transmission Service Agreement by and between Central Maine Power Company and Fitchburg Gas and Electric Light Company d/b/a Unitil dated June 13, 2018 for 12.317 MW of firm transmission service for the first 20 years of operation.
 - a. The First Amendment to the Transmission Service Agreement by and between Central Maine Power Company and Fitchburg Gas and Electric Light Company d/b/a Unitil dated as of October 9, 2018.
 - b. The Second Amendment to Transmission Service Agreement and Consent to Assignment by and among Central Maine Power Company, NECEC Transmission LLC, and Fitchburg Gas and Electric Light Company d/b/a Unitil dated June 25, 2020.
 - c. The Third Amendment to the Transmission Service Agreement by and between NECEC Transmission LLC and Fitchburg Gas and Electric Light Company d/b/a Unitil dated August 23, 2021.
 - d. The Fourth Amendment to the Transmission Service Agreement by and between NECEC Transmission LLC and Fitchburg Gas and Electric Light Company d/b/a Unitil dated October 24, 2024.
- 4. The Additional Transmission Service Agreement by and between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc. dated June 13, 2018 for 110 MW of firm transmission service for the first 40 years of operation.
 - a. The First Amendment to the Additional Transmission Agreement by and between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc. dated as of December 21, 2018.
 - b. The Second Amendment to Additional Transmission Service Agreement and Consent to Assignment by and among Central Maine Power Company, NECEC Transmission LLC, and H.Q. Energy Services (U.S.) Inc. dated June 25, 2020.
 - c. The Third Amendment to the Additional Transmission Service Agreement by and between NECEC Transmission LLC and H.Q. Energy Services (U.S.) Inc. dated August 23, 2021.
 - d. The Fourth Amendment to the Additional Transmission Service Agreement by and between NECEC Transmission LLC and H.Q. Energy Services (U.S.) Inc. dated October 24, 2024.

5. The Transmission Service Agreement (Eversource – 579.335 MW) by and between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc. dated June 13, 2018 for firm transmission service for years 21-40 of operation.
 - a. The First Amendment to the Transmission Service Agreement (Eversource – 579.335 MW) by and between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc. dated as of December 21, 2018.
 - b. The Second Amendment to Transmission Service Agreement (Eversource – 579.335 MW) and Consent to Assignment by and among Central Maine Power Company, NECEC Transmission LLC, and H.Q. Energy Services (U.S.) Inc. dated June 25, 2020.
 - c. The Third Amendment to the Transmission Service Agreement (Eversource – 579.335 MW) by and between NECEC Transmission LLC and H.Q. Energy Services (U.S.) Inc. dated August 23, 2021.
 - d. The Fourth Amendment to the Transmission Service Agreement (Eversource – 579.335 MW) by and between NECEC Transmission LLC and H.Q. Energy Services (U.S.) Inc dated October 24, 2024.
6. The Transmission Service Agreement (National Grid – 498.348 MW) by and between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc. dated June 13, 2018 for firm transmission service for years 21-40 of operation.
 - a. The First Amendment to the Transmission Service Agreement (National Grid – 498.348 MW) by and between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc. dated as of December 21, 2018.
 - b. The Second Amendment to Transmission Service Agreement (National Grid – 498.348 MW) and Consent to Assignment by and among Central Maine Power Company, NECEC Transmission LLC, and H.Q. Energy Services (U.S.) Inc. dated June 25, 2020.
 - c. The Third Amendment to the Transmission Service Agreement (National Grid – 498.348 MW) by and between NECEC Transmission LLC and H.Q. Energy Services (U.S.) Inc. dated August 23, 2021.
 - d. The Fourth Amendment to the Transmission Service Agreement(National Grid – 498.348 MW) by and between NECEC Transmission LLC and H.Q. Energy Services (U.S.) Inc dated October 24, 2024.
7. The Transmission Service Agreement (Unitil – 12.317) by and between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc. dated June 13, 2018 for firm transmission service for years 21-40 of operation.

- a. The First Amendment to the Transmission Service Agreement (Unitil – 12.317 MW) by and between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc. dated as of December 21, 2018.
- b. The Second Amendment to Transmission Service Agreement (Unitil – 12.317 MW) and Consent to Assignment by and among Central Maine Power Company, NECEC Transmission LLC, and H.Q. Energy Services (U.S.) Inc. dated June 25, 2020.
- c. The Third Amendment to the Transmission Service Agreement (Unitil – 12.317 MW) by and between NECEC Transmission LLC and H.Q. Energy Services (U.S.) Inc. dated August 23, 2021.
- d. The Fourth Amendment to the Transmission Service Agreement (Unitil – 12.317 MW) by and between NECEC Transmission LLC and H.Q. Energy Services (U.S.) Inc dated October 24, 2024.

Schedule 10.05(a)

List of GTSA Impacts with Sources Listed

As used in this Agreement, “GTSA Impacts” are the following actions:

1. Prevent NECEC from cooperating with the TSA Counterparties on applications, notices, petitions, reports or other filings or documentation required under applicable Laws or otherwise necessary, proper or advisable to consummate the transactions contemplated by the Grandfathered Transmission Service Agreement or to obtain all necessary Governmental Approvals and Third Party Consents necessary, proper or advisable to consummate the transactions contemplated by the Grandfathered Transmission Service Agreement. (EDC TSAs Section 2.4; HQUS Additional TSA Section 2.4; HQUS TSAs Years 21-40 Section 2.4).
2. Require NECEC or its affiliates to take an any action before FERC, ISO-NE or other Governmental Authority that is prevent or impede to NECEC’s obligations under the Grandfathered Transmission Service Agreement. (EDC TSAs Section 2.5; HQUS Additional TSA Section 2.5; HQUS TSAs Years 21-40 Section 2.5).
3. Prevent NECEC or any of the TSA Counterparties from exercising their rights to terminate the Grandfathered Transmission Service Agreements. (EDC TSAs Section 3.3.4, 3.3.5; HQUS Additional TSA Section 3.3.4, 3.3.5; HQUS TSAs Years 21-40 Section 3.3.4, 3.3.5).
4. Prevent NECEC, in the event that the NECEC Transmission Line is not capable of operating at the Design Capability, from attempting to increase the operating capacity of the NECEC Transmission Line to 1,200 MW during the Remediation Period. (EDC TSAs Section 4.4.1; HQUS Additional TSA Section 4.4.1; HQUS TSAs Years 21-40 Section 4.4.1).
5. Require NECEC to take any action that would not comply with all Applicable Laws (including the ISO Rules) and relevant Governmental Approvals. (EDC TSAs Section 5.4; HQUS Additional TSA Section 5.5; HQUS TSAs Years 21-40 Section 5.5).
6. Require NECEC to initiate or support operating instructions that would breach NECEC’s obligations under the Grandfathered Transmission Service Agreements. (EDC TSAs Section 6.1(b); HQUS Additional TSA Section 6.1(b); HQUS TSAs Years 21-40 Section 6.1(b)).
7. Prevent NECEC from operating and maintaining the NECEC Transmission Line in accordance with Good Utility Practice, as defined in each respective Grandfathered Transmission Service Agreement, and in compliance with all applicable regulatory requirements. (EDC TSAs Section 6.2; HQUS Additional TSA Section 6.2; HQUS TSAs Years 21-40 Section 6.2).
8. Directly impede NECEC from (a) preparing and delivering to the TSA Counterparties an annual Maintenance Plan concerning planned maintenance of the NECEC Transmission Line or (b) completing such scheduled maintenance in accordance with such Maintenance Plan, *provided that* the ISO’s good faith exercise of its review and approval authority over

maintenance outages shall not be a GTSA Impact. (EDC TSAs Section 6.3; HQUS Additional TSA Section 6.3; HQUS TSAs Years 21-40 Section 6.3).

9. Directly impede or prevent NECEC from making available to the TSA Counterparties up to 1,200 MW of transmission capacity on the NECEC Transmission Line in order to deliver electrical energy, as scheduled by the TSA Counterparties, or their designees or assignees, subject to curtailment or interruption as a result of an Excused Outage or default by a TSA Counterparty under the terms of the Grandfathered Transmission Service Agreements. (EDC TSAs Section 7.1.1; HQUS Additional TSA Section 7.1.1; HQUS TSAs Years 21-40 Section 7.1.1).
10. Prevent the scheduling of electrical energy or capacity transactions over the NECEC Transmission Line. (EDC TSAs Section 7.1.3; HQUS Additional TSA Section 7.1.3; HQUS TSAs Years 21-40 Section 7.1.3).
11. Modify the payment obligations of the TSA Counterparties under the Grandfathered Transmission Service Agreements or impair the ability of the TSA Counterparties to pay the Transmission Service Payments or other amounts as provided for in the Grandfathered Transmission Service Agreements, *provided that* this GTSA Impact shall apply only in the event that NECEC and the ISO agree pursuant to Section 3.10(b) of this Agreement that the ISO shall provide invoicing services for payments under the Grandfathered Transmission Service Agreements. (EDC TSAs Section 8.1; HQUS Additional TSA Section 8.1; HQUS TSAs Years 21-40 Section 8.1).
12. Alter the amount or unconditional character of the payment obligations of the TSA Counterparties under the Grandfathered Transmission Service Agreements, the dates on which such payments must be made or shorten the term of such agreements, *provided that* this GTSA Impact shall apply only in the event that NECEC and the ISO agree pursuant to Section 3.10(b) of this Agreement that the ISO shall provide invoicing services for payments under the Grandfathered Transmission Service Agreements. (EDC TSAs Sections 3.1, 3.2, 8.1, & 13.1; HQUS Additional TSA Sections 3.1, 3.2, 8.1, & 13.1; HQUS TSAs Years 21-40 Sections 3.1, 3.2, 8.1, & 13.1).
13. Directly impair or prevent the TSA Counterparties from releasing and reselling any available transmission capacity on the NECEC Transmission Line in accordance with their rights under the Grandfathered Transmission Service Agreements. (EDC TSAs Sections 10.1, 10.2, & 10.3; HQUS Additional TSA Sections 10.1 & 10.2; HQUS TSAs Years 21-40 Sections 10.1 & 10.2).
14. Directly impair or prevent NECEC or, on behalf of NECEC, an affiliate of NECEC from establishing and operating an OASIS site for the NECEC Transmission Line and administering such site in accordance with applicable FERC requirements for the establishment and administration of OASIS sites. (EDC TSAs Section 10.4; HQUS Additional TSA Section 10.3; HQUS TSAs Years 21-40 Section 10.3).

15. Prevent or impair HQUS's exercise of its step-in rights in the HQUS TSAs in the event of default by NECEC under the Grandfathered Transmission Service Agreements *provided that* any assignment necessary to effectuate HQUS's exercise of such step-rights complies with Section 11.06 of this Agreement. (HQUS TSAs Years 21-40 Section 14.7).

Notwithstanding any term or condition set forth in this Schedule 10.05, the identification of a GTSA Impact Action or Directive as well as the designation of a GTSA Impact, shall be undertaken in accordance with the controlling terms in Section 10.05 of this Agreement. Furthermore, unless otherwise specified, all capitalized terms use in this Schedule 10.05(a) not defined in this Agreement shall have the meanings ascribed to such term in the respective Grandfathered Transmission Service Agreement.

Schedule 11.01

Notices

If to the ISO:

Vice President of System Operations
and Market Administration
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Tel: 413-535-4000
Fax: 413-535-4379

Vice President and General Counsel
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Tel: 413-535-4000
Fax: 413-535-4379

If to NECEC:

NECEC LLC
Attention: Justin Tribbet
83 Edison Drive
Augusta, Maine 04336 USA

NECEC LLC
Attention: Inmaculada Sanz Santidrian
83 Edison Drive
Augusta, Maine 04336 USA

NECEC LLC
Attention: Legal Department
162 Canco Road
Portland, ME 04103 USA

Schedule 11.02

Superseded Agreements

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**CONVENTION DES
EXPLOITANTS DE
L'INTERCONNEXION
DES APPALACHES-
MAINE**

**APPALACHES-MAINE
INTERCONNECTION
OPERATORS AGREEMENT**

ENTRE

BETWEEN

ISO NEW ENGLAND INC.

ISO NEW ENGLAND INC.

ET

AND

HYDRO-QUÉBEC

HYDRO-QUÉBEC

TABLE DES MATIÈRES**TABLE OF CONTENTS**

	Page
PRÉAMBULE	RECITALS..... 4
ARTICLE 1 : DÉFINITIONS	ARTICLE 1 : DEFINITIONS 5
ARTICLE 2 : OBJET DE LA CONVENTION	ARTICLE 2 : PURPOSE OF AGREEMENT 13
ARTICLE 3 : PRISE D'EFFET ET RÉSILIATION	ARTICLE 3 : EFFECTIVE DATE AND TERMINATION 14
ARTICLE 4 : DESCRIPTION DE L'INTERCONNEXION DES APPALACHES-MAINE	ARTICLE 4 : DESCRIPTION OF THE APPALACHES-MAINE INTERCONNECTION 16
ARTICLE 5 : EXPLOITATION ET MAINTENANCE COORDONNÉES DE L'INTERCONNEXION DES APPALACHES-MAINE	ARTICLE 5 : COORDINATED OPERATION AND MAINTENANCE OF THE APPALACHES-MAINE INTERCONNECTION 16
ARTICLE 6 : SERVICE D'URGENCE	ARTICLE 6 : EMERGENCY SERVICE 19
ARTICLE 7 : MESURAGE ; ÉCHANGES INVOLONTAIRES ; ÉNERGIE NÉCESSAIRE AUX ESSAIS	ARTICLE 7 : METERING; INADVERTENT INTERCHANGE; TEST ENERGY 24
ARTICLE 8 : COMITÉ DES EXPLOITANTS DE L'INTERCONNEXION DES APPALACHES-MAINE	ARTICLE 8 : APPALACHES-MAINE INTERCONNECTION OPERATORS COMMITTEE 25
ARTICLE 9 : CONFIDENTIALITÉ ; NORMES DE CONDUITE ; ACCÈS AUX DOSSIERS ET AUX DOCUMENTS	ARTICLE 9 : CONFIDENTIALITY; STANDARDS OF CONDUCT; ACCESS TO RECORDS AND DOCUMENTS 29
ARTICLE 10 : FORCE MAJEURE	ARTICLE 10 : FORCE MAJEURE 33
ARTICLE 11 : MANQUEMENT ; CORRECTION ; RÉSILIATION	ARTICLE 11 : DEFAULT; CURE; TERMINATION 34
ARTICLE 12 : INDEMNISATION ; ASSURANCES ; LIMITES DE RESPONSABILITÉ	ARTICLE 12 : INDEMNIFICATION; INSURANCE; LIMITATIONS ON LIABILITY 35
ARTICLE 13 : LÉGISLATION APPLICABLE	ARTICLE 13 : APPLICABLE LAW 46
ARTICLE 14 : RÈGLEMENT DES DIFFÉRENDS	ARTICLE 14 : DISPUTE RESOLUTION .. 47
ARTICLE 15 : CESSION	ARTICLE 15 : ASSIGNMENT 51

TABLE DES MATIÈRES**TABLE OF CONTENTS**

	Page
ARTICLE 16 : AVIS	ARTICLE 16 : NOTICES 52
ARTICLE 17 : MODIFICATION ; RÉVISION	ARTICLE 17 : AMENDMENT; REVIEW . 53
ARTICLE 18 : DÉCLARATIONS	ARTICLE 18 : REPRESENTATIONS 54
ARTICLE 19 : DISPOSITIONS DIVERSES	ARTICLE 19 : MISCELLANEOUS 55
ANNEXE 1 : DESCRIPTION DE L'Interconnexion deS APPALACHES-MAINE ET DES INSTALLATIONS CONNEXES	ATTACHMENT 1: DESCRIPTION OF Appalaches-Maine INTERCONNECTION AND RELATED FACILITIES..... 61
ANNEXE 2 : PERSONNES-RESSOURCES POUR LES AVIS	ATTACHMENT 2: CONTACT INFORMATION FOR NOTICES 63

La présente Convention des exploitants de l'Interconnexion des Appalaches-Maine (la « **Convention** » ou « **CEI** ») est conclue par et entre **ISO New England Inc.**, ayant sa principale place d'affaires au One Sullivan Road, Holyoke, MA 01040 (l'« **ISO** »), et **Hydro-Québec**, une personne morale dûment constituée et régie par la Loi sur Hydro-Québec (RLRQ, chapitre H-5) ayant son siège au 75, René-Lévesque Ouest, Montréal (Québec) H2Z 1A4, (chacune étant une « **Partie** » et collectivement, les « **Parties** ») et est datée selon la dernière date des signatures apposées aux présentes.

PRÉAMBULE

ATTENDU QUE l'ISO est l'exploitant de réseau indépendant du Réseau de transport de la Nouvelle-Angleterre, le Responsable de l'équilibrage, le Coordonnateur de la fiabilité et l'organisme central de contrôle responsable de l'exploitation de la Zone d'équilibrage de la Nouvelle-Angleterre à partir de son centre de conduite du réseau ainsi que de la gestion du tarif de transport pour la région visée; la Partie autorisée par NECEC Transmission, LLC (« **NECEC** ») et Central Maine Power Company ayant l'autorité de contrôle opérationnel pour l'exploitation coordonnée de la partie située aux États-Unis de l'Interconnexion des Appalaches-Maine, en vertu de la *NECEC Transmission Operating Agreement* (la « **NECEC TOA** »); et

ATTENDU QUE Hydro-Québec, dans ses activités de transport d'électricité, est responsable de l'exploitation fiable du Réseau de transport d'Hydro-Québec, et notamment de la partie située au Québec, Canada, de l'Interconnexion des Appalaches-Maine; et

ATTENDU QUE, comme ISO et Hydro-Québec auront le contrôle opérationnel sur l'Interconnexion des Appalaches-Maine de

This Appalaches-Maine Interconnection Operators Agreement (the « **Agreement** » or « **IOA** ») is made by and between **ISO New England Inc.** with its principal place of business at One Sullivan Road, Holyoke, MA 01040 (the « **ISO** ») and **Hydro-Québec**, a body politic and corporate, duly incorporated and regulated by the Hydro-Québec Act (CQLR chapter H-5), having its head office at 75, René-Lévesque Ouest, Montréal (Québec) H2Z 1A4 (each a « **Party** », and collectively, the « **Parties** ») and is dated as of the latest date of the signatures affixed hereto.

RECITALS

WHEREAS, the ISO is the independent system operator of the New England Transmission System, the Balancing Authority, Reliability Coordinator and central dispatching agency responsible for the operation of the New England Balancing Authority Area from its control center and the administration of its regional transmission tariff; the Party authorized by NECEC Transmission, LLC (« **NECEC** ») and Central Maine Power Company to have operational control authority for the coordinated operation of the portion of the Appalaches-Maine Interconnection located in the United States, pursuant to the NECEC Transmission Operating Agreement (the « **NECEC TOA** »); and

WHEREAS, Hydro-Québec, when carrying on electric power transmission activities, is responsible for the reliable operation of the Transmission System owned by Hydro-Québec, including the Appalaches-Maine Interconnection located in Québec, Canada; and

WHEREAS, as the ISO and Hydro-Québec will have operational control over the Appalaches-Maine Interconnection on their

leurs côtés respectifs de la Frontière internationale, les Parties désirent coopérer au fonctionnement coordonné de l'Interconnexion des Appalaches-Maine afin d'assurer la fourniture fiable d'électricité sur les marchés de gros entre les réseaux respectifs opérés par Hydro-Québec and ISO; et

ATTENDU QU'une interconnexion de transport à 320 kV entre les réseaux électriques du Québec et de la Nouvelle-Angleterre a été construite, avec une capacité d'approximativement 1200 MW au poste VSC-HVDC Merrill Road, ou approximativement 1250 MW à la Frontière internationale tenant compte les pertes de transport (l'« **Interconnexion des Appalaches-Maine** », telle qu'elle est définie ci-après) ; et

EN CONSÉQUENCE, eu égard aux engagements mutuels énoncés aux présentes et en contrepartie d'autre valeur dont elles reconnaissent la réception et la suffisance, les Parties conviennent de ce qui suit :

ARTICLE 1 : DÉFINITIONS

Lorsqu'ils figurent dans la présente Convention avec une majuscule initiale, les termes suivants ont le sens prescrit ou prévu au présent article 1. Les termes figurant dans la présente Convention avec une majuscule initiale, mais qui ne sont pas définis au présent article 1, ont le sens prescrit ou prévu dans les articles dans lesquels ils sont utilisés.

1.1 Affiliée désigne toute personne ou entité qui contrôle cette Partie, est contrôlée par elle ou est sous un contrôle commun avec elle ; et le terme « **contrôle** » désigne la propriété, avec droit de vote d'au moins

respective sides of the International Boundary, the Parties wish to cooperate in the coordinated operation of the Appalaches-Maine Interconnection in order to ensure the reliable delivery of bulk power between the respective systems operated by Hydro-Québec and the ISO; and

WHEREAS, a 320-kV transmission interconnection between the electric power systems of Québec and New England was constructed with approximately 1200 MW of injection capability at Merrill Road VSC-HVDC Converter Substation, or approximately 1250 MW at the International Boundary accounting for line losses (the "**Appalaches-Maine Interconnection**", as further defined below); and

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1: DEFINITIONS

When used in this Agreement with initial capitalization, the following terms shall have the meanings specified or referred to in this Article 1. Terms used in this Agreement with initial capitalization that are not defined in this Article 1 shall have the meaning specified in the sections in which they are used.

1.1 Affiliate is any person or entity that controls, is controlled by or is under common control with, such Party; whereby "**control**" is the ownership with right to vote of not less than fifty

cinquante (50) pour cent des titres de participation d'une entité donnée.

(50) percent of the equity interests of a given entity.

1.2 Protocoles CPA désigne les documents écrits adoptés par le Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine en vertu de l'article 7 de la Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine, et qui énoncent les règles, procédures, normes et critères particuliers établis ou adoptés par le Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine pour les besoins de l'administration de la Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine.

1.2 AOA Protocols are the written documents adopted by the Appalaches-Maine Asset Owners Committee pursuant to Article 7 of the Appalaches-Maine Asset Owners Agreement outlining specific rules, procedures, criteria and standards established or adopted by the Appalaches-Maine Asset Owners Committee for purposes of administration of the Appalaches-Maine Asset Owners Agreement.

1.3 Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine désigne les entités propriétaires de l'Interconnexion des Appalaches-Maine: Hydro-Québec et NECEC LLC.

1.3 Appalaches-Maine Asset Owners are the entities that own the Appalaches-Maine Interconnection: Hydro-Québec and NECEC LLC.

1.4 Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine désigne la convention conclue entre NECEC LLC et Hydro-Québec relativement à l'Interconnexion des Appalaches-Maine.

1.4 Appalaches-Maine Asset Owners Agreement is the agreement between NECEC LLC and Hydro-Québec with respect to the Appalaches-Maine Interconnection.

1.5 Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine désigne le comité tel que décrit et prévu à l'article 7 de la Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine.

1.5 Appalaches-Maine Asset Owners Committee is the committee described and provided for under Article 7 of the Appalaches-Maine Asset Owners Agreement.

1.6 Instructions communes de coordination pour l'Interconnexion des Appalaches-Maine (« ICC ») désigne un Protocole CEI particulier relatif au contrôle coordonné de l'Interconnexion des

1.6 Appalaches-Maine Common Dispatch Instructions ("CDI") is a specific IOA Protocol for the coordinated dispatch of the Appalaches-Maine Interconnection contained in the document GEN-C-035,

Appalaches-Maine qui se retrouve dans le document GEN-C-035, intitulé *Instruction commune de coordination entre Hydro-Québec et ISO New England Inc. pour la ligne d'interconnexion des Appalaches-Maine*.

entitled *Common System Dispatch Instructions between Hydro-Québec and ISO New England Inc for the Appalaches-Maine Interconnection*.

1.7 Instructions communes d'exploitation pour l'Interconnexion des Appalaches-Maine (« ICE ») désigne un Protocole CPA particulier ayant trait à l'exploitation de l'Interconnexion des Appalaches-Maine qui se retrouve dans le document GEN-C-036, intitulé *Instruction commune d'exploitation entre Hydro-Québec et NECEC LLC. pour l'interconnexion Appalaches-Maine*.

1.7 Appalaches-Maine Common Operating Instructions ("COI") is a specific AOA Protocol concerning the operation of the Appalaches-Maine Interconnection contained in the document GEN-C-036, entitled *Common Operating Instructions between Hydro-Québec and NECEC LLC. for the Appalaches-Maine Interconnection*.

1.8 Interconnexion des Appalaches-Maine désigne les installations de transport et les installations connexes décrites à l'annexe 1 de la présente Convention, conformément à l'article 4 des présentes.

1.8 Appalaches-Maine Interconnection is those transmission facilities and related facilities that are described in Attachment 1 to this Agreement, as provided for in Article 4 of this Agreement.

1.9 Comité des exploitants de l'Interconnexion des Appalaches-Maine désigne le comité tel que décrit et prévu à l'article 8 de la présente Convention.

1.9 Appalaches-Maine Interconnection Operators Committee is the committee described and provided for in Article 8 of this Agreement.

1.10 Personnel d'exploitation de l'Interconnexion des Appalaches-Maine désigne les personnes autorisées à superviser, à diriger et à contrôler l'exploitation et la gestion de l'Interconnexion des Appalaches-Maine aux États-Unis et au Québec.

1.10 Appalaches-Maine Operating Personnel are the personnel authorized to supervise, direct and control the operation and management of the Appalaches-Maine Interconnection in the United States and Québec.

1.11 Responsable de l'équilibrage désigne l'entité responsable qui intègre d'avance les plans de production, maintient l'équilibre entre la demande et l'offre à l'intérieur d'une Zone d'équilibrage, et

1.11 Balancing Authority is the responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing

soutient en temps réel la fréquence de l'Interconnexion.

Authority Area, and supports Interconnection frequency in real time.

1.12 Zone d'équilibrage désigne l'ensemble de la production, du transport et des charges à l'intérieur du périmètre de comptage du Responsable de l'équilibrage. Le Responsable de l'équilibrage maintient l'équilibre offre/demande à l'intérieur de cette zone.

1.12 Balancing Authority Area is the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

1.13 Système de production-transport d'électricité (BES) a le sens prévu au Glossaire des termes de la *North American Electric Reliability Corporation* (« NERC »). **Note :** Au Québec, l'équivalent du BES est le réseau de transport principal.

1.13 Bulk Electric System (BES) shall have the meaning provided for in the North American Electric Reliability Corporation ("NERC") Glossary of Terms. **Note:** In Québec, the equivalent of the BES is the main transmission system.

1.14 Jour ouvrable désigne tout jour, autre qu'un samedi, un dimanche, un jour férié de l'ISO tel que publié par l'ISO sur son site Web, un jour férié légal dans la province de Québec ou tout autre jour où les institutions bancaires sont fermées dans la province de Québec.

1.14 Business Day is any day other than a Saturday, Sunday, an ISO holiday as posted by the ISO on its website, a legal holiday in the province of Québec or any other day on which banking institutions are closed in the province of Québec.

1.15 Défaillance en puissance survient lorsque la capacité de production d'une Zone d'équilibrage additionnée aux achats fermes effectués auprès d'autres réseaux, dans la mesure de leur disponibilité et des limites imposées par la capacité de transfert, ne suffit pas à satisfaire à la somme de la demande et des exigences de régulation.

1.15 Capacity Emergency exists when a Balancing Authority Area's operating capacity, plus firm purchases from other systems, to the extent available or limited by transfer capability, is inadequate to meet its demand plus its regulating requirements.

1.16 Urgence désigne toute condition anormale du réseau exigeant une action automatique ou manuelle immédiate afin de prévenir ou de limiter toute défaillance des

1.16 Emergency is any abnormal system condition that requires automatic or immediate manual action to prevent or limit the failure of transmission facilities

installations de transport ou de la production qui pourrait affecter la fiabilité du Système de production-transport d'électricité.

or generation supply that could adversely affect the reliability of the Bulk Electric System.

1.17 Énergie d'urgence désigne l'énergie fournie par une Partie à l'autre Partie, en cas de Défaillance en puissance ou en énergie, conformément aux conditions énoncées dans la présente Convention.

1.17 Emergency Energy is energy transferred from one Party to the other Party in a Capacity or Energy Emergency pursuant to the terms and conditions of this Agreement.

1.18 Service d'urgence désigne la fourniture d'Énergie d'urgence par une Partie à l'autre Partie, conformément aux conditions énoncées dans la présente Convention, de même que tous les services complémentaires ou de transport que suppose la fourniture de cette Énergie d'urgence.

1.18 Emergency Service is the supply, from one Party to the other, pursuant to the terms and conditions of this Agreement, of Emergency Energy, and any and all ancillary and transmission services associated with supplying such Emergency Energy.

1.19 Défaillance en énergie désigne la situation lorsqu'un responsable de l'approvisionnement ou un Responsable de l'équilibrage a épuisé toutes les ressources possibles et n'est plus en mesure de faire face à ses obligations de charges.

1.19 Energy Emergency is a condition when a load-serving entity or Balancing Authority has exhausted all other resource options and can no longer meet its expected load obligations.

1.20 FERC désigne la *Federal Energy Regulatory Commission*.

1.20 FERC is the Federal Energy Regulatory Commission.

1.21 Règles de l'art de l'industrie désigne toute pratique, méthode ou action utilisée ou approuvée par une part importante de l'industrie des services publics d'électricité au cours de la période de temps pertinente, ou toute pratique, méthode ou action qui, selon un jugement raisonnable à la lumière des faits connus au moment où la décision a été prise, devrait selon toute attente produire le résultat désiré à un coût raisonnable conformément aux bonnes pratiques d'affaires et compte tenu des impératifs de fiabilité, de sécurité

1.21 Good Utility Practice is any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not

et de rapidité. L'expression « Règles de l'art de l'industrie » s'entend non pas uniquement d'une pratique, d'une méthode ou d'une action optimale particulière à l'exclusion de toutes les autres, mais plutôt des pratiques, méthodes ou actions généralement acceptées par les intervenants de l'industrie au Québec et en Nouvelle-Angleterre. Les Règles de l'art de l'industrie comprennent la conformité avec les critères établis par les organismes de fiabilité ou les organismes gouvernementaux ayant autorité en matière d'exploitation de l'Interconnexion des Appalaches-Maine.

intended to be limited to a single optimum practice, method or act to the exclusion of all others, but rather to be practices, methods or acts generally acceptable to industry participants in the Québec/New England region. Good Utility Practice shall include compliance with criteria established by reliability councils or governmental agencies having authority with respect to the operation of the Appalaches-Maine Interconnection.

1.22 Hydro-Québec est, aux fins de la présente Convention, le Responsable de l'équilibrage et le Coordonnateur de la fiabilité responsable de l'exploitation de la Zone d'équilibrage du Québec à partir de son centre de conduite du réseau, ainsi que de l'administration du tarif de transport tel qu'il a été approuvé par la Régie de l'énergie du Québec.

1.22 Hydro-Québec for purposes of this Agreement is the Balancing Authority and the Reliability Coordinator responsible for the operation of the Québec Balancing Authority Area from its control center and the administration of the transmission tariff as approved by the Québec *Régie de l'énergie*.

1.23 Échange involontaire désigne la différence entre l'Échange réel net et l'Échange programmé net du Responsable de l'équilibrage.

1.23 Inadvertent Interchange is the difference between the Balancing Authority's Net Actual Interchange and Net Scheduled Interchange.

1.24 Programme d'échange désigne la quantité (en mégawatts), les moments de début et de fin, le taux et le temps des rampes initiales et finales ainsi que le type d'une Transaction d'échange convenue, nécessaires pour assurer la livraison et la réception de la puissance et de l'énergie entre la Zone d'équilibrage productrice et la Zone d'équilibrage consommatrice impliquées dans la transaction.

1.24 Interchange Schedule is an agreed-upon Interchange Transaction size (megawatts), start and end time, beginning and ending ramp times and rate, and type required for delivery and receipt of power and energy between the Source and Sink Balancing Authorities involved in the transaction.

1.25 Transaction d'échange désigne une entente en vue du transfert d'énergie d'un

1.25 Interchange Transaction is an agreement to transfer energy from a

vendeur à un acheteur, lorsque l'énergie transférée traverse une ou plusieurs Zones d'équilibrage.

seller to a buyer that crosses one or more Balancing Authority Area boundaries.

1.26 Réseaux interconnectés désigne les Réseaux de transport principaux exploités par les Parties et comprenant les Interconnexions entre les Zones d'équilibrage des Parties.

1.26 Interconnected Systems are the Bulk Electric Systems operated by the Parties, which include the Interconnections between the respective Balancing Authority Areas of the Parties.

1.27 Interconnexion désigne une connexion entre au moins deux Réseaux de transport distincts qui ont des lignes de transport interconnectées.

1.27 Interconnection is a connection between two or more individual Transmission Systems that have interconnecting transmission lines.

1.28 Frontière internationale désigne l'endroit où l'Interconnexion des Appalaches-Maine franchit la frontière entre les États-Unis et le Canada.

1.28 International Boundary is the point where the Appalaches-Maine Interconnection crosses the border between the United States and Canada.

1.29 Protocoles CEI désigne les documents écrits adoptés par le Comité des exploitants de l'Interconnexion des Appalaches-Maine en vertu de l'article 8 de la présente Convention qui définissent les règles, les procédures, les normes et les critères particuliers établis ou adoptés par le Comité des exploitants de l'Interconnexion des Appalaches-Maine en vue de l'administration de la Convention des exploitants de l'Interconnexion des Appalaches-Maine.

1.29 IOA Protocols are the written documents adopted by the Appalaches-Maine Interconnection Operators Committee pursuant to Article 8 of this Agreement outlining specific rules, procedures, criteria and standards established or adopted by the Appalaches-Maine Interconnection Operators Committee for purposes of administration of the Appalaches-Maine Interconnection Operators Agreement.

1.30 ISO New England Inc. (ou l'« ISO ») a le sens indiqué aux premier et deuxième paragraphes du préambule ci-haut.

1.30 ISO New England Inc. (or the "ISO") has the meaning given in the first and second paragraphs in the recitals above.

1.31 Échange réel net désigne la somme algébrique de tous les échanges mesurés sur toutes les interconnexions entre deux

1.31 Net Actual Interchange is the algebraic sum of all metered interchange over all interconnections between two physically adjacent Balancing Authority Areas.

Zones d'équilibrage adjacentes physiquement.

1.32 Échange programmé net désigne la somme algébrique de tous les Programmes d'échange visant un parcours donné ou établis entre des Responsables de l'équilibrage pour une période de temps ou un moment donnés.

1.32 Net Scheduled Interchange is the algebraic sum of all Interchange Schedules across a given path or between Balancing Authorities for a given period or instant in time.

1.33 Capacité nominale de transfert est la capacité thermique des équipements de l'Interconnexion des Appalaches-Maine dans la configuration de celle-ci, telle que décrite à l'annexe 1 de la présente Convention, sans égard aux impacts extérieurs des réseaux interconnectés à courant alternatif ou d'autres réseaux.

1.33 Nominal Transfer Capability is the thermal capacity that the equipment in the Appalaches-Maine Interconnection can withstand in its configuration as specified in Attachment 1 of this Agreement, without regard to external impacts by interconnected alternating-current or other systems.

1.34 Propriétaires participants aux Réseaux de transport (les « PPRT ») comprend des propriétaires d'installations de transport qui sont signataires du *Transmission Operating Agreement* entre l'ISO et les PPRT, tel qu'amendé de temps à autres, qui définit l'autorité de l'ISO sur les installations du Réseau de transport de la Nouvelle-Angleterre sous son contrôle.

1.34 Participating Transmission Owners ("PTOs") include transmission owning companies which are signatories to the Transmission Operating Agreement between the ISO and the PTOs, as amended from time to time, defining the ISO's scope of authority with respect to transmission facilities within the New England Transmission System which have been placed under the ISO's operational control.

1.35 Responsable de l'équilibrage de la zone réceptrice désigne le Responsable de l'équilibrage de la zone qui reçoit l'énergie dans le cadre de l'échange.

1.35 Receiving Balancing Authority is the Balancing Authority importing the interchange.

1.36 Coordonnateur de la fiabilité a le sens prévu au Glossaire des termes de la NERC.

1.36 Reliability Coordinator shall have the meaning provided for in the NERC Glossary of Terms.

1.37 Critères de fiabilité désigne les critères, les règles et les normes de fiabilité établis

1.37 Reliability Criteria are the reliability criteria, rules and standards established

par le North American Electric Reliability Corporation, la Régie de l'énergie du Québec, le Northeast Power Coordinating Council et autres entités habilitées à établir de tels critères, règles et normes pour les Réseaux interconnectés, y compris l'Interconnexion des Appalaches-Maine.

by the North American Electric Reliability Corporation, the Québec Régie de l'énergie, the Northeast Power Coordinating Council, and such other entities as are authorized to establish such criteria, rules and standards for the Interconnected Systems, which include the Appalaches-Maine Interconnection.

1.38 Responsable de l'équilibrage de la zone expéditrice désigne le Responsable de l'équilibrage de la zone qui livre l'énergie dans le cadre de l'échange.

1.38 Sending Balancing Authority is the Balancing Authority exporting the interchange.

1.39 Responsable de l'équilibrage consommateur désigne le Responsable de l'équilibrage dans la zone duquel est située la charge (consommation) visée pour une Transaction d'échange et par tout Programme d'échange qui en résulte.

1.39 Sink Balancing Authority is the Balancing Authority in which the load (sink) is located for an Interchange Transaction and any resulting Interchange Schedule.

1.40 Responsable de l'équilibrage producteur désigne le Responsable de l'équilibrage dans la zone duquel est située la production visée par une Transaction d'échange et par tout Programme d'échange qui en résulte.

1.40 Source Balancing Authority is the Balancing Authority in which the generation (source) is located for an Interchange Transaction and for any resulting Interchange Schedule.

1.41 Réseau de transport désigne un réseau destiné au transport de l'électricité et comprend les ouvrages, les équipements ou toute autre installation nécessaire à cette fin.

1.41 Transmission System is a system for transmitting electricity, and includes any structures, equipment or other facilities used for that purpose.

ARTICLE 2 : OBJET DE LA CONVENTION

ARTICLE 2: PURPOSE OF AGREEMENT

2.1 La présente Convention a pour objet d'assurer la fiabilité et l'exploitabilité de l'Interconnexion des Appalaches-Maine en relation avec les Réseaux interconnectés moyennant une programmation

2.1 The purpose of this Agreement is to provide for the reliability and operability of the Appalaches-Maine Interconnection in conjunction with the Interconnected Systems and through

coordonnée de l'Interconnexion des Appalaches-Maine. La présente Convention porte également sur la prestation de Services d'urgence entre les Réseaux interconnectés et sur la gestion comptable et les procédures relatives aux Échanges involontaires transitant par l'Intercon-nexion des Appalaches-Maine.

coordinated scheduling of the Appalaches-Maine Interconnection. The purpose of this Agreement is also to provide for Emergency Services between the Interconnected Systems and to provide for Appalaches-Maine Interconnection Inadvertent Interchange accounting and procedures.

ARTICLE 3 : PRISE D'EFFET ET RÉSILIATION

ARTICLE 3: EFFECTIVE DATE AND TERMINATION

3.1 La présente Convention prend effet à la date à laquelle: i) les représentants autorisés des Parties ont signé la présente Convention ; et ii) toutes les approbations gouvernementales nécessaires à la prise d'effet de la présente Convention ont été obtenues.

3.1 This Agreement shall become effective on the date that: (i) the Parties' authorized representatives have executed this Agreement; and (ii) all necessary governmental approvals for the effectiveness of this Agreement have been obtained.

3.2 La présente Convention peut être résiliée en tout temps par consentement mutuel des Parties. Elle peut être résiliée unilatéralement par l'une ou l'autre des Parties, sous réserve de ce qui suit : a) la Partie qui désire la résilier donne à l'autre Partie un avis écrit préalable à cet effet d'au moins un an, et b) à moins d'un accord contraire des Parties, la résiliation prend effet le 1^{er} octobre de l'année au cours de laquelle la présente Convention doit prendre fin, sauf si la Partie qui demande la résiliation donne son avis après le 1^{er} octobre mais avant le 1^{er} mars suivant, auquel cas la résiliation prend effet le 1^{er} mars de l'année où l'exigence de préavis minimal d'un an est respectée. La présente Convention peut également être résiliée dans le cas d'un Manquement, conformément aux dispositions de l'article 11 des présentes. Nonobstant toute disposition de résiliation précédente, si l'ISO reçoit un avis de résiliation de son autorité opérationnelle concernant

3.2 This Agreement may be terminated at any time by the mutual agreement of the Parties. This Agreement may be terminated unilaterally by either Party, provided that: (a) the terminating Party has given at least one year's prior written notice of the termination to the other Party; and (b) unless otherwise agreed to by both Parties, the termination date shall fall on October 1 of the year in which the Agreement is to terminate, except that, if the terminating Party has given notice after October 1, and before the next March 1, the termination date shall fall on the next March 1 that allows the minimum one year notice requirement to be met. This Agreement may also be terminated in the event of a Default in accordance with the provisions of Article 11 of this Agreement. Notwithstanding any of the preceding termination provisions, if ISO is given notice of termination of the ISO's operational authority with respect to the Appalaches-

l'Interconnexion des Appalaches-Maine en vertu de la NECEC TOA, l'ISO doit rapidement informer Hydro-Québec par écrit de cette résiliation et, dès réception de l'avis, les Parties doivent négocier la résiliation de la présente Convention pour qu'elle coïncide avec la résiliation de l'autorité opérationnelle de l'ISO en vertu de la NECEC TOA. Lorsque la continuité des opérations de l'Interconnexion des Appalaches-Maine est requise, les Parties négocieront de bonne foi, dans la période suivant cet avis et avant la résiliation de la présente Convention, un autre arrangement mutuellement acceptable. Pendant cette négociation, l'ISO devra s'assurer que l'arrangement de remplacement ne va pas à l'encontre de la NECEC TOA, et Hydro-Québec devra s'assurer que cet arrangement n'est pas incompatible avec la Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine. Malgré ces négociations de bonne foi entre les Parties, chacune d'elles conserve le droit d'exercer ses recours administratifs au terme des quatre (4) premiers mois de négociation.

Maine Interconnection under the NECEC TOA, the ISO shall promptly notify Hydro-Québec in writing of such termination and upon receipt of notice, the Parties shall negotiate termination of this Agreement to coincide with termination of the ISO's operational authority under the NECEC TOA. Where continuity of operations over the Appalaches-Maine Interconnection is required, the Parties will, during the period of time following such notice of termination and before termination of this Agreement, negotiate in good faith a mutually agreeable substitute arrangement. During such negotiation the ISO will be responsible for ensuring that the substitute arrangement is not inconsistent with the NECEC TOA and Hydro-Québec will ensure that the substitute arrangement is not inconsistent with the Appalaches-Maine Asset Owners Agreement. Notwithstanding these good faith negotiations, nothing waives a Party's right to exercise its available administrative remedies after the first four (4) months of negotiations.

3.3 La résiliation de la présente Convention en vertu de l'article 3.2 ne libère aucune des Parties de respecter toute obligation de la présente Convention qui se poursuit au-delà de la date de résiliation.

3.3 Termination of this Agreement pursuant to Section 3.2 shall not excuse either Party from performing any obligation under this Agreement that continues beyond the termination date.

3.4 Les dates de prise d'effet et de fin de la présente Convention sont assujetties aux approbations gouvernementales requises.

3.4 The commencement and termination dates for this Agreement shall be subject to any necessary governmental approvals.

ARTICLE 4 : DESCRIPTION DE L'INTERCONNEXION DES APPALACHES-MAINE

- 4.1** L'Interconnexion des Appalaches-Maine comprend les installations décrites à l'annexe 1 de la présente Convention.
- 4.2** Comme indiqué plus en détails à l'article 18, l'annexe 1 de la présente Convention peut être modifiée de temps à autre par le Comité des exploitants de l'Interconnexion des Appalaches-Maine, sous réserve de la compatibilité de ces modifications avec la description des installations acceptée par les Parties à la Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine.

ARTICLE 4: DESCRIPTION OF THE APPALACHES-MAINE INTERCONNECTION

- 4.1** The Appalaches-Maine Interconnection includes those facilities described in Attachment 1 to this Agreement.
- 4.2** As further addressed in Article 18, Attachment 1 to this Agreement may be modified from time to time by the Appalaches-Maine Interconnection Operators Committee, provided that such modification is consistent with the description of the facilities agreed to by the Parties to the Appalaches-Maine Asset Owners Agreement.

ARTICLE 5 : EXPLOITATION ET MAINTENANCE COORDONNÉES DE L'INTERCONNEXION DES APPALACHES-MAINE

- 5.1** Hydro-Québec et l'ISO doivent coordonner les programmes de retrait à des fins de maintenance présentés par les Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine (ou leurs représentants), de manière à (i) assurer la fiabilité, l'exploitabilité et la sécurité du réseau et (ii) minimiser les impacts négatifs sur l'efficacité du marché.
- 5.2** En ce qui a trait aux installations de transport situées au Québec autres que l'Interconnexion des Appalaches-Maine, et sous réserve de ses obligations en vertu des lois, règles ou ordonnances applicables, Hydro-Québec ne doit pas exploiter ni entretenir de telles installations au Québec sous son contrôle opérationnel

ARTICLE 5: COORDINATED OPERATION AND MAINTENANCE OF THE APPALACHES-MAINE INTERCONNECTION

- 5.1** Hydro-Québec and the ISO shall coordinate the scheduling of maintenance outages submitted by the Appalaches-Maine Asset Owners (or their designees) in a manner that: (i) preserves system reliability, operability, and security and (ii) minimizes adverse impacts to market efficiency.
- 5.2** With respect to transmission facilities in Québec other than the Appalaches-Maine Interconnection, subject to its obligations under applicable laws, rules or orders, Hydro-Québec shall not operate and maintain such transmission facilities in Québec under its operational control or take actions on such facilities

ni prendre d'autres mesures relativement à ces installations qui soient susceptibles de compromettre la fiabilité et l'exploitabilité de l'Interconnexion des Appalaches-Maine ou d'autres installations de transport dont l'exploitation relève de la compétence de Hydro-Québec. Nonobstant ce qui précède, aucune disposition des présentes ne peut être interprétée comme empêchant l'une ou l'autre des Parties ou encore l'une des parties à la Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine ou à la NECEC TOA d'exercer tout recours applicable au motif que l'exploitation par Hydro-Québec de telles autres installations de transport compromet de façon inappropriée la fiabilité et l'exploitabilité de l'Interconnexion des Appalaches-Maine.

5.3 En ce qui a trait aux installations de transport situées en Nouvelle-Angleterre autres que l'Interconnexion des Appalaches-Maine, et sous réserve de ses obligations en vertu des documents, règles et procédures d'exploitation applicables, l'ISO ne doit pas exploiter ni entretenir de telles installations sous son contrôle opérationnel ni prendre d'autres mesures relativement à ces installations qui soient susceptibles de compromettre la fiabilité et l'exploitabilité de l'Interconnexion des Appalaches-Maine ou d'autres installations de transport dont l'exploitation relève de la compétence de l'ISO. Nonobstant ce qui précède, aucune disposition des présentes ne peut être interprétée comme empêchant l'une ou l'autre des Parties ou encore l'une des parties à la Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine ou à la NECEC TOA d'exercer tout recours applicable au motif que l'exploitation par l'ISO de telles autres installations de transport compromet de façon inappropriée la fiabilité et

in a manner that compromises the reliability and operability of the Appalaches-Maine Interconnection or other transmission facilities for which Hydro-Québec has operating authority. Notwithstanding the foregoing, nothing herein shall be construed to prevent any Party or any party to the Appalaches-Maine Asset Owners Agreement or the NECEC TOA from pursuing any applicable remedy on the grounds that Hydro-Québec's operation of such other transmission facilities inappropriately compromises the reliability and operability of the Appalaches-Maine Interconnection.

5.3 With respect to transmission facilities in New England other than the Appalaches-Maine Interconnection, subject to its obligations under the applicable operating documents, rules and procedures, the ISO shall not operate and maintain such transmission facilities in New England under its operational control or take actions on such facilities in a manner that compromises the reliability and operability of the Appalaches-Maine Interconnection or other transmission facilities for which the ISO has operating authority. Notwithstanding the foregoing, nothing herein shall be construed to prevent any Party or any party to the Appalaches-Maine Asset Owners Agreement or the NECEC TOA from pursuing any applicable remedy on the grounds that the ISO's operation of such other transmission facilities inappropriately compromises the reliability and operability of the Appalaches-Maine Interconnection.

l'exploitabilité de l'Interconnexion des Appalaches-Maine.

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| <p>5.4 Chaque Partie doit recevoir et coordonner les programmes d'énergie et de services complémentaires transigés sur l'Interconnexion des Appalaches-Maine en conformité avec les tarifs et les règles du marché applicables</p> | <p>5.4 Each Party shall receive and coordinate schedules of energy and ancillary service transactions over the Appalaches-Maine Interconnection in accordance with the applicable tariff and market rules.</p> |
| <p>5.5 Les Parties doivent coordonner leurs actions de manière à maintenir la fiabilité et l'exploitabilité de l'Interconnexion des Appalaches-Maine conformément aux Critères de fiabilité, aux Règles de l'art de l'industrie, aux ICE, aux ICC et aux autres Protocoles CEI et CPA.</p> | <p>5.5 The Parties shall coordinate with each other so as to maintain the reliability and operability of the Appalaches-Maine Interconnection in accordance with the Reliability Criteria, Good Utility Practice, the COI, the CDI, and other IOA Protocols and AOA Protocols.</p> |
| <p>5.6 Chaque Partie doit aviser rapidement l'autre Partie de toute circonstance dont elle prend connaissance et qui serait susceptible de rendre indisponible pour utilisation l'Interconnexion des Appalaches-Maine ou de réduire considérablement la capacité de transfert de l'Interconnexion des Appalaches-Maine. Ces informations seront soumises aux exigences de confidentialité de l'article 9 de la présente Convention.</p> | <p>5.6 Each Party shall promptly notify the other Party of any circumstances it becomes aware of that are likely either to render the Appalaches-Maine Interconnection unavailable for use or significantly decrease the transfer capability of the Appalaches-Maine Interconnection. Such information shall be subject to the confidentiality requirements of Article 9 of this Agreement.</p> |
| <p>5.7 Chaque Partie doit exercer un contrôle opérationnel sur la programmation et les opérations sur sa partie de l'Interconnexion des Appalaches-Maine de manière à ne pas discriminer ou indûment privilégier une entité qui utilise ou tente d'utiliser l'Interconnexion des Appalaches-Maine pour réaliser des Transactions d'échange commerciales.</p> | <p>5.7 Each Party shall exercise operational and scheduling control over its portion of the Appalaches-Maine Interconnection in a manner that will not unduly discriminate against, or unduly prefer any entity using or seeking to use the Appalaches-Maine Interconnection for commercial Interchange Transactions.</p> |
| <p>5.8 Aucune Partie ne sera contrainte de prendre ou de fournir des livraisons de puissance ou d'énergie électrique</p> | <p>5.8 Neither Party shall be obligated to take or provide deliveries of electric power or energy over, or otherwise operate the</p> |

transitant par l'Interconnexion des Appalaches-Maine ou de l'exploiter d'une manière qui pourrait compromettre la fiabilité des Réseaux interconnectés ou conduire à une exploitation dangereuse ou non sécuritaire de l'Interconnexion des Appalaches-Maine ou qui est en violation de la loi applicable, des règlements ou des ordres d'une autorité gouvernementale ou d'une ordonnance d'un tribunal compétent.

Appalaches-Maine Interconnection, in a manner that may compromise the reliability of the Interconnected Systems, may lead to insecure or unsafe operation of the Appalaches-Maine Interconnection, or is in violation of applicable law, regulations or orders of a governmental authority or an order from court of competent jurisdiction.

ARTICLE 6 : SERVICE D'URGENCE

ARTICLE 6: EMERGENCY SERVICE

6.1 Avant de déclarer une Défaillance en puissance ou une Défaillance en énergie et de demander un Service d'urgence, chacune des Parties doit exercer toute la diligence nécessaire pour éviter qu'une Défaillance en puissance ou une Défaillance en énergie ne se produisent et pour atténuer, dans la mesure du possible, une Défaillance en puissance ou une Défaillance en énergie à l'aide des ressources disponibles, y compris les mécanismes du marché raisonnablement accessibles, sur le Réseau de transport à l'égard duquel elle exerce ou coordonne le contrôle opérationnel. La Partie demandant un Service d'urgence auprès de l'autre Partie en cas d'Urgence doit prendre rapidement toutes les mesures nécessaires pour remettre son Réseau de transport en état d'exploitation normal et minimiser la durée d'une telle assistance. Advenant une Défaillance en puissance ou une Défaillance en énergie, l'ISO affichera sur son site Web un avis selon lequel de la puissance additionnelle est requise.

6.1 Before declaring a Capacity Emergency or Energy Emergency and requiring Emergency Service, each Party shall use due diligence to prevent the Capacity Emergency or Energy Emergency from developing and to mitigate the Capacity Emergency or Energy Emergency to the extent practicable using all resources available, including reasonably available market mechanisms, on the Transmission System over which it has, or coordinates, operational control. The Party requesting Emergency Service from the other Party in an Emergency shall promptly take all actions required to restore its Transmission System conditions to a normal operating state and minimize the duration of such assistance. The ISO will post notice on its website in a Capacity Emergency or Energy Emergency that additional power is needed.

6.2 Lorsqu'une des Parties déclare une Défaillance en puissance ou une Défaillance en énergie et demande un Service d'urgence, la Partie qui reçoit la demande doit fournir toute l'assistance

6.2 When one Party declares a Capacity Emergency or Energy Emergency and calls for Emergency Service, the other Party shall provide maximum reasonable assistance, consistent with North

raisonnablement possible, conformément aux critères et procédures du « North American Electric Reliability Corporation » et du « Northeast Power Coordinating Council » (cette assistance ne devant toutefois pas aller jusqu'au délestage de clients finals non interruptibles alimentés par la Partie qui reçoit la demande ou par l'intermédiaire de celle-ci). Le degré d'assistance ne doit compromettre ni la fiabilité ni la sécurité du réseau de la Partie qui fournit l'assistance. Nonobstant ce qui précède, l'Énergie d'urgence ne peut être fournie de la Nouvelle-Angleterre ou à travers la Nouvelle-Angleterre au Québec ou à travers le Québec via l'Interconnexion des Appalaches-Maine à moins et jusqu'à ce que l'impact des flux d'énergie de la Nouvelle-Angleterre ou à travers la Nouvelle-Angleterre vers le Québec ou à travers le Québec ait fait l'objet d'une étude et que la fourniture d'Énergie d'urgence ait été jugée acceptable par l'ISO conformément aux règles applicables.

American Electric Reliability Corporation and Northeast Power Coordinating Council criteria and procedures (except that such assistance shall be provided up to, but not including, the action of shedding non-interruptible end-use customers supplied by or through the furnishing Party). Such assistance shall be limited to levels that shall not threaten the reliability of, or create an unsafe situation on, the furnishing Party's system. Notwithstanding the foregoing, Emergency Energy cannot be provided from or through New England to or through Québec over the Appalaches-Maine Interconnection unless and until such time as the impact of the flows from or through New England to or through Québec has been the subject of study, and the provision of Emergency Energy has been deemed acceptable by the ISO in accordance with applicable rules.

6.3 Si aucune des Parties ne peut fournir à l'autre l'Énergie d'urgence nécessaire au moment opportun et qu'il est possible d'obtenir de l'Énergie d'urgence d'une Zone d'équilibrage d'une tierce partie, la livraison de cette énergie à l'une des Parties à la présente Convention s'effectuera par le Réseau de transport principal qui appartient à l'autre Partie ou est exploité par elle, dans la mesure où cette livraison ne compromet pas la fiabilité de ce réseau.

6.3 In the event that either Party is unable to provide Emergency Energy to the other when needed and there is Emergency Energy available from a third-party Balancing Authority Area, delivery of such energy to a Party to this Agreement will be effected over the Bulk Electric System owned or operated by the other Party when such delivery will not jeopardize the reliability of such system.

6.4 La Partie qui fournit le Service d'urgence doit décrire la nature de chaque livraison d'Énergie d'urgence à la Partie réceptrice, soit : 1) « vente provenant de la réserve 10 minutes », dans le cas où la livraison peut être révoquée ; 2) « vente provenant

6.4 The Party providing the Emergency Service shall describe the nature of each Emergency Energy delivery to the receiving Party according to one of the following: (1) "sold out of 10-minute reserves", where such a delivery is

de la réserve 30 minutes », dans le cas où l'on peut raisonnablement s'attendre à ce que la livraison soit révoquée si le vendeur doit recourir à cette capacité de production de réserve ou en cas d'urgence quelconque sur son réseau; 3) « vente au-delà des réserves », lorsque le vendeur devrait normalement être en mesure de poursuivre la livraison d'énergie après avoir utilisé ses réserves.

recallable; (2) “sold out of 30-minute reserves”, where such a delivery could reasonably be expected to be recalled if the seller needed the generation for a reserve pick-up or other system emergency; or (3) “sold above and beyond reserves” where the seller would normally be able to continue delivering the energy following a reserve pick-up.

6.5 La tarification pour l'Énergie d'urgence s'établit de la façon suivante :

- a) Les prix et formules de tarification applicables pour l'Énergie d'urgence sont établis en fonction de la juridiction, des lois et des règlements auxquels chaque Partie est soumise.
- b) La tarification de l'Énergie d'urgence fournie, à n'importe quelle heure, à la Partie qui achète cette énergie se calcule au moyen d'une formule en deux volets. Le premier volet a trait à la composante des frais relative à l'énergie (les « **Frais d'énergie** »), alors que le second incorpore divers frais de transport et des frais de services complémentaires (les « **Frais de transport** ») engagés par le vendeur pour livrer l'Énergie d'urgence à l'un des points d'interconnexion entre les installations de l'ISO et celles de Hydro-Québec.
- c) Les Parties doivent maintenir les formules de tarification des Frais d'énergie en vigueur et, pour ISO, les déposer auprès de la FERC. Chacune des Parties doit informer l'autre Partie par avis écrit de la formule de tarification des Frais d'énergie applicable pour l'Énergie d'urgence provenant de sa propre Zone d'équilibrage qu'elle peut rendre disponible et de toute révision

6.5 Pricing for Emergency Energy shall be established as follows:

- (a) The applicable prices and any pricing formulas for Emergency Energy shall be established according to the jurisdiction, laws and regulations applicable to each Party.
- (b) The pricing for Emergency Energy supplied in any hour to the Party buying such energy shall be calculated using a two-part formula: the first part of the formula represents the energy component of the charge (the “**Energy Charge**”) and the second part incorporates any transmission charges and ancillary services charges (the “**Transmission Charge**”) incurred by the seller to deliver the Emergency Energy to one of the points of interconnection between the ISO and Hydro-Québec.
- (c) The Parties shall always have Energy Charge pricing formulas in effect and, in the case of ISO, on file with FERC. Each Party shall inform the other Party by written notice of the applicable Energy Charge pricing formula for such Emergency Energy originating from its own Balancing Authority Area it may make available, and any subsequent revisions to the Energy Charge. Prior written notice of thirty

subséquente des Frais d'énergie. Un préavis écrit de trente (30) jours est requis pour qu'une révision des Frais d'énergie puisse entrer en vigueur, à moins (i) que les Parties ne conviennent mutuellement de renoncer à cette exigence, au cas par cas, ou (ii) qu'ordonné par une autorité gouvernementale compétente d'opérer dans une urgence déclarée, moyennant des frais déclarés.

(30) days shall be required before an Energy Charge revision can become effective, unless (i) the Parties agree to waive such requirement on a case-by-case basis, or (ii) directed by an applicable governmental authority to operate in a stated emergency subject to a stated charge.

d) Chacune des Parties est responsable du dépôt, auprès de sa propre autorité de réglementation, des prix de l'énergie en cours et des formules de tarification applicables à l'Énergie d'urgence, conformément à ses propres obligations. Les Parties reconnaissent que la tarification de l'Énergie d'urgence peut être rendue publique et que chacune d'elle peut rendre accessible cette information conformément à ses propres obligations.

(d) Each Party shall be responsible for separately filing with its respective regulatory authority the current prices and any applicable pricing formulas for Emergency Energy, according to its respective obligations. The Parties understand that the pricing for Emergency Energy can be made public and that each Party shall make such information available according to its respective applicable obligations.

e) En ce qui a trait à l'Énergie d'urgence fournie par une Zone d'équilibrage d'une tierce partie, les Frais d'énergie correspondent au prix total que la tierce partie exige pour cette énergie, ce prix pouvant comprendre à la fois les Frais d'énergie et tout frais exigible pour le transport de l'Énergie d'urgence par la Zone d'équilibrage de la tierce partie.

(e) For Emergency Energy supplied by a third-party Balancing Authority Area, the Energy Charge shall be the total cost the third-party supplier imposes for such energy, which could include both Energy Charges and any applicable transmission charges for delivery of the Emergency Energy through the third-party Balancing Authority Area.

f) Chacune des Parties fera les efforts de bonne foi pour s'assurer que l'Énergie d'urgence qu'elle livre provient de source(s) facilement disponibles et que l'Énergie d'urgence peut être livrée sans compromettre l'intégrité de son réseau au moment de la livraison de l'Énergie d'urgence.

(f) Each Party will make a good faith effort to ensure that the Emergency Energy it delivers will be from the source(s) that is (are) readily available and deliverable without adversely affecting the integrity of its network at the time of the Emergency Energy delivery.

- g) Chacune des Parties est habilitée à ajouter les Frais de transport applicables aux prix ou aux formules de tarification servant à établir les Frais d'énergie, tel que prévu à son tarif applicable.
 - h) Les frais globaux pour l'Énergie d'urgence, peu importe à quel moment de la journée celle-ci est livrée, correspondent à la somme des Frais d'énergie pour une heure donnée et des Frais de transport pour cette même heure.
 - i) Au plus tard le 30^e jour du mois, la Partie ayant fourni l'Énergie d'urgence au cours du mois précédent enverra une facture pour toute Énergie d'urgence fournie à la Partie acheteuse au cours du mois précédent. La Partie acheteuse disposera de 20 jours à compter de la réception de cette facture pour la payer (« **Date d'échéance de la facture** »). La facture devra inclure des informations détaillées sur les quantités et les prix des Frais d'énergie et de tous Frais de transport applicable. Le taux de change utilisé pour convertir les dollars canadiens, le cas échéant, en dollars américains (USD) sera le taux de clôture applicable le jour de la transaction ; la sélection de la banque retenue pour ce taux de conversion référencé devant être convenue d'un commun accord par les Parties. Tout montant impayé à la Date d'échéance de la facture sera soumis à des intérêts pour chaque jour de non-paiement. En fonction de la Partie qui facturera, cette pratique sera appliquée conformément à la méthodologie spécifiée pour les intérêts sur les remboursements prévue à 18 C.F.R. §35.19a(a)(2)(iii) des règlements de la FERC ou aux Tarifs et conditions des services de transport d'Hydro-Québec, selon le cas.
- (g) To the applicable prices or pricing formulas for the Energy Charge, each Party shall be entitled to add any applicable Transmission Charge, as set forth in its applicable tariff.
 - (h) The total charge for Emergency Energy supplied in any hour shall be the sum of the Energy Charge for an hour and the Transmission Charge for that same hour.
 - (i) No later than the 30th day of the month, a Party furnishing Emergency Energy in the prior month shall send a bill for any Emergency Energy provided to the purchasing Party in the preceding month, and the purchasing Party shall pay for such Emergency Energy no later than 20 days from the receipt of such invoice ("**Invoice Due Date**"). The bill shall include detailed information on quantities and prices for the Energy Charge and for any applicable Transmission Charge. The currency exchange rate used to convert Canadian dollars, where required, to United States of America (U.S.) dollars, shall be the closing bank conversion rate on the day of the transaction, with the applicable bank for such referenced conversion rate to be jointly agreed upon by the Parties. Any amount that is not paid by the Invoice Due Date shall be subject to interest for each day of non-payment. Depending on the Party that will be invoicing, such practice shall be applied in accordance with the methodology specified for interest on refunds in 18 C.F.R. §35.19a(a)(2)(iii) of FERC's regulations or Hydro-Québec's Open Access Transmission Tariffs, as applicable.

ARTICLE 7 : MESURAGE ; ÉCHANGES INVOLONTAIRES ; ÉNERGIE NÉCESSAIRE AUX ESSAIS

ARTICLE 7: METERING; INADVERTENT INTERCHANGE; TEST ENERGY

7.1 Les Parties doivent fournir des données d'exploitation sous forme de mesures des quantités d'énergie électrique, selon les exigences applicables à l'Interconnexion des Appalaches-Maine, de manière à ce que chacune des Parties puisse en contrôler l'utilisation. Si les Parties considèrent que les données de mesure sont inexactes ou manquantes, elles doivent convenir entre elles d'une méthode de contrôle de l'Interconnexion des Appalaches-Maine. Les Parties doivent se fier à l'appareillage de mesure approprié des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine pour mesurer les quantités d'énergie électrique, afin de comptabiliser l'énergie à l'Interconnexion des Appalaches-Maine.

7.1 The Parties shall provide operational metered data of electrical power quantities according to the requirements applicable to the Appalaches-Maine Interconnection in order to enable monitoring of such Appalaches-Maine Interconnection by the Parties. When operational metered data are deemed by the Parties to be unavailable or inaccurate, the method of monitoring the Appalaches-Maine Interconnection shall be established by any means agreed to by the Parties. The Parties shall rely on the Appalaches-Maine Asset Owners' appropriate metering devices to measure electric power quantities for determining Appalaches-Maine Interconnection's energy accounting.

7.2 Les Échanges involontaires transitant par l'Interconnexion des Appalaches-Maine doivent être contrôlés et comptabilisés conformément aux normes et aux procédures établies par les Critères de fiabilité et par les Protocoles CEI appliqués par le Comité des exploitants de l'Interconnexion des Appalaches-Maine. Les méthodes de détermination de l'Échange réel net et de l'Échange programmé net à partir des données recueillies par les Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine en vertu de la Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine seront établies par le Comité.

7.2 Inadvertent Interchange on the Appalaches-Maine Interconnection shall be controlled and accounted for in accordance with the standards and procedures set forth by the Reliability Criteria and the IOA Protocols implemented by the Appalaches-Maine Interconnection Operators Committee. The methods of determining the Net Actual Interchange and the Net Scheduled Interchange from the data collected by the Appalaches-Maine Asset Owners pursuant to the Appalaches-Maine Asset Owners Agreement will be established by the Committee.

7.3 Dans la mesure où le compte des Échanges involontaires n'est pas réglé avec les

7.3 To the extent that the Inadvertent Interchange account is not reconciled

transferts et compensations quotidiens des Programmes d'échange, les Parties doivent, sur une base mensuelle, consigner dans un dossier les Échanges involontaires transitant par l'Interconnexion des Appalaches-Maine, et ce conformément aux Protocoles CEI écrits élaborés par le Comité des exploitants de l'Interconnexion des Appalaches-Maine. Une fois déterminé le montant exigible chaque mois, la Partie débitrice des Échanges involontaires d'énergie doit remettre une quantité équivalente d'énergie le plus rapidement possible et doit programmer le retour aux heures de pointe ou aux heures creuses, selon le moment de la journée où se sont produits les Échanges involontaires, à moins que le Comité n'en décide autrement.

through daily transfers or netting of Interchange Schedules, the Parties shall keep a record of Inadvertent Interchange over the Appalaches-Maine Interconnection on a monthly basis and pursuant to written IOA Protocols developed by the Appalaches-Maine Interconnection Operators Committee. Once the amount owed each month has been established, the Party owing the Inadvertent Interchange energy shall return equivalent amounts of such energy as soon as feasible, and shall schedule the return on an on-peak/off-peak basis that corresponds with the timing of the Inadvertent Interchange transfers, unless otherwise provided for by the Committee.

7.4 Les Parties doivent coordonner et administrer des programmes portant sur l'énergie nécessaire aux essais de l'Interconnexion des Appalaches-Maine, tels que ces programmes sont établis en conformité avec les programmes établis et transmis aux Parties par les Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine et selon les dispositions concernant l'énergie nécessaire aux essais prévues dans les tarifs, les règles du marché, les procédures d'exploitation et la réglementation applicables.

7.4 The Parties shall coordinate and administer test energy schedules over the Appalaches-Maine Interconnection, as such schedules are defined and communicated to the Parties by the Appalaches-Maine Asset Owners, and pursuant to the test energy provisions within applicable tariffs, market rules, operating procedures and regulations.

ARTICLE 8 : COMITÉ DES EXPLOITANTS DE L'INTERCONNEXION DES APPALACHES-MAINE

ARTICLE 8: APPALACHES-MAINE INTERCONNECTION OPERATORS COMMITTEE

8.1 Les Parties doivent créer et maintenir un Comité des exploitants de l'Interconnexion des Appalaches-Maine composé de quatre membres, dont deux sont nommés par Hydro-Québec et les deux autres par l'ISO.

8.1 The Parties shall establish and maintain an Appalaches-Maine Interconnection Operators Committee, consisting of four members, two appointed by Hydro-Québec, and two appointed by the ISO.

Chacune des Parties doit de plus nommer deux suppléants qui remplaceront au besoin les membres pendant leur absence. Chacune des Parties devra sans délai aviser l'autre par écrit de toute nomination, révocation et de tout remplacement. Le Comité doit se réunir au moins deux fois l'an, par téléconférence ou à un endroit convenu par les membres. Le Comité devra se conformer aux règlements administratifs qu'il aura lui-même établis.

Additionally, the Parties shall each appoint two alternate members that may fill in for the members in their absence. Prompt notice in writing shall be given by each Party to the other for all appointments, removals and replacements. The Committee shall meet at least semi-annually, by teleconference or at locations to be agreed to by the members. The Committee shall conduct itself in accordance with by-laws to be established by the Committee.

8.2 Le Comité est autorisé à faire, pour le compte des Parties, tout ce qui est nécessaire et raisonnable pour que les Parties puissent exécuter la présente Convention. L'étendue des responsabilités et des pouvoirs du Comité inclut les suivants : a) l'élaboration et la création de Protocoles CEI, y compris les ICC, qui soient compatibles avec les Critères de fiabilité, les Règles de l'art de l'industrie et les Protocoles CPA (y compris les ICE), lesdits protocoles étant produits conformément à la Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine ; b) la surveillance de la conformité avec les Protocoles CEI, y compris les ICC ; c) la coordination des programmes de maintenance des Zones d'équilibrage de la Nouvelle-Angleterre et du Québec ; d) la création et l'examen d'un protocole relatif à la déclaration des Urgences et à la façon d'y réagir, protocole qui soit conforme aux Critères de fiabilité, aux Règles de l'art de l'industrie ainsi qu'aux lois et règlements applicables ; e) la coordination et la mise en œuvre d'essais de fonctionnement et d'études portant sur les effets de l'Interconnexion des Appalaches-Maine sur les Réseaux interconnectés ; f) la coordination des inscriptions dans le système OASIS (*Open Access Same-Time Information System*) relativement à l'Interconnexion des

8.2 The Committee is authorized on behalf of the Parties to do all things necessary and reasonable to ensure that the Parties carry out this Agreement. The specific scope of responsibility and authority of the Committee shall include the following: (a) development and establishment of IOA Protocols, including CDI, that are consistent with Reliability Criteria, Good Utility Practice and the AOA Protocols (including the COI) issued pursuant to the Appalaches-Maine Asset Owners Agreement; (b) oversight of compliance with the IOA protocols, including CDI; (c) coordination of maintenance schedules between the New England and Québec Balancing Authority Areas; (d) establishment and review of a protocol for declaring and responding to Emergencies consistent with Reliability Criteria, Good Utility Practice and applicable laws and regulations; (e) coordination and implementation of operational tests and studies of the effects of the Appalaches-Maine Interconnection upon the Interconnected Systems; (f) coordination of OASIS (Open Access Same-Time Information System) postings for the Appalaches-Maine Interconnection (g) development of IOA Protocols for maximizing the reliability and operability of the

Appalaches-Maine ; g) l'élaboration de Protocoles CEI en vue de maximiser la fiabilité et l'exploitabilité de l'Interconnexion des Appalaches-Maine, en accord avec les impératifs de fiabilité et les contraintes imposés par les règles du marché régional et de contrôle ; h) l'élaboration de Protocoles CEI portant sur le retour de l'énergie provenant d'Échanges involontaires ou sur d'autres formes de remboursement ; i) l'élaboration de Protocoles CEI relatifs à l'échange de renseignements sur l'exploitation de l'Interconnexion des Appalaches-Maine, en accord avec les exigences de confidentialité de l'article 9 de la présente Convention ; j) la recommandation aux Parties d'apporter des modifications à la présente Convention ; le Comité n'a toutefois pas l'autorité de modifier, de renoncer ou de déroger à aucune des dispositions de la présente Convention ; k) la mise sur pied de sous-comités et de groupes de travail chargés d'aider le Comité à s'acquitter de ses obligations en vertu de la présente Convention ; et l) la réalisation de toute autre activité raisonnable et nécessaire en vue de l'exécution de la présente Convention et des obligations des Parties.

8.3 Aucune action, y compris et sans s'y limiter, l'approbation et l'adoption d'un Protocole CEI, ne pourra être approuvée et adoptée par le Comité à moins de faire l'objet d'un vote unanime, chaque membre disposant d'un vote égal au vote de chacun des autres membres. L'ordre du jour des réunions du Comité sera transmis à l'avance au Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine et le Comité s'efforcera, dans la mesure du possible, de fournir cet ordre du jour au plus tard cinq

Appalaches-Maine Interconnection consistent with maintaining reliability and constraints imposed by regional market and dispatch rules; (h) development of IOA Protocols for the return of Inadvertent Interchange energy or other reimbursement; (i) development of IOA Protocols for the exchange of information regarding the operation of the Appalaches-Maine Interconnection consistent with the confidentiality requirements of Article 9 of this Agreement; (j) recommendation to the Parties of amendments to this Agreement, however, the Committee shall have no authority to amend, waive or derogate from any provisions of this Agreement; (k) establishment of subcommittees and working groups to assist the Committee in the performance of its responsibilities under this Agreement; and (l) the performance of any other activities that are necessary and reasonable to carry out the purpose of this Agreement and the obligations of the Parties.

8.3 For an action to be approved and adopted by the Committee, including, but not limited to, the approval and adoption of an IOA Protocol, it must receive a unanimous vote. Each member has one vote of equal weight to each other vote. Agendas of the Committee's meetings will be provided in advance of the meetings to the Appalaches-Maine Asset Owners Committee, and the Committee will use best efforts to provide such agendas on or before five (5) Business Days before the meeting dates.

(5) Jours ouvrables avant la date de la réunion.

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| <p>8.4 Chacune des Parties doit acquitter les frais de ses propres membres siégeant sur le Comité et ceux de leurs suppléants. Les frais communs engagés par le Comité pour des activités relatives à l'Interconnexion des Appalaches-Maine seront assumés à parts égales par les Parties ou par les mandants pour lesquels les Parties agissent à titre de mandataires, ou seront répartis suivant d'autres proportions que pourra déterminer le Comité.</p> | <p>8.4 Each Party shall pay the expenses of its own members and alternates on the Committee. Any expenses jointly incurred by the Committee for activities pertaining to the Appalaches-Maine Interconnection shall be shared equally by the Parties or the principals for whom the Parties are acting as agents, or shall be allocated in such other proportion as may be agreed upon by the Committee.</p> |
| <p>8.5 Le Comité échangera, le cas échéant, des renseignements et opinions avec le Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine, le Personnel d'exploitation de l'Interconnexion des Appalaches-Maine, Hydro-Québec et l'ISO, en vue de l'exécution de la présente Convention.</p> | <p>8.5 The Committee shall exchange information and views, as appropriate, to carry out this Agreement, with the Appalaches-Maine Asset Owners Committee, Appalaches-Maine Operating Personnel, Hydro-Québec, and the ISO.</p> |
| <p>8.6 Tout Protocole CEI émis par le Comité conformément à la présente Convention doit l'être par écrit.</p> | <p>8.6 Any and all IOA Protocols issued by the Committee made pursuant to this Agreement shall be in writing.</p> |
| <p>8.7 Les Protocoles CEI ne doivent pas modifier de façon significative les tarifs, les modalités et les conditions du service de transport prévus pour l'Interconnexion des Appalaches-Maine.</p> | <p>8.7 IOA Protocols shall not significantly affect rates, terms and conditions for transmission service provided over the Appalaches-Maine Interconnection.</p> |
| <p>8.8 Les parties ne disposant pas du droit de vote, y compris le Personnel d'exploitation de l'Interconnexion des Appalaches-Maine, peuvent assister aux réunions du Comité, sous réserve du respect des normes de conduite et des restrictions applicables en matière de partage de renseignements avec des parties s'adonnant à des activités marchandes.</p> | <p>8.8 Committee meetings may be attended by non-voting parties, including Appalaches-Maine Operating Personnel, in accordance with applicable standards of conduct and applicable restrictions on the sharing of information with those engaged in merchant functions. Notwithstanding this provision, the Parties reserve the right to have certain</p> |

Nonobstant cette disposition, les Parties se réservent le droit de tenir certaines discussions lors de réunions du Comité en la seule présence des membres du Comité ou de leurs suppléants.

Committee meeting discussions take place solely among Committee members or alternates.

ARTICLE 9 : CONFIDENTIALITÉ ; NORMES DE CONDUITE ; ACCÈS AUX DOSSIERS ET AUX DOCUMENTS

ARTICLE 9: CONFIDENTIALITY; STANDARDS OF CONDUCT; ACCESS TO RECORDS AND DOCUMENTS

9.1 L'information fournie par une Partie à l'autre Partie en vertu de la présente Convention et marquée ou autrement désignée comme confidentielle par la Partie qui la divulgue (la « **Partie divulgatrice** »), quel qu'en soit la forme ou le mode de transmission, est considérée comme de l'information confidentielle (l'« **Information confidentielle** »). La Partie qui reçoit de l'Information confidentielle (le « **Destinataire** ») doit la traiter comme telle et ne doit à aucun moment la divulguer, en totalité ou en partie, à quelque personne que ce soit, sauf à son mandant en ce qui a trait aux sujets pour lesquels il existe une relation mandant-mandataire et à ses employés, consultants et représentants qui se doivent de connaître cette Information confidentielle, et sauf comme il est prévu au paragraphe 9.2 de la présente Convention. Nonobstant ce qui précède, chaque Partie doit traiter l'Information confidentielle conformément à sa politique de l'information et à son code de conduite applicables. Chaque Partie conserve la totalité de ses droits, titres et intérêts en regard de l'Information confidentielle qu'elle divulgue à l'autre Partie. Chaque Partie doit exercer au moins le même niveau de diligence pour protéger l'Information confidentielle qu'elle reçoit que celui dont elle fait preuve pour

9.1 Information supplied under this Agreement by one Party to the other and marked or otherwise designated by the Party disclosing the information ("**Disclosing Party**") as confidential, regardless of the form of the information, or the method by which the information is transmitted, will be considered confidential information ("**Confidential Information**"). The Party receiving the Confidential Information ("**Recipient**") shall treat as confidential all Confidential Information and shall not at any time disclose any of the Confidential Information to any other person, except its principal with respect to such matters as there is a principal/agent relationship, and its employees, consultants and representatives on a need-to-know basis, and except as provided for in Section 9.2 of this Agreement; notwithstanding the foregoing, each Party shall treat Confidential Information in accordance with its respective applicable information policy and code of conduct. Each Party retains all rights, title and interest in the Confidential Information it discloses to the other Party. Each Party shall use at least the same standard of care to protect the Confidential Information it receives as it uses to protect its own Confidential Information.

protéger sa propre Information confidentielle.

9.2 L'Information confidentielle ne comprend aucune des informations correspondant aux situations suivantes :

- a) une information qui est généralement disponible à l'industrie électrique ou du public au moment de sa divulgation ; b) une information qui, après sa réception par le Destinataire , devient couramment à la disposition de l'industrie électrique ou du public en raison de sa divulgation par la Partie divulgatrice ou ses représentants ; c) le Destinataire fournit une preuve crédible démontrant que cette information était à sa disposition sans être sous le sceau du secret avant sa divulgation ; d) après réception, le Destinataire établit, au moyen d'une preuve crédible, que cette information avait été mise à sa disposition sans être sous le sceau du secret par une source autre que la Partie divulgatrice ou ses représentants, sans transgresser la présente Convention ; e) une information qui doit être divulguée de par la loi, y compris en vertu de toute législation en matière d'accès à l'information ou d'une exigence de la Régie de l'énergie du Québec, de la Régie de l'énergie du Canada, de la FERC, du département de l'énergie des États-Unis (DOE), d'une autre autorité gouvernementale ou d'un tribunal compétent, lorsqu'il n'y a pas d'autre option raisonnable à une telle divulgation ; f) une information qui doit être divulguée par l'une des Parties dans l'exercice de ses fonctions et attributions en vue de l'exploitation du réseau ou de la gestion du tarif de transport, lorsqu'il n'y a pas d'autre option raisonnable à une telle divulgation ; g) une information qui doit être divulguée par l'une des Parties à un conseil national ou régional en matière de fiabilité, en sa qualité de

9.2 Confidential Information shall not include any information provided which:

- (a) is generally available to the electric industry or the public at the time of disclosure; (b) subsequent to receipt by the Recipient, becomes generally available to the electric industry or the public as a result of disclosure by the Disclosing Party or its representatives; (c) the Recipient can establish by credible evidence that it was available to the Recipient on a non-confidential basis prior to its disclosure to the Recipient; (d) subsequent to receipt by the Recipient, the Recipient can establish by credible evidence that it became available to the Recipient on a non-confidential basis from a source other than the Disclosing Party or its representatives without breach of this Agreement; (e) must be disclosed by law, including pursuant to freedom of information legislation, or pursuant to requirement of the Québec Régie de l'énergie, the Canada Energy Regulator, the FERC, the United States Department of Energy (DOE), and any other governmental authority or tribunal having jurisdiction where there is no reasonable alternative to such disclosure; (f) must be disclosed by one of the Parties in connection with the performance of its duties and functions for reasons of power system operation or transmission tariff administration where there is no reasonable alternative to such disclosure; (g) must be disclosed by one of the Parties to a national or regional reliability council as a consequence of its membership in such a national or regional reliability council where there is no reasonable alternative to such disclosure.

membre d'un tel conseil, lorsqu'il n'y a pas d'autre option raisonnable à une telle divulgation.

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| <p>9.3 Avant de divulguer ou de fournir une Information confidentielle reçue, le Destinataire doit informer, dans les plus brefs délais, par écrit, la Partie divulgatrice des demandes ou requêtes de divulgation ou de communication de cette Information confidentielle, afin que la Partie divulgatrice ait la possibilité d'empêcher une telle divulgation.</p> | <p>9.3 Each Recipient shall provide prompt notice in writing to the Disclosing Party of any demands or requests to disclose or provide any Confidential Information prior to disclosing or furnishing the Confidential Information so as to afford the Disclosing Party a reasonable opportunity to prevent the disclosure.</p> |
| <p>9.4 Les dispositions relatives à la confidentialité du présent article 9 demeurent en vigueur pour une période d'un an à compter de la date de résiliation de la présente Convention et s'appliquent aux Parties pendant toute cette période. Advenant la résiliation de la présente Convention, pour quelque motif que ce soit, chaque Partie devra, dans les dix (10) jours suivant la réception d'une demande écrite de l'autre Partie, déployer des efforts raisonnables pour détruire, effacer ou supprimer, ou encore rendre à la Partie demanderesse, toute Information confidentielle qu'elle a reçue de cette Partie.</p> | <p>9.4 The confidentiality provisions of this Article 9 shall survive the termination of this Agreement for one year from the date of such termination and shall apply to the Parties for such time period. Upon termination of this Agreement, for any reason, each Party shall, within ten (10) days of receipt of a written request from the other Party, use reasonable efforts to destroy, erase or delete, or return to the requesting Party, any and all Confidential Information it has received from that Party.</p> |
| <p>9.5 À la demande du Comité des exploitants de l'Interconnexion des Appalaches-Maine et sous réserve des exigences en matière de confidentialité de la présente Convention, chaque Partie doit fournir dans les plus brefs délais au Comité ou à ses représentants désignés tous les documents ou toute l'information nécessaires pour permettre au Comité de remplir ses fonctions et aux Parties de respecter leurs obligations en vertu des présentes. Une Partie n'est toutefois pas tenue de fournir au Comité ou à l'autre Partie des</p> | <p>9.5 Upon the request of the Appalaches-Maine Interconnection Operators Committee and subject to the confidentiality requirements of this Agreement, each Party shall supply promptly to the Committee or its designated representatives any and all documents or information required to enable the Committee to perform its duties and for the Parties to fulfill their obligations under this Agreement; provided, however that a Party shall not be obligated to supply to the Committee</p> |

documents ou de l'information si elle estime, de façon raisonnable, que leur confidentialité ne sera pas adéquatement protégée en vertu des exigences du présent article 9.

or the other Party any documents or information if, in its reasonable judgment, the confidentiality of such documents or information would not be properly protected in accordance with the requirements of this Article 9.

9.6 Aucune Partie ne doit exploiter l'Interconnexion des Appalaches-Maine, ni divulguer d'information sur l'exploitation de l'Interconnexion des Appalaches-Maine, de manière à accorder un avantage concurrentiel à un ou plusieurs participants du marché ou Affiliées ou pour discriminer indûment ou préférer indûment un participant du marché ou un Affilié, en contravention des lois, règlements ou normes de conduite qui s'appliquent à cette Partie.

9.6 No Party shall operate the Appalaches-Maine Interconnection, or disclose information about the operation of the Appalaches-Maine Interconnection, so as to give a competitive advantage to one or more market participants or Affiliates or to otherwise unduly discriminate against or unduly prefer a market participant or Affiliates in a way that is inconsistent with any law, regulation, or standards of conduct applicable to that Party.

9.7 Le Comité des exploitants de l'Interconnexion des Appalaches-Maine doit avoir accès, à toute heure raisonnable, aux dossiers et aux données dont chaque Partie a la possession, la garde ou le contrôle, qui sont pertinents pour l'exécution des obligations de chaque Partie en vertu de la présente Convention, et qui ne sont pas autrement protégés par des règles ou des conventions régissant leur confidentialité. Tout membre du Comité peut demander à ce que le Comité cherche à avoir accès à ces données, les autres membres du Comité ne devant pas refuser une telle demande sans motif raisonnable. En cas de désaccord entre les Parties sur la raisonabilité de la demande, ce désaccord sera résolu conformément aux dispositions de règlement des différends de l'article 14 de la présente Convention. Les coûts liés à l'accès à cette information sont assumés par la Partie demanderesse. La Partie qui conserve la possession, la garde ou le contrôle de ces données peut percevoir un tarif raisonnable

9.7 The Appalaches-Maine Interconnection Operators Committee shall have access at all reasonable times to the records and other data in the possession, custody or control of each Party that are relevant and pertinent to the performance by each of the Parties of their respective obligations under this Agreement, and that are not otherwise protected under rules or agreements governing the confidentiality of such records and other data. Any member of the Committee may request that the Committee seek access to such data, which request shall not be unreasonably denied by the other members of the Committee. In case of a disagreement between the Parties on the reasonableness of the request, such disagreement shall be resolved pursuant to the dispute resolution provisions in Article 14 of this Agreement. The cost of accessing such data shall be borne by the requesting Party. A reasonable fee may be assessed on the requesting Party by the Party that maintains possession,

auprès de la Partie demanderesse en compensation du recours à son personnel pour lui permettre l'accès à ses livres, à ses dossiers ou à ses comptes.

custody or control of such data to compensate it for the use of its personnel in providing the requesting Party access to its books, records, or accounts.

ARTICLE 10 : FORCE MAJEURE

ARTICLE 10: FORCE MAJEURE

10.1 Chaque Partie aux présentes doit faire preuve de la diligence voulue pour exécuter ses obligations en vertu de la présente Convention. Il peut toutefois survenir des situations qui empêchent ou retardent cette exécution par une des Parties en raison d'une ou de plusieurs causes hors de son contrôle ou imprévisibles raisonnablement par cette Partie, y compris, sans s'y limiter, l'un des événements suivants : bris ou accident du matériel ou des équipements et ne résultant pas d'un manque de précautions ou de maintenance appropriées, inondation, séisme, tempête, tempête de verglas, foudre, perturbations magnétiques ou solaires, incendie, explosion, épidémie, guerre, actes terroristes, émeute, troubles publics, conflit de travail, grève, sabotage et contrainte imposée par un tribunal ou par une autorité publique que l'une ou l'autre des Parties n'aurait pu raisonnablement être en mesure d'éviter, malgré l'exercice de toute la diligence et la prévoyance voulues (« **Force majeure** »). Une Partie ne sera pas considérée en défaut relativement à une obligation en vertu de la présente Convention si elle est empêchée de respecter cette obligation en raison d'un événement de Force Majeure. Nonobstant ce qui précède, aucun événement de Force Majeure n'excusera une Partie de tout paiement, charge, pénalité, conséquence financière ou responsabilité de règlement qu'elle doit effectuer en vertu de la présente Convention. Une Partie dont l'exécution en vertu de la présente Convention est empêchée ou retardée par un événement de

10.1 Each Party hereto shall use due diligence to perform its obligations under this Agreement but conditions may arise which prevent or delay performance by one or the other because of a cause or causes beyond a Party's reasonable control and foresight, including, but not limited to, breakage or accident to machinery or equipment not due to lack of proper care or maintenance, flood, earthquake, storm, ice storm, lightning, magnetic or solar disturbances, fire, explosion, epidemic, war, terrorist acts, riot, civil disturbance, labor trouble, strike, sabotage and restraint by court or public authority which by exercise of due diligence and foresight either Party could not reasonably be expected to avoid ("**Force Majeure**"). A Party shall not be considered in default as to an obligation under this Agreement if it is prevented from fulfilling such obligation by reason of an event of Force Majeure. Notwithstanding the foregoing, no event of Force Majeure shall excuse a Party from any payment, charge, penalty, financial consequence or settlement responsibility that it is obligated to make under this Agreement. A Party whose performance under this Agreement is prevented or delayed by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement and promptly notify the other Party of the commencement and the end of the event of Force Majeure. Notwithstanding the general reasonable efforts standard herein, settlement of

Force Majeure doit faire tous les efforts raisonnables pour remplir ses obligations en vertu de la présente Convention et notifier rapidement l'autre Partie du début et de la fin de l'événement de Force Majeure. Nonobstant la norme générale d'efforts raisonnables énoncée aux présentes, le règlement de grèves et de perturbations du travail qui constituent un événement de Force Majeure sera entièrement à la discrétion de la Partie qui est soumise à cette grève ou perturbation du travail.

strikes and labor disturbances that constitute an event of Force Majeure shall be wholly within the discretion of the Party that is subject to such strike or labor disturbance.

ARTICLE 11 : MANQUEMENT ; CORRECTION ; RÉSILIATION

ARTICLE 11: DEFAULT; CURE; TERMINATION

11.1 Le terme « **Manquement** » signifie le défaut d'une Partie d'exécuter une obligation dans les délais ou de la manière prévus dans la présente Convention. Il n'y a pas de Manquement lorsqu'un tel défaut résulte d'un cas de Force majeure ou lorsque l'exécution de l'obligation est empêchée par un acte ou une omission de l'autre Partie. En cas de Manquement, la Partie qui n'est pas en défaut doit remettre un avis écrit à propos dudit Manquement à la Partie en défaut dans les trente (30) jours suivant le moment où elle aura pris connaissance du Manquement. La Partie en défaut dispose de trente (30) jours à compter de la réception de l'avis de Manquement pour corriger ce Manquement, sous réserve toutefois que, si le Manquement ne peut être corrigé dans les trente (30) jours, la Partie en défaut entreprenne la correction dans les trente (30) jours suivant l'avis et poursuive l'exécution de la correction de façon continue et avec diligence sur une période de quatre-vingt-dix (90) jours à compter de la réception de l'avis de Manquement. S'il est remédié au Manquement dans ce délai,

11.1 The term “**Default**” shall mean the failure of either Party to perform any obligation in the time or manner provided in this Agreement. No Default shall exist where such failure to discharge an obligation by one Party is the result of Force Majeure or where the performance was prevented by an act or omission of the other Party. Upon an event of Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party within thirty (30) days of becoming aware of the Default. The defaulting Party shall have thirty (30) days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) days, the defaulting Party shall commence such cure within thirty (30) days after notice and continuously and diligently complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

le Manquement décrit dans l'avis reçu cesse d'exister.

11.2 S'il n'est pas remédié à un Manquement conformément aux dispositions du paragraphe 11.1 de la présente Convention, ou si un Manquement ne peut être corrigé dans les limites de la période précisée au paragraphe 11.1, la Partie qui n'est pas en défaut a le droit de résilier la présente Convention en tout temps au moyen d'un avis écrit et est libérée de toute obligation en vertu de la présente Convention, à l'exception des obligations qui subsistent à sa résiliation, tel que prévu expressément. Que la Partie qui n'est pas en défaut choisisse ou non de résilier la présente Convention, elle a le droit de récupérer sans délai tous les montants dus en vertu de la présente Convention de la Partie en défaut, en plus de tout autre montant qu'elle est en droit d'obtenir à titre de dommages et recours. Les dispositions du présent paragraphe concernant la récupération des montants dus et des dommages survivent à la résiliation de la présente Convention.

ARTICLE 12 : INDEMNISATION ; ASSURANCES ; LIMITES DE RESPONSABILITÉ

12.1 Indemnisation

a) Sous réserve des dispositions des alinéas 12.6 b) et 12.6 c), i) Hydro-Québec doit indemniser l'ISO et la dégager de toute responsabilité relativement ou contre tout dommage, perte, responsabilité, obligation, réclamation, demande, poursuite, action en justice, recouvrement, jugement, règlement, coût et dépense, frais judiciaire, honoraire d'avocat, et de

11.2 If a Default is not cured as provided in Section 11.1 of this Agreement, or if a Default is not capable of being cured within the period provided for in Section 11.1, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time, and shall be relieved of any further obligation under this Agreement, except those obligations that expressly survive termination of this Agreement. Whether or not the non-defaulting Party chooses to terminate this Agreement, it shall have the right to immediately recover from the defaulting Party all amounts due under this Agreement, plus all other damages and remedies to which it is entitled at law. The provisions of this Section regarding recovery of amounts due and damages shall survive the termination of this Agreement.

ARTICLE 12: INDEMNIFICATION; INSURANCE; LIMITATIONS ON LIABILITY

12.1 Indemnification

(a) Subject to Sections 12.6(b) through 12.6(c), (i) Hydro-Québec shall release, indemnify, and hold harmless the ISO from and against any and all damages, losses, liabilities, obligations, claims, demands, suits, proceedings, actions, recoveries, judgments, settlements, costs and expenses, court costs, attorney fees, and all other obligations (each, an

toute autre obligation (chaque élément étant un « **Dommage indemnisable** ») invoqués contre l'ISO par une personne n'étant pas Partie à la présente Convention (un « **Tiers** »), y compris, sans s'y limiter, les actions intentées par un employé de Hydro-Québec, qui, prétendument, résultent ou découlent de, ou sont autrement associés à des actes ou des omissions de Hydro-Québec donnant lieu à un tel Dommage indemnisable ou sont associées à de tels actes ou omissions ; et ii) l'ISO doit indemniser Hydro-Québec et la dégager de toute responsabilité en cas de Dommage indemnisable invoqué contre Hydro-Québec par un Tiers, y compris, sans s'y limiter, des actions intentées par un employé de l'ISO, qui, prétendument, résultent ou découlent d'actes ou d'omissions de l'ISO donnant lieu à un tel Dommage indemnisable, y compris une directive ou des instructions de l'ISO à une Partie, ou sont associés à de tels actes ou omissions.

- b) L'indemnisation par chaque Partie, décrite au paragraphe 12.1 a) ci-dessus, est limitée dans la mesure où la responsabilité d'une Partie qui demande indemnisation est limitée par toute loi applicable et résulte d'une réclamation i) d'une Partie agissant à titre de client du service de transport ou ii) d'un client de cette Partie.
- c) Par les présentes, Hydro-Québec et l'ISO : i) renoncent à toute défense ou immunité dont elles pourraient autrement profiter en vertu des lois applicables relativement à l'indemnisation des accidents du travail ou de toute autre législation ou décision judiciaire rejetant ou limitant une telle indemnisation ; et ii) consentent à une cause d'action pour indemnité ou une

“**Indemnifiable Loss**”) asserted against the ISO by a person that is not a Party to this Agreement (a “**Third Party**”) including but not limited to any action by a Hydro-Québec employee, to the extent alleged to result from, arise out of or be related to Hydro-Québec's acts or omissions that give rise to such Indemnifiable Loss; and (ii) the ISO shall release, indemnify, and hold harmless Hydro-Québec from and against any Indemnifiable Loss asserted against Hydro-Québec by a Third Party, including but not limited to any action by an ISO employee, to the extent alleged to result from, arise out of or be related to the ISO's acts or omissions that give rise to such Indemnifiable Loss, including an ISO directive or instructions to a Party.

- b) The indemnification by each Party set forth in Section 12.1(a) above shall be limited to the extent that the liability of a Party seeking indemnification would be limited by any applicable law and arises from a claim by (i) such Party in such Party's role as a transmission customer or (ii) a customer of such Party.
- (c) Hydro-Québec and the ISO hereby (i) waive any defense or immunity it might otherwise have under applicable workers' compensation laws or any other statute, or judicial decision, disallowing or limiting such indemnification and (ii) consent to a cause of action for indemnity or

contribution en relation avec une telle indemnisation.

contribution in connection with such indemnification.

12.2 Avis de procédures. Chaque Partie admissible à une indemnisation en vertu de la présente Convention (chacune étant un « **Indemnitaire** ») doit aviser sans délai la Partie qui a une obligation d'indemnisation en vertu des présentes (dans chaque cas, la « **Partie indemnissante** ») de tout Dommage indemnisable pour lequel l'Indemnitaire a ou peut avoir droit à une indemnisation aux termes du paragraphe 12.1 ci-dessus. Un tel avis doit être donné dès qu'il est raisonnablement possible de le faire après que l'Indemnitaire a pris connaissance du Dommage indemnisable et du fait que la réclamation ou le litige peut entraîner une obligation d'indemnisation en vertu des présentes. Cet avis doit décrire la nature du préjudice ou du litige avec suffisamment de détails et doit indiquer, dans la mesure du possible, le montant estimé du Dommage indemnisable qui a été ou peut être subi par l'Indemnitaire. Le retard ou le défaut de l'Indemnitaire de produire l'avis requis en vertu du présent paragraphe 12.2 ne dégage la Partie indemnissante d'aucune obligation d'indemnisation qu'elle peut avoir envers cet Indemnitaire, sauf dans la mesure où a) un tel défaut ou retard a des incidences défavorables importantes sur la capacité de la Partie indemnissante à contester une telle action ou a pour effet d'augmenter le montant du Dommage indemnisable ; et b) la Partie indemnissante n'est pas responsable des coûts ou des dépenses de l'Indemnitaire dans la contestation de la réclamation, de la poursuite, de l'action ou de la procédure pendant la période de défaut ou de retard.

12.2 Notice of Proceedings. Each Party entitled to receive indemnification under this Agreement (each, an “**Indemnatee**”) shall promptly notify the Party who holds an indemnification obligation hereunder (in each case, the “**Indemnifying Party**”) of any Indemnifiable Loss in respect of which such Indemnatee is or may be entitled to indemnification pursuant to Section 12.1 above. Such notice shall be given as soon as reasonably practicable after the Indemnatee becomes aware of the Indemnifiable Loss and that any such claim or proceeding may give rise to an indemnification obligation hereunder. Such notice shall describe the nature of the loss or proceeding in reasonable detail and shall indicate, if practicable, the estimated amount of the Indemnifiable Loss that has been or may be sustained by the Indemnatee. The delay or failure of such Indemnatee to provide the notice required pursuant to this Section 12.2 shall not release the Indemnifying Party from any indemnification obligation which it may have to such Indemnatee except (a) to the extent that such failure or delay materially and adversely affects the Indemnifying Party's ability to defend such action or increases the amount of the Indemnifiable Loss, and (b) that the Indemnifying Party shall not be liable for any costs or expenses of the Indemnatee in the defense of the claim, suit, action or proceeding during such period of failure or delay.

12.3 Contestation des réclamations

- a) À moins et jusqu'à ce que la Partie indemnisante i) reconnaisse par écrit son obligation dans les dix (10) jours civils de l'avis de l'Indemnitaire concernant une réclamation, une poursuite, une action, une demande ou une procédure et ii) prenne en charge la contestation de cette réclamation, poursuite, action, demande ou procédure selon les termes de l'alinéa 12.3 b) ci-après, l'Indemnitaire a le droit, mais non l'obligation, de contester, défendre et plaider, avec l'avocat de son choix, toute réclamation, action, poursuite, demande ou procédure d'un Tiers alléguée ou invoquée contre cet Indemnitaire résultant ou découlant d'un fait en regard duquel il a le droit d'être indemnisé en vertu des présentes ou associée à un tel fait. Les coûts et les dépenses raisonnables correspondantes sont couverts par les obligations d'indemnisation de la Partie indemnisante aux termes des présentes.
- b) En reconnaissant par écrit son obligation d'indemniser un Indemnitaire jusqu'à concurrence de ce qui est requis par les dispositions du présent article 12 et en payant les frais raisonnables engagés par cet Indemnitaire pour sa défense, y compris des honoraires raisonnables d'avocat, la Partie indemnisante a le droit, à sa discrétion (sous réserve des dispositions de l'alinéa 12.3 d) ci-dessous), de prendre en charge et de diriger la contestation d'une telle réclamation, action, poursuite, demande ou procédure à ses frais, en retenant les services d'un avocat de son choix, à la

12.3 Defense of Claims

- (a) Unless and until the Indemnifying Party (i) acknowledges in writing its obligation within ten (10) calendar days of the Indemnitee's notice of a claim, suit, action, demand, or proceeding, and (ii) assumes control of the defense of such claim, suit, action, demand, or proceeding in accordance with Section 12.3 (b) below, the Indemnitee shall have the right, but not the obligation, to contest, defend and litigate, with counsel of its own selection, any claim, action, suit, demand, or proceeding by any Third Party alleged or asserted against such Indemnitee in respect of, resulting from, related to or arising out of any matter for which it is entitled to be indemnified hereunder, and the reasonable costs and expenses thereof shall be subject to the indemnification obligations of the Indemnifying Party hereunder.
- (b) Upon acknowledging in writing its obligation to indemnify an Indemnitee to the extent required pursuant to this Article 12 and paying all reasonable costs incurred by such Indemnitee in its defense, including reasonable attorney's fees, the Indemnifying Party shall be entitled, at its option (subject to Section 12.3(d) below), to assume and control the defense of such claim, action, suit, demand, or proceeding at its expense with counsel of its selection, subject to the prior reasonable approval of the Indemnitee.

condition d'avoir obtenu au préalable l'approbation de l'Indemnitaire.

c) Ni la Partie indemnissante ni l'Indemnitaire n'est autorisé à régler ou à accepter un compromis pour une telle réclamation, action, poursuite, demande ou procédure sans le consentement écrit préalable de l'autre Partie, à la condition toutefois qu'un tel consentement ne soit pas refusé indûment.

d) Après l'acceptation de l'indemnisation et la prise en charge de la défense par la Partie indemnissante en vertu de l'alinéa 12.3 b) ci-dessus, l'Indemnitaire aura le droit d'engager son propre avocat, et ce dernier pourra participer à la réclamation, à l'action, à la poursuite, à la demande ou à la procédure. Cependant les frais et les dépenses associés aux services de cet avocat seront à la charge de l'Indemnitaire, lorsqu'ils surviendront et tels qu'engagés, à moins que i) l'embauche de cet avocat par l'Indemnitaire ait été autorisée par écrit par la Partie indemnissante ; ii) l'Indemnitaire ait raisonnablement conclu et avisé précisément la Partie indemnissante qu'il pourrait y avoir conflit d'intérêt entre la Partie indemnissante et l'Indemnitaire dans la conduite de la défense de cette réclamation, action, poursuite, demande ou procédure ; iii) la Partie indemnissante n'ait pas effectivement embauché un avocat indépendant à la satisfaction de l'Indemnitaire pour assumer la défense de cette réclamation, action, poursuite, demande ou procédure et en a été informée par l'Indemnitaire ; iv) l'Indemnitaire ait raisonnablement conclu et ait avisé précisément la Partie indemnissante qu'il pourrait avoir à sa disposition certaines défenses qui sont différentes ou qui s'ajoutent à celles dont la Partie

(c) Neither the Indemnifying Party nor the Indemnatee shall be entitled to settle or compromise any such claim, action, suit, demand or proceeding without the prior written consent of the other; provided, however, that such consent shall not be unreasonably withheld.

(d) Following the acknowledgment of the indemnification and the assumption of the defense by the Indemnifying Party pursuant to Section 12.3(b) above, the Indemnatee shall have the right to employ its own counsel and such counsel may participate in such claim, action, suit, demand, or proceeding, but the fees and expenses of such counsel shall be at the expense of such Indemnatee, when and as incurred, unless: (i) the employment of counsel by such Indemnatee has been authorized in writing by the Indemnifying Party; (ii) the Indemnatee shall have reasonably concluded and specifically notified the Indemnifying Party that there may be a conflict of interest between the Indemnifying Party and the Indemnatee in the conduct of the defense of such claim, action, suit, demand, or proceeding; (iii) the Indemnifying Party shall not in fact have employed independent counsel reasonably satisfactory to the Indemnatee to assume the defense of such claim, action, suit, demand, or proceeding and shall have been so notified by the Indemnatee; (iv) the Indemnatee shall have reasonably concluded and specifically notified the Indemnifying Party that there may be specific defenses available to it which are different from or additional to

indemnissante dispose, ou que la réclamation, l'action, la poursuite, la demande ou la procédure implique l'Indemnitaire ou pourrait avoir une incidence défavorable substantielle sur l'Indemnitaire au-delà de la portée de la présente Convention ; ou v) la Partie indemnissante n'ait pas pris les mesures raisonnables nécessaires pour assurer sa défense avec diligence dans les vingt (20) jours civils suivant la réception de l'avis de l'Indemnitaire indiquant que l'Indemnitaire est de l'avis que la Partie indemnissante a fait défaut de prendre ces mesures. Si l'un des énoncés ii), iii), iv) ou v) ci-dessus s'avère applicable, l'avocat de l'Indemnitaire a le droit de diriger la contestation de la réclamation, de l'action, de la poursuite, de la demande ou de la procédure au nom de l'Indemnitaire et les frais et les débours raisonnables de cet avocat seront des dépenses juridiques ou autres dépenses indemnissables aux présentes.

- e) Si le montant de tout Dommage indemnissable subi par un Indemnitaire, à tout moment après le paiement d'une indemnité par une Partie indemnissante en vertu des présentes, est réduit par recouvrement, règlement ou autrement selon ou en vertu de toute protection d'assurance, ou à la suite de tout paiement, recouvrement, règlement ou de toute réclamation par ou contre une autre entité, le montant d'une telle réduction, moins les coûts, les dépenses ou les primes engagés à leur égard, ainsi que les intérêts à compter de la date du paiement au taux que les banques commerciales consentent à leurs clients les mieux cotés, tel que publié dans la plus récente édition du *Wall Street Journal* dans la chronique « Monday Rates » (le « **Taux préférentiel** »), seront rapidement remboursés par l'Indemnitaire à la Partie indemnissante.

those available to the Indemnifying Party or that such claim, action, suit, demand, or proceeding involves or could have a material adverse effect upon the Indemnitee beyond the scope of this Agreement; or (v) the Indemnifying Party shall not have taken reasonable steps necessary to defend diligently such action within twenty (20) calendar days after receiving notice from the Indemnitee that the Indemnitee believes the Indemnifying Party has failed to take such steps. If clause (ii), (iii), (iv) or (v) of the preceding sentence shall be applicable, then counsel for the Indemnitee shall have the right to direct the defense of such claim, action, suit, demand, or proceeding on behalf of the Indemnitee and the reasonable fees and disbursements of such counsel shall constitute indemnifiable legal or other expenses hereunder.

- (e) If the amount of any Indemnifiable Loss incurred by an Indemnitee, at any time subsequent to the making of an indemnity payment by an Indemnifying Party in respect thereof, is reduced by recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement or payment by or against any other entity, the amount of such reduction, less any costs, expenses or premiums incurred in connection therewith, together with interest thereon from the date of payment thereof at the interest rate that commercial banks charge their most creditworthy borrowers, as published in the most recent *Wall Street Journal* in its "Monday Rates" column (the "**Prime Rate**"), shall promptly be repaid by the Indemnitee to the Indemnifying Party. In the event that

Dans le cas où la réclamation, l'action, la poursuite, la demande ou la procédure donnant lieu à un Dommage indemnisable est ultimement réglée, si une ordonnance définitive confirme que l'Indemnitaire n'avait pas droit à une indemnisation en vertu des présentes, le montant avancé par la Partie indemnissante en regard du Dommage indemnisable, ainsi que les intérêts courus depuis la date du paiement au Taux préférentiel devront rapidement être payés par l'Indemnitaire à la Partie indemnissante.

the claim, action, suit, demand, or proceeding giving rise to an Indemnifiable Loss is ultimately adjudicated, if a final order confirms that the Indemnatee was not entitled to indemnification hereunder, then the amount advanced by the Indemnifying Party in respect of such Indemnifiable Loss, together with interest thereon from the date of payment thereof at the Prime Rate, shall promptly be paid by the Indemnatee to the Indemnifying Party.

12.4 Subrogation. Au paiement de toute indemnisation par une Partie en vertu du présent article 12, la Partie indemnissante, de plein droit, est subrogée à toutes les réclamations, actions, poursuites, demandes ou procédures que l'Indemnitaire peut avoir ou pourrait avoir instituées en relation avec les présentes, et cet Indemnitaire, à la demande et aux frais de la Partie indemnissante, coopérera avec la Partie indemnissante et donnera, à la demande et aux frais de la Partie indemnissante, les autres confirmations nécessaires ou souhaitables pour permettre à la Partie indemnissante de poursuivre vigoureusement ces réclamations, actions, poursuites, demandes ou procédures.

12.4 Subrogation. Upon payment of any indemnification by a Party pursuant to this Article 12, the Indemnifying Party, without any further action, shall be subrogated to any and all claims, actions, suits, demands, or proceedings that the Indemnatee may have or have initiated relating thereto, and such Indemnatee shall at the request and expense of the Indemnifying Party cooperate with the Indemnifying Party and give at the request and expense of the Indemnifying Party such further assurances as are necessary or advisable to enable the Indemnifying Party vigorously to pursue such claims, actions, suits, demands, or proceedings.

12.5 Assurances

- a) Conformément aux Règles de l'art de l'industrie, l'ISO maintiendra, tout au long de la durée de la présente Convention: i) une assurance de biens ii) une assurance d'indemnisation des accidents du travail, iii) une assurance responsabilité civile couvrant les blessures corporelles (y compris la mort), les dommages matériels et la remise en état environnementale et iv)

12.5 Insurance

- (a) In accordance with Good Utility Practice, the ISO will maintain throughout the term of this Agreement: (i) property insurance, (ii) worker's compensation insurance, (iii) third-party liability insurance covering personal injuries (including death), damage to property and environmental restoration, and (iv) directors' and officers' insurance. The amount of the

une assurance des administrateurs et des dirigeants. Les montants des protections et des franchises d'assurance doivent être globalement comparables à ceux d'autres centres d'exploitation indépendants ou ISOs, compte tenu de la taille relative de l'ISO et de ses responsabilités contractuelles et tarifaires, comparativement aux autres Responsables de l'équilibrage ou ISOs qui administrent des structures de marché semblables. Dans l'évaluation des protections et des franchises comparables, l'ISO peut s'appuyer sur l'avis de ses consultants en assurance.

insurance coverages and deductibles shall generally be comparable to other independent system operators or ISOs, taking into consideration the relative size of the ISO and its contractual and tariff liabilities as compared to the other Balancing Authorities or ISOs administering similar market structures. In assessing the comparable coverages and deductibles, the ISO may rely on the advice of its insurance consultants.

b) Conformément aux Règles de l'art de l'industrie, Hydro-Québec maintiendra pendant toute la durée de cet Accord : (i) une assurance de biens sur ses installations de transport, (ii) une assurance d'indemnisation des accidents du travail, (iii) une assurance de responsabilité civile couvrant les blessures corporelles (y compris la mort), les dommages matériels et la remise en état environnementale, et (iv) une assurance des administrateurs et des dirigeants. Hydro-Québec peut auto-assurer de tels montants dans la mesure où elle s'auto-assure actuellement pour des polices et des montants semblables et, à la condition qu'une assurance de tiers soit souscrite par Hydro-Québec à la date de la présente Convention pour une assurance responsabilité civile excédentaire supérieure à 15 M\$ US, elle ne sera pas soumise aux exigences des alinéas 12.5 c), d), e) et f) ci-dessous.

(b) In accordance with Good Utility Practice, Hydro-Québec will maintain throughout the term of this Agreement: (i) property insurance on its transmission facilities, (ii) worker's compensation insurance, (iii) third-party liability insurance covering personal injuries (including death), damage to property and environmental restoration, and (iv) directors' and officers' insurance. Hydro-Québec may self insure such amounts to the extent it currently self insures similar policies and amounts, and, to the extent that any third party insurance is maintained as of the date of this Agreement by Hydro-Québec for excess liability insurance greater than \$15 million USD, it shall not be subject to the requirements of Sections 12.5 (c), (d), (e), and (f) below.

c) Toutes les polices d'assurance émises par des assureurs externes et requises en vertu du présent paragraphe 12.5 doivent être souscrites et maintenues en vigueur soit auprès d'assureurs qualifiés pour garantir les obligations et les

(c) All insurance required under this Section 12.5 by outside insurers shall be maintained with insurers qualified to insure the obligations or liabilities under this Agreement and having a Best's rating of at least A- (or an

responsabilités liées à la présente Convention et ayant une notation de crédit d'AM Best d'au moins A- (ou une notation équivalente émise par AM Best, le cas échéant) ou, si les évaluations d'AM Best ne sont plus émises à l'égard des assureurs de temps à autre, une notation comparable émise par une agence de notation de crédit reconnue à l'échelle nationale, soit auprès d'autres assureurs choisis conjointement par Hydro-Québec et l'ISO.

d) Hydro-Québec doit être inscrite comme partie assurée additionnelle sur les assurances responsabilité devant être souscrites par l'ISO, et l'ISO doit être inscrite comme partie assurée additionnelle sur les assurances responsabilité souscrites par Hydro-Québec. À la signature de la présente Convention, et à la demande par la suite, chaque Partie doit fournir à l'autre Partie les certificats de toutes ces polices d'assurance, indiquant les montants des protections, les numéros de police et la date d'expiration de telles assurances, en conformité avec les prescriptions applicables de la présente Convention. Lorsque Hydro-Québec s'auto-assure conformément à l'article 12.5(b), elle fournira une lettre d'auto-assurance au lieu d'un certificat d'assurance.

e) Les polices d'assurance souscrites par une Partie en vertu des présentes ne doivent pas être annulées ou résiliées, et leurs modalités ne doivent pas être modifiées sans qu'un préavis d'au moins trente (30) jours ait été donné à l'autre Partie.

f) De plus, pour tous les services à sous-traiter exclusivement par une Partie en vertu de la présente Convention, cette

équivalent Best's rating from time to time of A-), or in the event that from time to time Best's ratings are no longer issued with respect to insurers, a comparable rating by a nationally recognized rating service or such other insurers as may be agreed upon by Hydro-Québec and the ISO.

(d) Hydro-Québec shall be listed as additional insured parties on the liability insurance required to be maintained by the ISO and the ISO shall be listed as an additional insured party on the liability insurance maintained by Hydro-Québec. Upon execution of this Agreement, and when requested thereafter, each Party shall furnish each other Party with certificates of all such insurance policies setting forth the amounts of coverage, policy numbers, and date of expiration for such insurance in conformity with the applicable requirements of this Agreement. Where Hydro-Québec is self-insuring pursuant to Section 12.5(b), it shall provide an evidence of self-insurance letter in lieu of a certificate of insurance.

(e) Any insurance policies maintained by a Party hereunder shall not be canceled or terminated or the terms thereof modified or amended without at least thirty (30) days' prior notice to the other Party.

(f) In addition, for any services to be solely subcontracted by a Party under this Agreement, that Party shall ensure

Partie doit s'assurer que (i) chaque sous-traitant obtient et maintient toutes les assurances conformément aux pratiques de gestion des risques et d'assurance de cette Partie et (ii) que chaque sous-contrat contient une clause stipulant que les exigences d'assurance requises conformément aux pratiques de gestion des risques et d'assurance de chaque Partie ne doivent pas être interprétées comme une limitation de responsabilité ou limiter/réduire toute obligation d'indemnisation ou autres responsabilités/obligations maintenues en vertu du sous-contrat ou du contrat, ou de toute loi, règlement ou réglementation.

- g) Si une police d'assurance devant être souscrite par une Partie en vertu des présentes n'est pas disponible sous une forme commercialement raisonnable (prenant en considération tant les conditions que les primes), cette Partie obtiendra un rapport écrit d'un conseiller indépendant en assurance de renommée nationale, choisi par l'autre Partie et raisonnablement acceptable à la Partie assurée, confirmant avec suffisamment de détails qu'une telle police d'assurance, en ce qui touche au montant ou à la portée de la protection, n'est pas offerte sous une forme commercialement raisonnable par des assureurs renommés. Pendant toute période au cours de laquelle une police d'assurance requise par la présente Convention n'est pas offerte sur le marché, la Partie assurée doit néanmoins souscrire une assurance qui s'apparente, dans la mesure du possible, à la police requise, si une telle police est offerte sous une forme commercialement raisonnable par des assureurs renommés. Si une police d'assurance non détenue ou interrompue précédemment en raison de

that (i) each subcontractor procure and maintain all insurance as per that Party's risk management and insurance practices and (ii) that each subcontract contains a clause stating that the insurance requirements required as per each Party's risk management and insurance practices shall not be construed as a limitation of liability or limit/diminish any of contractor / subcontractors indemnity obligation(s) or other liabilities/responsibilities maintained under the subcontract or agreement, or any statutes, law or regulation.

- (g) If any insurance policy required to be maintained by a Party hereunder shall not be available to the Party on a commercially reasonable basis (taking into account both terms and premiums), the Party shall obtain a written report of an independent insurance advisor of recognized national standing, chosen by the other Party and reasonably acceptable to the insuring Party, confirming in reasonable detail that such insurance policy, in respect of amount or scope of coverage, is not available on a commercially reasonable basis from insurers of recognized standing. During any period with respect to which any insurance policy required by this Agreement is not commercially available, the insuring Party shall nevertheless maintain insurance that approximates such required insurance policy as closely as commercially practical, to the extent it is available on a commercially reasonable basis from insurers of recognized standing. If any insurance policy which was previously not held or discontinued because of its commercial unavailability later

sa non-disponibilité commerciale redevient disponible par la suite sous une forme commercialement raisonnable, la Partie assurée doit obtenir ou rétablir une telle assurance.

becomes available on a commercially reasonable basis, the insuring Party shall obtain or reinstate such insurance.

12.6 Acceptation de responsabilité

a) i) Hydro-Québec est responsable envers l'ISO et l'ISO est responsable envers Hydro-Québec des pertes, responsabilités, dommages, réductions de valeur, obligations, réclamations, procédures, amendes, déficiences et dépenses (collectivement les « **Pertes** ») causées par des actes de négligence ou des omissions graves ou une faute intentionnelle de sa part (y compris des actes de négligence ou des omissions graves ou une faute intentionnelle de ses administrateurs, de ses Affiliées, membres, dirigeants, employés, mandataires et entrepreneurs), relativement à l'exécution des obligations de la Partie en cause en vertu de la présente Convention ; et ii) aucune des Parties ne saurait être tenue responsable envers l'autre des dommages indirects, spéciaux, exemplaires, punitifs ou consécutifs, y compris des pertes de revenus ou de profits, même si ces dommages sont prévisibles ou que la Partie préjudiciée a informé l'autre Partie de la possibilité de l'occurrence de tels dommages, et indépendamment du fait que de tels dommages soient considérés comme un résultat de la défaillance ou du caractère inadéquat de tout recours exclusif ou autre. Les restrictions qui précèdent ne s'appliquent pas au droit des Parties de demander une indemnisation en vertu de la présente Convention,

12.6 Assumption of Liability

(a) (i) Hydro-Québec shall be liable to the ISO, and the ISO shall be liable to Hydro-Québec, for losses, liabilities, damages, diminution in value, obligations, claims, proceedings, fines, deficiencies and expenses (collectively, "**Losses**") caused by such Party's grossly negligent acts or omissions or willful misconduct (including the grossly negligent acts or omissions or willful misconduct of such Party's directors, Affiliates, members, officers, employees, agents and contractors) in connection with the performance of such Party of its obligations under this Agreement; and (ii) no Party shall be liable to the other Party for any incidental, indirect, special, exemplary, punitive or consequential damages, including lost revenues or profits, even if such damages are foreseeable or the damaged Party has advised such Party of the possibility of such damages and regardless of whether any such damages are deemed to result from the failure or inadequacy of any exclusive or other remedy. The foregoing limitations shall not apply to the right of the Parties to seek indemnification under this Agreement in accordance with Section 12.1 above.

conformément aux dispositions du paragraphe 12.1 ci-dessus.

b) Nulle disposition de la présente Convention ne doit être interprétée comme modifiant le droit de l'ISO de récupérer les frais occasionnés par sa responsabilité en vertu du présent article 12, par l'entremise de la convention des participants entre l'ISO, le New England Power Pool, et les Participants individuels (tel que défini dans une telle entente) ou du tarif administratif de l'ISO.

c) L'ISO n'est pas responsable envers Hydro-Québec des dommages subis par Hydro-Québec qui sont directement attribuables à la confiance accordée par l'ISO aux évaluations des installations établies par Hydro-Québec.

(b) Nothing in this Agreement shall be deemed to affect the right of the ISO to recover its costs due to liability under this Article 12 through the Participants Agreement between the ISO, the New England Power Pool, and Individual Participants (as defined therein) or the ISO's administrative tariff.

(c) The ISO shall not be liable to Hydro-Québec with respect to any damages incurred by Hydro-Québec that are directly attributable to the ISO's reliance on facility ratings established by Hydro-Québec.

ARTICLE 13 : LÉGISLATION APPLICABLE

13.1 La validité, l'interprétation et l'exécution de la présente Convention sont régies et mises en application conformément aux lois du Commonwealth du Massachusetts.

13.2 Dans la mesure où une Partie jouit d'une immunité absolue ou d'une autre immunité pouvant découler du fait que cette Partie est une subdivision d'une entité politique et que cette immunité empêcherait une autre Partie d'appliquer les conditions de la présente Convention en vertu de la *Federal Sovereign Immunities Act* (la « FSIA »), sous réserve de toute modification future de cette loi, les Parties reconnaissent que toutes les activités visées par la présente Convention doivent être considérées comme des activités commerciales et, de ce fait, sont admises à titre d'activités

ARTICLE 13: APPLICABLE LAW

13.1 The validity, interpretation and performance of this Agreement shall be governed by and enforced in accordance with the laws of the Commonwealth of Massachusetts.

13.2 To the extent that any Party has sovereign immunity or other immunity that might arise from being a subdivision of a political entity that would prevent the other Party from enforcing the terms of this Agreement, pursuant to the Federal Sovereign Immunities Act ("FSIA"), but subject to any future amendment to that Act, the Parties acknowledge that all activities under this Agreement shall be deemed commercial activities and, thus, are qualified to be a commercial activity exception within the meaning of the FSIA so that any

commerciales exceptées, au sens de la FSIA, de sorte que toute immunité pouvant être accordée à une Partie en vertu de cette loi ne s'applique pas aux présentes.

immunities that may be given to a Party pursuant to that Act do not apply to this Agreement.

ARTICLE 14 : RÈGLEMENT DES DIFFÉRENDS

ARTICLE 14: DISPUTE RESOLUTION

14.1 Les Parties doivent chercher de bonne foi à régler à l'amiable les différends qui surviennent aux termes de la présente Convention ou des Protocoles CEI. Si de tels différends ne peuvent être réglés dans un délai raisonnable après l'exécution de cette démarche, l'une ou l'autre des Parties peut soumettre le différend à l' « American Arbitration Association » (l'« AAA ») en vue d'un arbitrage obligatoire définitif, en application des règles d'arbitrage commercial de l'AAA, sous réserve des modifications ci-après. Un tel arbitrage est l'unique moyen de régler formellement les différends dans le cadre de la présente Convention, sauf si les Parties s'entendent sur l'utilisation d'une autre méthode.

14.1 The Parties shall make a good faith effort to resolve informally disputes that arise under this Agreement or under the IOA Protocols. If such disputes cannot be resolved within a reasonable time after such effort has been made, either Party may submit such dispute to the American Arbitration Association ("AAA") for mandatory binding arbitration under the AAA Commercial Arbitration Rules, as modified below. Such arbitration shall be the exclusive means for the formal resolution of disputes under this Agreement, unless the Parties agree to another means.

14.2 Dans les trente (30) jours suivant le dépôt d'un avis d'arbitrage auprès de l'AAA par la Partie demanderesse (ou conjointement par les Parties), les Parties doivent choisir un arbitre unique et neutre. Si les Parties ne s'entendent pas sur le choix de l'arbitre, elles doivent, au cours d'un délai supplémentaire de trente (30) jours, choisir un arbitre unique et neutre à partir d'une liste de dix (10) candidats compétents présentée par l'AAA. Pour être jugé compétent, un candidat doit être un arbitre expérimenté et posséder soit une expérience juridique, soit une expérience générale du sujet faisant l'objet du différend. En l'absence du consentement exprès écrit de chaque Partie quant à une personne en

14.2 Within thirty (30) days following filing of the notice of arbitration with the AAA by the claimant (or jointly by the Parties), the Parties shall choose a single, neutral arbitrator. If the Parties do not agree on an arbitrator, within thirty (30) more days the Parties shall choose a single, neutral arbitrator from a list of ten (10) qualified candidates presented by the AAA. To be qualified, a candidate shall be an experienced arbitrator and have either legal experience, or have experience in the general subject matter of the dispute. Absent the express written consent of each Party, as to any particular individual, no person shall be eligible for selection as arbitrator who is a past or present officer, employee or

particulier, aucun dirigeant, employé ou consultant, ancien ou actuel, de l'une des Parties ou d'une entité associée ou Affiliées à l'une ou l'autre des Parties, ou autrement concerné par la question faisant l'objet de l'arbitrage, ne pourra être choisi comme arbitre. Toute personne nommée comme arbitre doit dévoiler aux Parties, s'il y a lieu, l'existence d'une telle relation donnant lieu à une exclusion, et un nouvel arbitre devra alors être nommé. Si les parties en litige ne peuvent s'entendre sur le choix d'un arbitre, elles devront rayer à tour de rôle un nom sur la liste fournie par l'AAA, la première Partie à le faire ayant été déterminée par tirage au sort. La dernière personne restant sur la liste est désignée comme arbitre. Si cette personne ne peut ou ne veut servir d'arbitre, la personne dont le nom a été rayé en dernier sera désignée, et ainsi de suite jusqu'à la sélection d'une personne qui pourra et voudra être l'arbitre.

consultant of either of the Parties, or of any entity related to or Affiliated with either of the Parties or is otherwise interested in the matter to be arbitrated. Any individual designated as arbitrator shall make known to the Parties any such disqualifying relationship and a new arbitrator shall be designated. If the disputing parties cannot agree upon an arbitrator, they shall take turns striking names from the list supplied by the AAA, with a Party chosen by lot to strike first a name. The last remaining name on the list shall be designated as arbitrator. If that individual is unable or unwilling to serve, the individual last stricken shall be designated and the process repeated until an individual is selected that is able and willing to serve.

14.3 Dans les soixante (60) jours suivant la sélection de l'arbitre, ou dans tout autre délai raisonnablement requis ou déterminé par l'arbitre, chaque Partie doit soumettre par écrit un mémoire sur le ou les points en litige et la documentation à l'appui de sa position, y compris les faits et la législation pertinents, de même que ses demandes d'information additionnelle qui pourrait être en possession de l'autre Partie. L'arbitre doit déterminer jusqu'à quel point ces demandes d'information doivent être prises en compte, comment les preuves doivent être administrées, quelles autres observations écrites peuvent être faites ainsi que les autres questions procédurales. Ce faisant, il doit tenir compte de la complexité des questions en cause, de la mesure dans laquelle des données factuelles sont en

14.3 Within sixty (60) days of the selection of the arbitrator, or such other time as may be reasonably required or determined by the arbitrator, each Party shall submit written position papers on the disputed issue(s) and any written supporting information, including all relevant facts and law, as well as written requests for any additional data that the other Party might have. The arbitrator shall determine the extent to which such data requests must be complied with, how evidence shall be taken, what other written submittals may be made, and other procedural matters, taking into account the complexity of the issues involved, the extent to which factual matters are disputed, and the extent to which the credibility of witnesses is relevant to a resolution. The procedures for the arbitration of a dispute shall

litige et la crédibilité des témoins est pertinente en vue d'un règlement. Les procédures d'arbitrage d'un différend doivent prévoir la manière d'obtenir un jugement sommaire sans divulgation des faits si le différend ne porte sur aucun fait substantiel, ou autoriser une divulgation des faits limitée à ce que l'arbitre juge comme pouvant raisonnablement et probablement conduire à une résolution rapide de toute question litigieuse sur un fait substantiel. Chaque partie au différend doit présenter l'ensemble de sa preuve (à l'exception des communications privilégiées ou confidentielles entre l'avocat et son client ou relatives au produit du travail de l'avocat) que l'arbitre considère comme étant nécessaire au règlement des questions en cause. Dans la mesure où une telle preuve met en cause des renseignements commerciaux exclusifs, sensibles ou confidentiels, l'arbitre peut émettre une ordonnance conservatoire appropriée à laquelle devront se conformer toutes les parties au différend. Cette ordonnance conservatoire doit tenir compte des lois, règles, règlements ou contrats applicables qui interdisent ou restreignent la divulgation de l'information concernée. L'arbitre peut décider de régler la question en arbitrage en se basant uniquement sur la preuve et les arguments écrits, sauf si l'objet du différend et les autres éléments de preuve exigent raisonnablement l'interrogatoire des témoins.

provide a means for summary disposition without discovery of facts if there is no dispute as to any material fact, or with such limited discovery as the arbitrator shall determine is reasonably likely to lead to the prompt resolution of any disputed issue of material fact. Each party to the dispute shall produce all evidence (except for privileged and confidential attorney-client communications or attorney work product) determined by the arbitrator as necessary to the resolution of the issues presented. To the extent such evidence involves proprietary, commercially sensitive or confidential information, the arbitrator may issue an appropriate protective order, which shall be complied with by all disputing parties. Such a protective order must take into account any applicable laws, rules, regulations, or contracts that prohibit or limit the disclosure of the subject information. The arbitrator may elect to resolve the arbitration matter solely on the basis of written evidence and arguments, but not if the subject matter of the dispute and the other evidence reasonably requires the examination of witnesses.

14.4 Rapidement après sa sélection, l'arbitre doit fixer la date d'émission de la sentence arbitrale, laquelle ne doit pas être rendue plus de six (6) mois (ou à une date plus proche convenue par les Parties) de la date de sélection de l'arbitre, de même que d'autres dates, dont les dates d'audition des témoins ou de présentation finale des

14.4 Promptly after the selection of the arbitrator, the arbitrator shall set a date for the issuance of the arbitrator's decision, which shall be not later than six (6) months (or such earlier date as may be agreed to by the Parties) from the date of the selection of the arbitrator, with other dates, including the dates for an

autres éléments de preuve, qui seront déterminées en fonction de cette date. La date d'audition des témoins ou de présentation finale d'éléments de preuve ne doit pas être modifiée, sauf en cas de situation exceptionnelle. L'arbitre aura le pouvoir d'imposer des sanctions, y compris le rejet de la procédure pour manœuvres dilatoires ou pour retard injustifié dans le déroulement de la procédure d'arbitrage.

evidentiary hearing or other final submissions of evidence, set in light of this date. The date for the evidentiary hearing or other final submission of evidence shall not be changed absent extraordinary circumstances. The arbitrator shall have the power to impose sanctions, including dismissal of the proceeding for dilatory tactics or undue delay in completing the arbitration proceedings.

14.5 L'arbitre doit prendre en compte toutes les questions sous-jacentes au différend, et il doit recevoir la preuve soumise par les parties en litige conformément aux procédures qu'il a lui-même établies ; il pourra demander un supplément d'information, y compris l'opinion d'organismes ou d'experts techniques reconnus. Chaque Partie se verra accorder une possibilité raisonnable de réfuter ce supplément d'information.

14.5 The arbitrator shall consider all issues underlying the dispute, and the arbitrator shall take evidence submitted by the disputing parties in accordance with procedures established by the arbitrator and may request additional information including the opinion of recognized technical bodies or experts. Each Party shall be afforded a reasonable opportunity to rebut any such additional information.

14.6 À moins que les Parties n'en conviennent autrement, l'arbitre rend sa sentence dans les six (6) mois suivant sa nomination et avise les Parties par écrit de cette sentence et des motifs à l'appui de cette sentence. La portée de la sentence arbitrale est limitée aux questions soumises à l'arbitrage. L'arbitre n'est autorisé qu'à interpréter et à appliquer les dispositions de la présente Convention et n'a pas le pouvoir de modifier ou changer la Convention. La sentence de l'arbitre est définitive et lie les Parties, et elle n'est pas confidentielle. Elle peut être confirmée par tout tribunal de l'État du Massachusetts ou tribunal fédéral compétent siégeant au Massachusetts. Nonobstant ce qui précède, l'une ou l'autre des Parties peut présenter une requête en annulation ou en modification de la sentence arbitrale en se fondant sur les

14.6 Unless otherwise agreed by the Parties, the arbitrator shall render a decision within six (6) months of appointment and shall notify the Parties in writing of such decision and the reasons supporting the decision. The scope of the arbitrator's decision shall be limited to the issues presented for arbitration. The arbitrator shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change the Agreement. The decision of the arbitrator shall be final and binding upon the Parties and shall not be confidential. The award may be confirmed in any Massachusetts state court or federal court sitting in Massachusetts having jurisdiction. Notwithstanding the foregoing, either Party may move to vacate or modify an award based on the grounds enumerated

motifs d'appel énumérés dans la *Federal Arbitration Act* (9 U.S.C. §1, *et seq.*).

in the Federal Arbitration Act (9 U.S.C. §1, *et seq.*).

14.7 Tous les coûts associés aux heures travaillées, aux dépenses et aux autres frais de l'arbitre et de l'AAA sont assumés par la Partie perdante. Chaque Partie doit assumer ses propres frais, y compris les honoraires de ses avocats et de ses experts.

14.7 All costs associated with the time, expense and other charges of the arbitrator and the AAA shall be borne by the unsuccessful Party. Each Party shall bear its own costs, including attorney and expert fees.

14.8 L'arbitrage se déroulera à Boston, au Massachusetts.

14.8 The site of the arbitration shall be Boston, Massachusetts.

14.9 Aucune des Parties n'est tenue d'agir en conformité avec une sentence arbitrale si, ce faisant, elle enfreindrait les lois ou les règlements la régissant.

14.9 Neither Party shall be bound to act in compliance with an arbitration decision if doing so would result in violation of statutes or regulations governing such Party.

ARTICLE 15 : CESSION

ARTICLE 15: ASSIGNMENT

15.1 Sauf tel prévu au paragraphe 15.2 ci-dessous, un transfert ou une cession volontaires de la présente Convention ou des droits ou obligations d'une Partie en vertu des présentes ne peut être effectué sans l'approbation écrite de l'autre Partie, une telle approbation ne pouvant être refusée indûment. Toutefois, tout successeur ou cessionnaire des droits ou obligations d'une Partie, que ce soit par cession ou transfert volontaires ou autrement, doit être soumis aux dispositions et aux conditions de la présente Convention de la même façon que si ce successeur ou ce cessionnaire était la Partie initiale, et la cession ou le transfert ne doit pas servir à libérer la Partie initiale des obligations ou des devoirs liés à la présente Convention, à moins qu'elle obtienne à cet égard le consentement écrit

15.1 Except as provided in Section 15.2 below, no voluntary transfer or assignment of this Agreement or of the rights or obligations of a Party hereunder shall be made without the written approval of the other Party, such approval not to be unreasonably withheld; provided, that any successor to or assignee of the rights or obligations of a Party, whether by voluntary assignment, transfer, or otherwise, shall be subject to all of the provisions and conditions of this Agreement to the same extent as though such successor or assignee were the original Party hereunder and no such assignment or transfer shall serve to release the original Party from any of the obligations or duties under this Agreement unless by the written consent of the other Party,

de l'autre Partie, un tel consentement ne devant être refusé indûment.

such consent not to be unreasonably withheld.

15.2 Une Partie peut, moyennant un préavis écrit de six (6) mois et sans le consentement de l'autre Partie, céder la présente Convention à un organisme régional de transport ou à une entreprise de transport indépendante ayant été approuvée par la FERC, et la Partie cédante est alors libérée de toutes les responsabilités survenant à compter de la date de la cession mais pas avant. Une Partie peut, avec le consentement de l'autre Partie (un tel consentement ne pouvant être refusé indûment), céder les droits que lui confère la présente Convention à une Affiliée, et la Partie cédante est alors libérée de toutes les responsabilités survenant à compter de la date de la cession mais pas avant. L'ISO doit tenter de céder ses droits et obligations en vertu de la présente Convention à un organisme régional de transport dans le cas où serait créé un tel organisme ayant ou qui aura autorité en vue de l'exploitation des installations de transport situées en Nouvelle-Angleterre qui sont directement reliées à l'Interconnexion des Appalaches-Maine.

15.2 Any Party may assign this Agreement with six (6) months' advance written notice and without the consent of the other Party, to a regional transmission organization or an independent transmission company that has been approved by the FERC, and the assigning Party shall be released from any liabilities arising on and after, but not before, the date of assignment. Any Party may, with the consent of the other Party (such consent not to be unreasonably withheld), assign its interest in this Agreement to an Affiliate, and the assigning Party shall be released from any liabilities arising on and after, but not before, the date of assignment. The ISO shall attempt to assign its rights and obligations under this Agreement to a regional transmission organization in the event one is formed that has or will have operational authority over the transmission facilities in New England that are directly interconnected with the Appalaches-Maine Interconnection.

ARTICLE 16 : AVIS

ARTICLE 16: NOTICES

16.1 Sauf indication contraire dans la présente Convention, tout avis, demande ou requête requis ou autorisé par les présentes doit être présenté par écrit et livré à au moins un membre ou suppléant du Comité des exploitants de l'Interconnexion des Appalaches-Maine qui représente cette Partie. La livraison d'un tel avis doit être effectuée soit en mains propres, par un service de messagerie reconnu, soit par courrier recommandé affranchi, à l'adresse

16.1 Unless otherwise specified in this Agreement, any notice, demand or request required or authorized by this Agreement to be given to a Party shall be in writing and shall be delivered to one or more of that Party's Appalaches-Maine Interconnection Operators Committee members or alternates. Delivery of such notice shall be effected either by hand delivery, by a recognized courier service, or by registered mail,

de la Partie indiquée à l'annexe 2 de la présente Convention, cette adresse pouvant être modifiée en tout temps par une Partie moyennant un avis écrit à l'autre Partie. Tout avis, demande ou requête en vertu de la présente Convention prend effet dès sa livraison.

postage prepaid, to the Party at the address specified in Attachment 2 to this Agreement, which address may be modified at any time by either Party by giving written notice to the other Party. Any notice, demand, or request under this Agreement shall be effective upon delivery.

ARTICLE 17 : MODIFICATION ; RÉVISION

ARTICLE 17: AMENDMENT; REVIEW

17.1 Aucune modification apportée à la présente Convention ne sera applicable à moins d'avoir été émise sous la forme d'un écrit dûment signé par les représentants autorisés des Parties. Aux fins du présent paragraphe, « représentants autorisés » signifie des personnes désignées comme telles par les Parties dans leurs règlements administratifs respectifs.

17.1 No amendment of this Agreement shall be effective unless effected by written instrument duly executed by the Parties' authorized representatives. For the purposes of this Section, "authorized representatives" refers to individuals designated as such by Parties in their respective corporate by-laws.

17.2 Les modalités de la présente Convention sont susceptibles de révision pour intégration d'éventuelles modifications à la demande de l'une ou l'autre des Parties. Si, à la suite d'une telle révision, les Parties conviennent qu'une disposition quelconque aux présentes ou que les pratiques ou la conduite d'une Partie créent une injustice, un préjudice ou une charge exagérée pour l'autre Partie, ou si les Parties reconnaissent qu'une disposition quelconque de la présente Convention est devenue désuète ou incompatible avec des modifications touchant l'Interconnexion des Appalaches-Maine, les Parties doivent tenter en toute bonne foi de négocier une modification ou un complément mutuellement acceptables à la présente Convention de façon à éliminer cette injustice, ce préjudice ou cette charge exagérée ou de remédier de toute autre

17.2 The terms of this Agreement are subject to review for potential amendment at the request of either Party. If, consequent to such review, the Parties agree that any of the provisions hereof, or the practices or conduct of either Party impose an inequity, hardship or undue burden upon the other Party, or if the Parties agree that any of the provisions of this Agreement have become obsolete or inconsistent with changes related to the Appalaches-Maine Interconnection, the Parties shall endeavor in good faith to amend or supplement this Agreement in such a manner as will remove such inequity, hardship or undue burden, or otherwise appropriately address the cause for such change.

façon appropriée à la cause d'une telle modification.

17.3 Les Parties peuvent modifier la présente Convention en tout temps par une entente mutuelle, conformément au paragraphe 17.1 ci-dessus.

17.3 The Parties may amend this Agreement at any time by mutual agreement in accordance with Section 17.1 above.

ARTICLE 18 : DÉCLARATIONS

ARTICLE 18: REPRESENTATIONS

18.1 Chaque Partie déclare et garantit qu'elle existe et est dûment constituée, et qu'elle est en règle avec les lois de l'État ou de la province où elle a été constituée, formée ou incorporée, selon le cas.

18.1 Each Party represents and warrants that it is duly organized, validly existing and in good standing under the laws of the state or province in which it is organized, formed, or incorporated, as applicable.

18.2 Chaque Partie déclare et garantit qu'elle a le droit, le pouvoir et l'autorité de conclure la présente Convention, d'être partie aux présentes et de s'acquitter des obligations qui en découlent. La présente Convention constitue une obligation légale et valide de cette Partie, lie cette Partie et est exécutoire à l'encontre de cette Partie, conformément aux modalités de la présente Convention.

18.2 Each Party represents and warrants that it has the right, power and authority to enter into this Agreement, to become a party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

18.3 Chaque Partie déclare et garantit que la signature, la livraison et l'exécution de la présente Convention n'entrent pas en conflit avec les documents organisationnels ou de formation, les règlements administratifs, les conventions d'exploitation ou les conventions de mandat de cette Partie, ni avec les jugements, licences, permis, ordonnances réglementaires ou autorisations gouvernementales applicables à cette Partie et n'y contreviennent pas.

18.3 Each Party represents and warrants that the execution, delivery and performance of this Agreement do not violate or conflict with the organizational or formation documents, bylaws, operating agreements, or agency agreements of such Party, or any judgment, license, permit, regulatory order, or governmental authorization applicable to such Party.

18.4 Chaque Partie déclare et garantit qu'elle possède ou a demandé toutes les autorisations réglementaires nécessaires à

18.4 Each Party represents and warrants that it has, or has applied for, all regulatory

l'exécution de ses obligations en vertu de la présente Convention.

authorizations necessary for it to perform its obligations under this Agreement.

ARTICLE 19 : DISPOSITIONS DIVERSES

ARTICLE 19: MISCELLANEOUS

- | | |
|---|---|
| <p>19.1 Le défaut d'une Partie d'insister, en toute occasion, sur l'exécution rigoureuse de toute disposition de la présente Convention ne sera pas considéré comme une renonciation à tout droit détenu par cette Partie. Toute renonciation à un droit par l'une ou l'autre des Parties, en toute occasion particulière, ne peut être considérée comme une renonciation continue à ce droit, ni comme une renonciation à quelque autre droit en vertu de la présente Convention.</p> | <p>19.1 The failure of a Party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any right held by such Party. Any waiver on any specific occasion by either Party shall not be deemed a continuing waiver of such right, nor shall it be deemed a waiver of any other right under this Agreement.</p> |
| <p>19.2 La présente Convention ne vise pas à créer et ne crée pas de droits, de recours ou d'avantages de quelque nature que ce soit en faveur de toute entité autre que les Parties, leurs mandants et, dans les cas où cela est permis, leurs ayants droit.</p> | <p>19.2 This Agreement is not intended to and does not create any rights, remedies, or benefits of any kind whatsoever in favor of any entities other than the Parties, their principals and, where permitted, their assigns.</p> |
| <p>19.3 La présente Convention, y compris toutes les annexes qui y sont jointes, constitue l'entente intégrale intervenue entre les Parties quant à l'objet des présentes et remplace toutes les ententes ou conventions antérieures ou contemporaines, orales ou écrites, portant sur l'objet de la présente Convention.</p> | <p>19.3 This Agreement, including all Attachments hereto, is the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous understandings or agreements, oral or written, with respect to the subject matter of this Agreement.</p> |
| <p>19.4 La présente Convention, y compris toute modification future et tout Protocole CEI, s'il en est, est assujettie aux autorisations gouvernementales initiales et continues nécessaires à l'établissement, à l'exploitation et à la maintenance de l'Interconnexion des Appalaches-Maine précisées dans les présentes. Chaque Partie doit prendre toutes les mesures</p> | <p>19.4 This Agreement, including its future amendments and IOA Protocols, if any, is subject to the initial and continuing governmental authorizations required to establish, operate and maintain the Appalaches-Maine Interconnection as herein specified. Each Party shall take all commercially reasonable actions reasonably within its control to maintain</p> |

commerciallement raisonnables qui sont raisonnablement en son pouvoir afin de conserver tous les droits et approbations gouvernementaux nécessaires à l'exécution des obligations qui lui incombent en vertu de la présente Convention.

all governmental rights and approvals required to perform its respective obligations under this Agreement.

19.5 Si l'exécution d'une modalité ou d'une condition de la présente Convention se révèle incompatible avec une obligation imposée à l'une ou l'autre des Parties ou à leurs mandants par une autorité gouvernementale compétente à l'égard de cette Partie ou de son mandant, cette Partie sera dispensée de l'exécution de cette modalité ou condition, et les Parties négocieront une modalité ou une condition amendée qui ne sera pas incompatible et qui visera à concrétiser l'intention initiale des Parties.

19.5 If performance of a term or condition of this Agreement would conflict with an obligation imposed on either of the Parties or their principals by a governmental authority having jurisdiction over such Party or principal, such Party shall be excused from performance in compliance with such term or condition, and the Parties will negotiate a modified term or condition that would not be in conflict but would seek to achieve the Parties' original intent.

19.6 Si une disposition de la présente Convention est jugée inexécutable, le reste de la Convention demeurera en vigueur et les Parties négocieront de bonne foi en vue de parvenir à une entente sur une disposition substitutive qui concrétisera l'intention initiale des Parties.

19.6 If any provision of this Agreement is deemed unenforceable, the rest of the Agreement shall remain in effect and the Parties shall negotiate in good faith and seek to agree upon a substitute provision that will achieve the original intent of the Parties.

19.7 La présente Convention peut être signée en plusieurs exemplaires, dont chacun sera considéré comme un original, mais qui seront considérés ensemble comme une seule et même Convention, et elle aura une portée obligatoire lorsque tous les exemplaires auront été signés par chacune des Parties et livrés à chaque Partie aux présentes. La livraison par courriel d'un exemplaire signé d'une page de signature sera aussi valide que la livraison d'un original signé.

19.7 This Agreement may be executed in multiple counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same Agreement, and shall become binding when all counterparts have been signed by each of the Parties and delivered to each Party hereto. Delivery of an executed signature page counterpart by email shall be as effective as delivery of a signed original.

- 19.8** Sauf indication écrite contraire des Parties, tous les paiements exigibles en vertu de la présente Convention seront effectués en fonds des États-Unis d'Amérique disponibles immédiatement.
- 19.8** Unless otherwise indicated in writing by the Parties, all payments due under this Agreement will be effected in immediately available funds of the United States of America.
- 19.9** Les Parties reconnaissent que le pouvoir conféré à l'ISO de prendre des mesures relativement à l'Interconnexion des Appalaches-Maine en vertu de la présente Convention est assujéti aux modalités et conditions de la NECEC TOA. Aucune disposition de la présente Convention ne doit être interprétée de manière à élargir ou à modifier autrement les liens entre l'ISO et NECEC en vertu de la NECEC TOA. Nonobstant ce qui précède, l'ISO est seule responsable de s'assurer que les mesures qu'elle prend en vertu de la présente Convention sont conformes aux modalités et conditions de la NECEC TOA.
- 19.9** The Parties acknowledge that the ISO's authority to take actions with respect to the Appalaches-Maine Interconnection under this Agreement is subject to the terms and conditions of the NECEC TOA. Nothing in this Agreement shall be construed as to expand or otherwise modify the relationship between the ISO and NECEC under the NECEC TOA. Notwithstanding the foregoing, the ISO shall be solely responsible that its actions under this Agreement are in compliance with the terms and conditions of the NECEC TOA.
- 19.10** Sauf en cas de changement recevant l'assentiment des deux Parties, la norme de révision applicable aux changements apportés à la présente Convention par une Partie, un tiers non partie à la Convention ou la FERC agissant de son propre chef est celle de « l'intérêt public » telle qu'elle est énoncée dans *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) et *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) et tel que défini plus en détails dans *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 554 U.S. 527 (2008) et *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165 (2010) (la doctrine « *Mobile-Sierra* »).
- 19.10** Absent the agreement of both Parties to any change, the standard of review for changes to this Agreement by a Party, a non-party or the FERC acting sua sponte shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and as further defined in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 554 U.S. 527 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165 (2010). (the "*Mobile-Sierra*" doctrine).

19.11 Si un organisme de réglementation compétent (ou toute commission ou tout organisme lui succédant), un tribunal compétent ou une autre entité gouvernementale possédant la compétence nécessaire établit une règle, émet un règlement, adopte une loi ou prononce une ordonnance ou un décret ayant pour effet d'annuler, de modifier ou de remplacer une modalité ou une disposition de la présente Convention (l'« **Exigence réglementaire** »), alors la présente Convention sera réputée modifiée dans la mesure nécessaire au respect de l'Exigence réglementaire. Nonobstant ce qui précède, si l'organisme de réglementation change de manière importante les modalités et conditions de la présente Convention et que le ou les changements influent sensiblement sur les avantages qu'en tirent une ou les deux Parties, tel qu'il aura été déterminé par l'une ou l'autre des Parties dans un délai de vingt (20) Jours ouvrables suivant la réception de la Convention telle que substantiellement modifiée, les Parties acceptent de tenter de bonne foi de négocier une ou des modifications à la présente Convention ou de prendre une ou plusieurs autres mesures appropriées pour faire en sorte que chaque Partie soit remise dans le même état que si la ou les modifications n'avaient pas été apportées. Si, dans un délai de soixante (60) jours, ou toute autre période sur laquelle les Parties se sont entendues, suivant la ou les modifications en question, les Parties sont incapables de parvenir à une entente au sujet des modifications nécessaires, s'il en est, et font défaut de prendre d'autres mesures appropriées pour remettre chaque Partie dans le même état que si la ou les modifications n'avaient pas été apportées, alors l'une ou l'autre des Parties a le droit de résilier unilatéralement et immédiatement la présente Convention.

19.11 If any regulatory body having jurisdiction (or any successor boards or agencies), a court of competent jurisdiction or other governmental entity with the appropriate jurisdiction issues a rule, regulation, law or order that has the effect of cancelling, changing or superseding any term or provision of this Agreement (the "**Regulatory Requirement**"), then this Agreement will be deemed modified to the extent necessary to comply with the Regulatory Requirement. Notwithstanding the foregoing, if the regulatory body materially modifies the terms and conditions of this Agreement and such modification(s) materially affect the benefits flowing to one or both of the Parties, as determined by either of the Parties within twenty (20) Business Days of the receipt of the Agreement as materially modified, the Parties agree to attempt in good faith to negotiate an amendment or amendments to this Agreement or take other appropriate action(s) so as to put each Party in effectively the same position in which the Parties would have been had such modification not been made. In the event that, within sixty (60) days or some other time period mutually agreed upon by the Parties after such modification has been made, the Parties are unable to reach agreement as to what, if any, amendments are necessary and fail to take other appropriate action to put each Party in effectively the same position in which the Parties would have been had such modification not been made, then either Party shall have the right to unilaterally terminate this Agreement forthwith.

19.12 Au moment du dépôt auprès de la FERC d'une modification à la NECEC TOA, l'ISO doit remettre rapidement à Hydro-Québec une copie du document ainsi déposé. Si une modalité ou disposition de la NECEC TOA est modifiée et si cette modification rend une Partie incapable de s'acquitter d'une obligation en vertu de la présente Convention (c'est-à-dire qu'un Manquement survient), alors les Parties doivent procéder conformément à l'article 11 de la présente Convention. Si les Parties conviennent qu'une modification à la NECEC TOA implique qu'une Partie sera éventuellement incapable de s'acquitter d'une obligation en vertu de la présente Convention, les Parties peuvent tenter de modifier celle-ci conformément à l'article 17 des présentes. Si des négociations menées de bonne foi en vertu de l'article 17 ne permettent pas d'en venir à une modification de la Convention qui convient aux deux Parties dans les soixante (60) jours qui suivent la date à laquelle les Parties ont accepté de tenter de s'entendre sur cette modification, les Parties peuvent convenir de poursuivre les négociations de bonne foi ou l'une ou l'autre d'entre elles peut résilier la présente Convention dans les soixante (60) jours qui suivent la réception d'un avis écrit à l'autre Partie.

19.12 Upon filing with the FERC of a change to the NECEC TOA, the ISO will promptly provide Hydro-Québec with a copy of said filing. If any term or provision of the NECEC TOA is modified and such modification results in a Party's inability to perform any obligation under this Agreement (*i.e.*, a Default), then the Parties shall proceed in accordance with Article 11 of this Agreement. If the Parties agree that a NECEC TOA modification indicates a prospective inability of a Party to perform any obligation under this Agreement, the Parties may seek to amend this Agreement pursuant to Article 17 of this Agreement. If good faith negotiations under Article 17 fail to produce a mutually agreeable amendment to the Agreement within sixty (60) days from the date that the Parties agreed to pursue such amendment, the Parties may agree to continue good faith negotiations or either Party may terminate this Agreement within sixty (60) days of receipt of written notice to the other Party.

EN FOI DE QUOI, les représentants autorisés
des Parties ont signé la présente Convention.

IN WITNESS WHEREOF, the Parties
authorized representatives have executed this
Agreement.

ISO NEW ENGLAND INC.
DATE: 4/10/2025

Signed by:

 Stephen M. George

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Stephen M. George
Vice-President, Systems Operators and Market Administration
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
USA

HYDRO-QUÉBEC
DATE: 4/10/2025

Signé par :



BAD8858739984B7...

Maxime Nadeau
Directeur principal - Contrôle des mouvements d'énergie et exploitation du réseau
Hydro-Québec
75, boul. René-Lévesque Ouest
Montréal (Québec) H2Z 1A4
CANADA

**ANNEXE 1 : DESCRIPTION DE
L'INTERCONNEXION DES
APPALACHES-MAINE ET DES
INSTALLATIONS CONNEXES**

L'Interconnexion des Appalaches-Maine est constituée principalement de :

Une nouvelle ligne de transport HVDC de 334,7 kilomètres (208 milles) +/- 320 kV qui reliera la sous-station existante des Appalaches à Saint-Adrien-d'Irlande, au Québec, et un nouveau poste de conversion HVDC, nommée « Merrill Road HVDC Converter », à environ 1,9 kilomètres (1,2 mille) de la sous-station existante de Larrabee Road à Lewiston, dans le Maine ; et

Nouveaux postes de conversion VSC-HVDC aux deux extrémités de la ligne de transport.

**Description des installations
d'interconnexion de NECEC LLC situées
dans le Maine, aux États-Unis**

Nouvelle ligne de transport HVDC +/-320 kV de 233,4 kilomètres (145 milles) depuis la frontière Québec-Maine jusqu'à une nouvelle sous-station de conversion située près de Merrill Road à Lewiston, comprenant un nouveau câble souterrain HVDC +/-320 kV de 1,6 kilomètres (1 mille) installé par une foreuse directionnelle horizontale sous la rivière Kennebec (section 432); et

Nouvelle ligne de transport CA de 345 kV de 1,9 km (1,2 mille) depuis la nouvelle sous-station de conversion Merrill Road jusqu'à la sous-station existante Larrabee Road (section 3007)

Nouvelle sous-station de conversion VSC-HVDC Merrill Road de 345 kV CA à +/- 320 kV HVDC de 1 200 MW ;

**ATTACHMENT 1: DESCRIPTION OF
APPALACHES-MAINE
INTERCONNECTION AND RELATED
FACILITIES**

The Appalaches-Maine Interconnection consists mainly of :

A new 208 mile +/- 320 kV HVDC transmission line that will run between the existing Appalaches Substation in Saint-Adrien-d'Irlande, Québec and a new HVDC converter station, named "Merrill Road HVDC Converter", approximately 1.2 miles from the existing Larrabee Road Substation in Lewiston, Maine; and

New VSC-HVDC converter stations at both ends of the transmission line.

**Description of the NECEC LLC
Interconnection Facilities located in Maine,
USA**

New 145.0 mile +/-320 kV HVDC transmission line from the Québec-Maine border to a new converter substation located near Merrill Road in Lewiston, including a new 1.0 mile +/-320 kV HVDC underground cable installed by a horizontal directional drill under the Kennebec River (Section 432); and

New 1.2 mile 345 kV AC transmission line from the new Merrill Road Converter Substation to the existing Larrabee Road Substation (Section 3007)

New 345 kV AC to +/-320 kV HVDC 1200 MW Merrill Road Converter Substation;

Nouveau passage aérien HVDC +/-320 kV vers la station de terminaison souterraine à Moxie Gore ;

New +/-320kV HVDC Overhead to Underground Termination Station in Moxie Gore;

Nouveau passage aérien HVDC +/-320 kV vers la station de terminaison souterraine de West Forks Plantation;

New +/-320kV HVDC Overhead to Underground Termination Station in West Forks Plantation;

Nouveau bâtiment de surveillance des câbles souterrains dans le canton de Johnson Mountain ; et

New Underground Cable Monitoring Hut in Johnson Mountain Township; and

Nouvel équipement de télécommunication de ligne HVDC +/-320 kV au sein de la sous-station existante CMP Starks.

New +/-320 kV HVDC line telecommunication equipment within the existing CMP Starks Substation.

Description des installations d'interconnexion d'Hydro-Québec situées au Québec, Canada

Description of the Hydro-Québec Interconnection Facilities Located in Québec, Canada

Nouvelle ligne de transport HVDC +/-320 kV de 101 km (63 mi) depuis le poste des Appalaches à Saint-Adrien-d'Irlande, Québec jusqu'à la frontière Québec/Maine, à Frontenac, Québec (circuit numéro 432).

New 101 km (63 mi) +/-320 kV HVDC transmission line from Appalaches substation in Saint-Adrien-d'Irlande, Québec to the Québec-Maine border, in Frontenac, Québec (circuit number 432).

Nouveau convertisseur HVDC-VSC de 1 282 MW dans le poste existant des Appalaches pour convertir 735 kV AC en +/- 320 kV DC.

New 1282 MW HVDC-VSC converter in existing Appalaches substation to convert 735 kV AC to +/-320 kV DC.

Nouvel équipement de télécommunication de ligne HVDC +/-320 kV au sein du poste Mégantic existant à Lac Mégantic, Québec.

New +/-320 kV HVDC line telecommunication equipment within the existing Mégantic substation in Lac Mégantic, Québec.

Les installations de l'Interconnexion des Appalaches-Maine comprennent des équipements supplémentaires de comptage, de télémessure, de communications et à toute autre fin qui peuvent être jugées nécessaires par les Parties, individuellement ou collectivement, pour assurer l'exploitation adéquate et satisfaisante des installations d'interconnexion conformément à la présente Convention.

The Appalaches-Maine Interconnection facilities include additional equipment for metering, telemetering, communications and such other purposes as may be deemed necessary by the Parties, individually or collectively, to perform the adequate and satisfactory operation of the Interconnection Facilities pursuant to this Agreement.

ANNEXE 2 : PERSONNES-RESSOURCES
POUR LES AVIS

ATTACHMENT 2: CONTACT
INFORMATION FOR NOTICES

ISO New England Inc.:

Vice President, System Operations
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
USA

Hydro-Québec :

Directeur principal – Contrôle des mouvements d'énergie et exploitation du réseau
75, boul. René-Lévesque Ouest
Montréal (Québec) H2Z 1A4
CANADA

Et/and

Directeur – Affaires réglementaires et services de transport d'électricité
C. P. 10000, succ. pl. Desjardins, Tour Est
Complexe Desjardins, 15^e étage
Montréal (Québec) H5B 1H7
CANADA

**CONVENTION DES
PROPRIÉTAIRES D'ACTIFS
DE L'INTERCONNEXION
DES APPALACHES-MAINE**

**APPALACHES-MAINE
INTERCONNECTION ASSET
OWNERS AGREEMENT**

ENTRE

BETWEEN

**NECEC TRANSMISSION
LLC**

**NECEC TRANSMISSION
LLC**

ET

AND

HYDRO-QUÉBEC

HYDRO-QUÉBEC

La présente Convention des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine (la « **Convention** » ou « **CPA** ») est conclue par et entre NECEC Transmission LLC (« **NECEC LLC** »), une société à responsabilité limitée organisée et existant en vertu des lois de l'état du Delaware, ayant sa principale place d'affaires au One City Center, 5^e étage, Portland, Maine 04101 et Hydro-Québec, une personne morale dûment constituée et régie par la *Loi sur Hydro-Québec* (RLRQ, chapitre H-5) ayant son siège au 75, boul. René-Lévesque Ouest, Montréal (Québec) H2Z 1A4 (une « **Partie** », et collectivement les « **Parties** ») et est datée selon la dernière date des signatures apposées aux présentes (la « **Date de la Convention** »).

PRÉAMBULE

ATTENDU QUE NECEC LLC est propriétaire de la partie située au Maine, États-Unis, des installations de l'Interconnexion des Appalaches-Maine; et

ATTENDU QU'Hydro-Québec, dans ses activités de transport d'électricité, est propriétaire de la partie située au Québec, Canada, des installations de l'Interconnexion des Appalaches-Maine ; et

ATTENDU QUE l'Interconnexion des Appalaches-Maine est essentielle au maintien de la fiabilité et de l'accès aux marchés de l'électricité du Québec et de la Nouvelle-Angleterre et que les Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine souhaitent promouvoir ces objectifs ; et

ATTENDU QU'ISO et Hydro-Québec ont conclu la Convention des exploitants de l'Interconnexion des Appalaches-Maine laquelle est datée selon la dernière date des signatures apposées à celle-ci ;

This Appalaches-Maine Interconnection Asset Owners Agreement (the « **Agreement** » or « **AOA** ») is made by and between NECEC Transmission LLC (« **NECEC LLC** »), a limited liability company organized and existing under the laws of the State of Delaware, having a principal place of business at One City Center, 5th floor, Portland, Maine 04101 and Hydro-Québec, a legal person, duly incorporated and regulated by the Hydro-Québec Act (CQLR chapter H-5), having its head office at 75, boul. René-Lévesque Ouest, Montréal (Québec) H2Z 1A4 (each a « **Party** », and collectively, the « **Parties** ») and is dated as of the latest date of the signatures affixed hereto (the « **Agreement Date** »).

RECITALS

WHEREAS, NECEC LLC owns the portion of the Appalaches-Maine Interconnection facilities located in Maine, USA; and

WHEREAS, Hydro-Québec, when carrying on electric power transmission activities, owns the portion of the Appalaches-Maine Interconnection facilities located in Québec, Canada; and

WHEREAS, the Appalaches-Maine Interconnection is critical to maintaining reliability and access to electricity markets in Québec and New England and the Appalaches-Maine Asset Owners wish to promote such goals; and

WHEREAS, ISO and Hydro-Québec have entered the Appalaches-Maine Interconnection Operators Agreement which is dated as of the latest date of the signatures affixed thereto.

EN CONSÉQUENCE, eu égard aux engagements mutuels énoncés aux présentes et en contrepartie d'autre valeur dont elles reconnaissent la réception et la suffisance, les Parties conviennent de ce qui suit :

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1 : DÉFINITIONS

Lorsqu'ils figurent dans la présente Convention avec une majuscule initiale, les termes suivants ont le sens prescrit ou prévu au présent article 1. Les termes figurant dans la présente Convention avec une majuscule initiale, mais qui ne sont pas définis au présent article 1, ont le sens prescrit ou prévu à l'article dans lequel ils sont utilisés.

ARTICLE 1: DEFINITIONS

When used in this Agreement with initial capitalization, the following terms shall have the meanings specified or referred to in this Article 1. Terms used in this Agreement with initial capitalization that are not defined in this Article 1 shall have the meaning specified in the article in which they are used.

1.1 Affilié(e) d'une Partie désigne toute personne ou entité qui contrôle cette Partie, est contrôlée par elle ou est soumise à un contrôle partagé avec elle ; le terme « contrôle » signifie la propriété, avec droit de vote, de pas moins de cinquante (50) pour cent des titres de participation d'une entité donnée.

1.1 Affiliate of a Party shall mean any person or entity controlling, controlled by, or under common control with, such Party; "control" shall mean the ownership with right to vote of not less than fifty (50) percent of the equity interests of a given entity.

1.2 Protocoles CPA désigne les documents écrits adoptés par le Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine en vertu de l'article 7 de la présente Convention. Ces documents énoncent les règles, procédures, normes et critères particuliers établis ou adoptés par le Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine pour les besoins de l'administration de la présente Convention.

1.2 AOA Protocols are the written documents adopted by the Appalaches-Maine Asset Owners Committee pursuant to Article 7 of this Agreement, which outline specific rules, procedures, criteria and standards established or adopted by the Appalaches-Maine Asset Owners Committee for purposes of administration of this Agreement.

1.3 Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine désigne les entités propriétaires de

1.3 Appalaches-Maine Asset Owners are the entities that own the Appalaches-

l'Interconnexion des Appalaches-Maine, soit Hydro-Québec et NECEC LLC.

Maine Interconnection which are: Hydro-Québec and NECEC LLC.

1.4 Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine (« Comité ») désigne le comité décrit et prévu à l'article 7 de la présente Convention.

1.4 Appalaches-Maine Asset Owners Committee ("Committee") is the committee described and provided for in Article 7 of this Agreement.

1.5 Instructions communes de coordination de l'Interconnexion des Appalaches-Maine (« ICC ») désigne un Protocole CEI particulier relatif à la coordination du contrôle de l'Interconnexion des Appalaches-Maine qui se retrouve dans le document GEN-C-035, intitulé *Instruction commune de coordination entre Hydro-Québec et ISO-NE pour l'interconnexion Appalaches-Maine*.

1.5 Appalaches-Maine Common Dispatch Instructions ("CDI") are a specific IOA Protocol for the coordinated dispatch of the Appalaches-Maine Interconnection contained in the document GEN-C-035, entitled *Common System Dispatch Instructions between Hydro-Québec and ISO New England Inc. for the Appalaches-Maine Interconnection*.

1.6 Instructions communes d'exploitation de l'Interconnexion des Appalaches-Maine (« ICE ») désigne un Protocole CPA particulier ayant trait à l'exploitation de l'Interconnexion des Appalaches-Maine incluant la GEN-C-036, intitulée *Instruction commune d'exploitation entre Hydro-Québec et NECEC LLC pour l'interconnexion Appalaches-Maine*.

1.6 Appalaches-Maine Common Operating Instructions ("COI") are a specific AOA Protocol concerning operations of the Appalaches-Maine Interconnection including the GEN-C-036, entitled *Common Operating Instructions between Hydro-Québec and NECEC LLC for the Appalaches-Maine Interconnection*.

1.7 Interconnexion des Appalaches-Maine désigne les installations de transport et les installations connexes décrites à l'annexe 1 de la présente Convention, comme il est prévu à l'article 4 des présentes.

1.7 Appalaches-Maine Interconnection is those transmission facilities and related facilities that are described in Attachment 1 to this Agreement, as provided for in Article 4 of this Agreement.

1.8 Convention des exploitants de l'Interconnexion des Appalaches-Maine (« CEI ») désigne la convention conclue entre l'ISO et Hydro-Québec

1.8 Appalaches-Maine Interconnection Operators Agreement ("IOA") is the agreement between the ISO and Hydro-

relativement à l'exploitation de l'Interconnexion des Appalaches-Maine.

Québec with respect to the operation of the Appalaches-Maine Interconnection.

1.9 Comité des exploitants de l'Interconnexion des Appalaches-Maine désigne le comité décrit et prévu à l'article 8 de la Convention des exploitants de l'Interconnexion des Appalaches-Maine.

1.9 Appalaches-Maine Interconnection Operators Committee is the committee described and provided for in Article 8 of the Appalaches-Maine Interconnection Operators Agreement.

1.10 Responsable de l'équilibrage désigne l'entité responsable qui intègre d'avance les plans de production, maintient l'équilibre entre la Demande et l'offre à l'intérieur d'une Zone d'équilibrage, et soutient en temps réel la fréquence de l'Interconnexion.

1.10 Balancing Authority is the responsible entity that integrates resource plans ahead of time, maintains Demand and resource balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

1.11 Zone d'équilibrage désigne l'ensemble de la production, du transport et des charges à l'intérieur du périmètre de comptage du Responsable de l'équilibrage. Le Responsable de l'équilibrage maintient l'équilibre offre/demande à l'intérieur de cette zone.

1.11 Balancing Authority Area is the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

1.12 Système de production-transport d'électricité a le sens prévu au Glossaire des termes de la *North American Electric Reliability Corporation* (« NERC »). **Note** : Au Québec, l'équivalent du BES est le réseau de transport principal.

1.12 Bulk Electric System (BES) shall have the meaning provided for in the North American Electric Reliability Corporation ("NERC") Glossary of Terms. **Note:** In Québec, the equivalent of the BES is the main transmission system.

1.13 Jour ouvrable désigne tout jour sauf le samedi, le dimanche, un jour férié de l'ISO tel qu'affiché sur son site Web, un jour férié légal dans la province de Québec ou tout jour où les banques sont fermées dans la province de Québec.

1.13 Business Day is any day other than a Saturday, Sunday, an ISO holiday as posted by the ISO on its website, a legal holiday in the province of Québec or any other day on which banking institutions are closed in the province of Québec.

- 1.14 Demande** désigne le taux auquel un réseau ou une portion de réseau fournit ou reçoit de l'énergie électrique. S'exprime généralement en kilowatts ou mégawatts à un instant donné, ou en valeur moyenne sur une période donnée.
- 1.14 Demand** is the rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts or megawatts, at a given instant or averaged over any designated interval of time.
- 1.15 Exploitant(s) désigné(s)** désigne le ou les exploitants que chaque Partie à la présente Convention a autorisés, sous réserve des modalités de toute entente écrite applicable, à agir relativement à certains aspects de l'exploitation ou de l'exploitation coordonnée de sa partie de l'Interconnexion des Appalaches-Maine. Dans les 60 jours suivant la nomination d'un Exploitant désigné, chaque Partie fournira à l'autre le nom et les coordonnées de son Exploitant désigné.
- 1.15 Designated Operator(s)** is the operator, or operators, that each Party to this Agreement has authorized, subject to the terms of any applicable written agreement, to act with respect to certain aspects of the operation or coordinated operation of its portion of the Appalaches-Maine Interconnection. Within 60 days of authorizing a Designated Operator, each Party will provide to the other the name and coordinates of its Designated Operator.
- 1.16 FERC** désigne la *Federal Energy Regulatory Commission*.
- 1.16 FERC** is the Federal Energy Regulatory Commission.
- 1.17 Force majeure** désigne n'importe quel des événements décrits à l'article 9.1.
- 1.17 Force Majeure** is any of the events described in Section 9.1.
- 1.18 Règles de l'art de l'industrie** désigne n'importe quelle pratique, méthode ou action utilisée ou approuvée par une part importante de l'industrie des services publics d'électricité au cours de la période de temps pertinente, ou n'importe quelle pratique, méthode ou action qui, selon un jugement raisonnable à la lumière des faits connus au moment où la décision a été prise, devrait selon toute attente produire le résultat désiré à un coût raisonnable conformément aux bonnes pratiques d'affaires et compte tenu des impératifs de fiabilité, de sécurité et de rapidité. L'expression « Règles de l'art de l'industrie » s'entend non pas uniquement
- 1.18 Good Utility Practice** is any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to a single optimum practice, method or act to the exclusion of all others, but rather to be practices, methods

d'une pratique, d'une méthode ou d'une action optimale particulière à l'exclusion de toutes les autres, mais plutôt des pratiques, méthodes ou actions généralement acceptées par les intervenants de l'industrie au Québec et en Nouvelle-Angleterre. Les Règles de l'art de l'industrie supposent la conformité avec les critères établis par les organismes de fiabilité ou les organismes gouvernementaux ayant autorité en matière d'exploitation de l'Interconnexion des Appalaches-Maine.

or acts generally acceptable to industry participants in the Québec/New England region. Good Utility Practice shall include compliance with criteria established by reliability councils or governmental agencies having authority with respect to the operation of the Appalaches-Maine Interconnection.

1.19 Hydro-Québec constitue, aux fins de la présente Convention, le Responsable de l'équilibrage et le Coordonnateur de la fiabilité responsable de l'exploitation de la Zone d'équilibrage du Québec à partir de son centre de conduite du réseau, ainsi que de la gestion du tarif de transport tel qu'il a été approuvé par la Régie de l'énergie du Québec.

1.19 Hydro-Québec for purposes of this Agreement is the Balancing Authority and the Reliability Coordinator responsible for the operation of the Québec Balancing Authority Area from its control center and the administration of the transmission tariff as approved by the Québec Régie de l'énergie.

1.20 Transaction d'échange désigne une entente en vue du transfert d'énergie d'un vendeur à un acheteur, lorsque l'énergie transférée traverse une ou plusieurs limites de Zones d'équilibrage.

1.20 Interchange Transaction is an agreement to transfer energy from a seller to a buyer that crosses one or more Balancing Authority area boundaries.

1.21 Réseaux interconnectés désigne les Réseaux de transport principaux exploités par les Exploitants désignés et comprenant les Interconnexions entre les Zones d'équilibrage respectives des Parties.

1.21 Interconnected Systems are the Bulk Electric Systems operated by the Designated Operators and which include the Interconnections between the respective Balancing Authority Areas of the Parties.

1.22 Interconnexion désigne une connexion entre au moins deux Réseaux de transport distincts qui ont des lignes de transport interconnectées.

1.22 Interconnection is a connection between two or more individual Transmission Systems that have interconnecting transmission lines.

1.23 Frontière internationale désigne l'endroit où l'Interconnexion des Appalaches-Maine chevauche la frontière entre les États-Unis et le Canada.

1.23 International Boundary is the point where the Appalaches-Maine Interconnection crosses the border between the United States and Canada.

1.24 Protocoles CEI désigne les documents écrits adoptés par le Comité des exploitants de l'Interconnexion des Appalaches-Maine en vertu de l'article 8 de la Convention des exploitants de l'Interconnexion des Appalaches-Maine; ces documents définissent les règles, les procédures, les normes et les critères particuliers établis ou adoptés par le Comité des exploitants de l'Interconnexion des Appalaches-Maine en vue de l'administration de la Convention des exploitants de l'Interconnexion des Appalaches-Maine.

1.24 IOA Protocols are the written documents adopted by the Appalaches-Maine Interconnection Operators Committee pursuant to Article 8 of the Appalaches-Maine Interconnection Operators Agreement outlining specific rules, procedures, criteria and standards established or adopted by the Appalaches-Maine Interconnection Operators Committee for purposes of administration of the Appalaches-Maine Interconnection Operators Agreement.

1.25 ISO New England Inc. (ou l'« ISO ») est le Responsable de l'équilibrage, le Coordonnateur de fiabilité et l'organisme central de contrôle responsable de l'exploitation de la Zone d'équilibrage de la Nouvelle-Angleterre à partir de son centre de conduite du réseau ainsi que de la gestion du tarif de transport pour la région visée. L'ISO peut aussi être une entité successeur, soit un centre d'exploitation indépendant, un organisme régional de transport ou une entité faisant partie d'un tel organisme régional de transport. Dans tous les cas, l'ISO doit : i) avoir obtenu l'approbation de la FERC pour exploiter les installations de transport situées en Nouvelle-Angleterre qui sont directement reliées à l'Interconnexion des Appalaches-Maine; ii) s'être vu confier l'autorité pour exploiter les installations de transport situées au Maine qui sont directement reliées à l'Interconnexion des Appalaches-Maine; et iii) être le

1.25 ISO New England Inc. (or the "ISO") is the Balancing Authority, Reliability Coordinator and central dispatching agency responsible for the operation of the New England Balancing Authority Area from its control center and the administration of its regional transmission tariff, or such successor independent system operator, regional transmission organization, or entity that forms part of a regional transmission organization that has, in each case, received: (i) approval by the FERC to operate the transmission facilities in New England directly connected to the Appalaches-Maine Interconnection; (ii) operational authority over the transmission facilities in Maine that are directly interconnected with the Appalaches-Maine Interconnection; and (iii) assignment of the IOA, to the extent such successor independent system operator, regional transmission organization, or entity is a different

cessionnaire de la CEI, dans la mesure où ce centre d'exploitation indépendant, cet organisme régional de transport ou cette autre entité successeur soit une personne morale distincte de l'exploitant de réseau en titre à la Date de la Convention.

corporate entity from the system operator in place as of the Agreement Date.

1.26 Capacité nominale de transfert est la capacité thermique des équipements de l'Interconnexion des Appalaches-Maine dans la configuration de celle-ci, telle que décrite à l'annexe 1 de la présente Convention, sans égard aux impacts extérieurs des réseaux interconnectés à courant alternatif ou d'autres réseaux.

1.26 Nominal Transfer Capability is the thermal capacity that the equipment in the Appalaches-Maine Interconnection can withstand in the Appalaches-Maine Interconnection's configuration as specified in Attachment 1 of this Agreement, without regard to external impacts by interconnected alternating-current or other systems.

1.27 Coordonnateur de la fiabilité a le sens prévu au Glossaire des termes de la NERC.

1.27 Reliability Coordinator shall have the meaning provided for in the NERC Glossary Terms.

1.28 Critères de fiabilité désigne les critères, les règles et les normes de fiabilité établis par la NERC, le *Northeast Power Coordinating Council*, la Régie de l'énergie du Québec et autres entités habilitées à établir de tels critères, règles et normes relativement aux Réseaux interconnectés, y compris l'Interconnexion des Appalaches-Maine.

1.28 Reliability Criteria are the reliability criteria, rules and standards established by NERC, the Northeast Power Coordinating Council, the Régie de l'énergie du Québec, and such other entities that are authorized to establish such criteria, rules and standards for the Interconnected Systems, which include the Appalaches-Maine Interconnection.

1.29 Réseau de transport désigne un réseau destiné au transport d'électricité et comprend les ouvrages, les équipements et toute autre installation nécessaire à cette fin.

1.29 Transmission System is a system for transmitting electricity, and includes any structures, equipment or other facilities used for that purpose.

ARTICLE 2 : OBJET DE LA CONVENTION

2.1 La présente Convention a pour objet d'assurer la fiabilité, l'exploitabilité et la Capacité nominale de transfert de l'Interconnexion des Appalaches-Maine moyennant l'exploitation, l'inspection, la maintenance, la planification, le mesurage et la mise à niveau coordonnés de celle-ci par les Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine et leurs Exploitants désignés.

2.2 Nonobstant toute disposition contraire de la présente Convention, la convention écrite entre une Partie et l'Exploitant désigné de celle-ci ne peut en aucune circonstance être interprétée comme autorisant cet Exploitant désigné à agir, soit individuellement, soit de concert avec un ou plusieurs autres Exploitants désignés ou tierces parties, d'une manière susceptible de réduire le niveau des revenus requis de toute Partie en ce qui a trait à l'Interconnexion des Appalaches-Maine; rien, et notamment aucune disposition de la Convention des exploitants de l'Interconnexion des Appalaches-Maine, n'autorise un Exploitant désigné d'une Partie à s'engager à prendre toute action par rapport à l'Interconnexion des Appalaches-Maine qui soit incompatible avec ses obligations auprès de la Partie concernée et avec le mandat d'exploitation que celle-ci lui a confié.

ARTICLE 2: PURPOSE OF AGREEMENT

2.1 The purpose of this Agreement is to maintain the reliability, operability, and Nominal Transfer Capability of the Appalaches-Maine Interconnection through coordinated operation, inspection, maintenance, planning, metering, and upgrades of the Appalaches-Maine Interconnection by the Appalaches-Maine Asset Owners and their Designated Operators.

2.2 Anything in this Agreement to the contrary notwithstanding, in no event shall the written agreement between a Party and such Party's Designated Operator authorize such Designated Operator, whether alone or in concert with one or more other Designated Operators or some other third party(-ies), to take any action that may reduce the level of revenue requirements of any Party with respect to the Appalaches-Maine Interconnection; provided further that nothing authorizes a Party's Designated Operator through the Appalaches-Maine Interconnection Operators Agreement or otherwise to commit to take any actions with respect to the Appalaches-Maine Interconnection that is inconsistent with its obligations and its operating authority with the applicable Party.

ARTICLE 3 : PRISE D'EFFET ET RÉSILIATION

- 3.1** Cette Convention prendra effet à la date à laquelle: (i) les représentants autorisés des Parties auront signé cette Convention; et (ii) toutes les approbations gouvernementales nécessaires à la prise d'effet de cette Convention auront été obtenues.
- 3.2** La présente Convention peut prendre fin en tout temps par consentement mutuel des Parties. Une des parties peut y mettre fin unilatéralement, sous réserve que a) la Partie qui désire y mettre fin donne un avis écrit préalable à cet effet d'au moins un an à l'autre Partie, et que b) la fin prenne effet le 1^{er} octobre de l'année au cours de laquelle la présente Convention doit prendre fin, sauf si la Partie qui demande à y mettre fin donne son avis après le 1^{er} octobre mais avant le 1^{er} mars suivant, auquel cas la fin prend effet le 1^{er} mars de l'année où l'exigence de préavis minimal d'un an est respectée. La présente Convention peut également prendre fin dans le cas d'un Manquement, conformément aux dispositions de l'article 10 des présentes. La fin de la présente Convention ne dispense pas une des Parties d'exécuter toute obligation qui survit au-delà de la fin de la Convention.
- 3.3** La date de fin de la présente Convention est assujettie aux approbations gouvernementales requises.

ARTICLE 3: EFFECTIVE DATE AND TERMINATION

- 3.1** This Agreement shall become effective on the date that: (i) the Parties' authorized representatives have executed this Agreement; and (ii) all necessary governmental approvals for the effectiveness of this Agreement have been obtained.
- 3.2** This Agreement may be terminated at any time by the mutual agreement of the Parties. This Agreement may be terminated unilaterally by any Party, provided that: (a) the terminating party has given at least one year's prior written notice of the termination to the other Party; and (b) the termination date shall fall on October 1 of the year in which the Agreement is to terminate, except that, if the terminating Party has given notice after October 1, and before the next March 1, the termination date shall fall on the next March 1 that allows the minimum one year notice requirement to be met. This Agreement may also be terminated in the event of a Default in accordance with the provisions of Article 10 of this Agreement. Termination of this Agreement shall not excuse any Party from performing any obligation under this Agreement that continues beyond the termination date.
- 3.3** The termination date for this Agreement shall be subject to any necessary governmental approvals.

ARTICLE 4 : DESCRIPTION DE L'INTERCONNEXION DES APPALACHES-MAINE

- 4.1** L'Interconnexion des Appalaches-Maine consiste en les installations décrites à l'annexe 1 de la présente Convention.
- 4.2** L'annexe 1 de la présente Convention peut être modifiée de temps à autre par le Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine, à sa discrétion. Toute modification ainsi apportée doit être immédiatement signalée au Comité des exploitants de l'Interconnexion des Appalaches-Maine.

ARTICLE 5 : EXPLOITATION, MAINTENANCE ET PLANIFICATION COORDONNÉES DE L'INTERCONNEXION DES APPALACHES-MAINE

- 5.1** Hydro-Québec doit exploiter l'Interconnexion des Appalaches-Maine en conformité avec la Convention des exploitants de l'Interconnexion des Appalaches-Maine et sous réserve des modalités de la présente Convention. NECEC LLC doit coordonner ses actions avec l'ISO afin d'assurer que l'Interconnexion des Appalaches-Maine est exploitée en conformité avec les modalités de la présente Convention et avec l'entente conclue par et entre NECEC LLC et ISO pour l'exploitation des services de transport sur l'Interconnexion des Appalaches-Maine en vertu de laquelle le contrôle opérationnel (« *operating control* », tel que défini dans une telle entente) de

ARTICLE 4: DESCRIPTION OF THE APPALACHES-MAINE INTERCONNECTION

- 4.1** The Appalaches-Maine Interconnection is those facilities described in Attachment 1 to this Agreement.
- 4.2** Attachment 1 to this Agreement may be modified from time to time by the Appalaches-Maine Asset Owners Committee at the Committee's discretion. Any such modification shall be communicated immediately to the Appalaches-Maine Interconnection Operators Committee.

ARTICLE 5: COORDINATED OPERATION, MAINTENANCE AND PLANNING OF THE APPALACHES- MAINE INTERCONNECTION

- 5.1** Hydro-Québec shall operate the Appalaches-Maine Interconnection in accordance with the Appalaches-Maine Interconnection Operators Agreement and subject to the terms of this Agreement. NECEC LLC shall coordinate with the ISO to ensure that the Appalaches-Maine Interconnection is operated in accordance with the terms of this Agreement and with the agreement entered into by and between NECEC LLC and ISO for transmission operating services over the Appalaches-Maine Interconnection under which operating control (as defined in such agreement) of the Appalaches-Maine Interconnection is transferred from NECEC LLC to ISO.

l'Interconnexion des Appalaches-Maine est transféré de NECEC LLC à ISO.

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| <p>5.2 Dans la mesure où chacune des Parties, indépendamment de l'autre, maintient, planifie ou met à niveau sa partie de l'Interconnexion des Appalaches-Maine, elle doit le faire à ses propres frais et en conformité avec les Critères de fiabilité, les Règles de l'art de l'industrie et les Protocoles CPA applicables (y compris les Instructions communes d'exploitation de l'Interconnexion des Appalaches-Maine).</p> | <p>5.2 To the extent that each Party independently maintains, plans or upgrades its portion of the Appalaches-Maine Interconnection, it shall do so at its own expense, and in accordance with applicable Reliability Criteria, Good Utility Practice, and AOA Protocols (including Appalaches-Maine Common Operating Instructions).</p> |
| <p>5.3 Conformément aux dispositions du paragraphe 5.4 ci-après, chacune des Parties doit, avec toute la diligence raisonnable conformément aux Règles de l'art de l'industrie et à ses propres frais, maintenir la continuité du service de transport ou rétablir ce service, s'il a été interrompu pour quelque raison que ce soit, sur sa partie de l'Interconnexion des Appalaches-Maine, soit directement soit par l'intermédiaire de son Exploitant désigné.</p> | <p>5.3 Subject to Section 5.4 below, each Party shall exercise reasonable care in accordance with Good Utility Practice, at its own expense, to maintain continuity of transmission service, or to restore such service if discontinued for any reason, on its portion of the Appalaches-Maine Interconnection, either directly or through its Designated Operator.</p> |
| <p>5.4 Chacune des Parties doit assurer la maintenance courante de sa partie des équipements de l'Interconnexion des Appalaches-Maine en conformité avec les Règles de l'art de l'industrie afin de maintenir la Capacité nominale de transfert de sa partie de l'Interconnexion des Appalaches-Maine, sous réserve que, advenant que cette Partie, ou ses Affiliées, le cas échéant, soit empêchée par des prêteurs ou par une mesure réglementaire de récupérer la totalité de la valeur des investissements en capital et des dépenses connexes engagées pendant la vie utile de ces investissements en capital pour qu'elle puisse s'acquitter de ses</p> | <p>5.4 Each Party shall provide for the regular maintenance of its portion of the Appalaches-Maine Interconnection equipment in accordance with Good Utility Practice to maintain the Nominal Transfer Capability of its portion of the Appalaches-Maine Interconnection, provided that, in the event such Party, or its Affiliates as applicable, are precluded by lenders or regulatory action from obtaining full cost recovery for capital investments and associated expenses incurred over the life of such capital investments in meeting such Party's obligation under this Section 5.4, nothing in this Section 5.4 shall require such Party</p> |

obligations en vertu du présent paragraphe 5.4, aucune disposition de ce paragraphe 5.4 ne puisse obliger cette Partie à maintenir la Capacité nominale de transfert de sa partie de l'Interconnexion des Appalaches-Maine.

to maintain the Nominal Transfer Capability of its portion of the Appalaches-Maine Interconnection.

5.5 Nonobstant le paragraphe 5.4 ci-dessus, tout changement important à être apporté par une des Parties et entraînant une augmentation ou une diminution de la Capacité nominale de transfert de sa partie de l'Interconnexion des Appalaches-Maine, y compris la mise hors service de l'Interconnexion des Appalaches-Maine par une Partie ou une modification ou réparation substantielle d'équipements existants, ou encore le remplacement d'une composante importante de ces équipements, ne pourra être effectué qu'après l'achèvement d'une étude (portant notamment, sans s'y limiter, sur des hypothèses, une méthodologie, des solutions de rechange ou des paramètres communs) entreprise conjointement par les Parties et menant à la production d'un rapport conjoint. La Partie qui prévoit effectuer un changement doit en donner un préavis écrit de trente (30) jours à l'autre Partie et l'étude conjointe doit être réalisée dans les six (6) mois suivant la réception de l'avis. Cette étude doit porter, mais sans s'y limiter, sur le recouvrement intégral de la valeur des investissements en capital et des dépenses connexes engagées pendant la vie utile de ces investissements en capital. Les Parties reconnaissent que chacune d'entre elles peut entreprendre la mise en application des conclusions du rapport conjoint, auquel cas les Parties doivent de bonne foi élaborer conjointement un calendrier de réalisation.

5.5 Notwithstanding Section 5.4 above, any significant change to be initiated by a Party resulting in the increase or decrease of the Nominal Transfer Capability of its portion of the Appalaches-Maine Interconnection, including the retirement of the Appalaches-Maine Interconnection by a Party or a substantial modification or repair of existing equipment, or replacement of a significant component thereof, shall only be carried out after completion of a mutual study undertaken by the Parties (including, but not limited to, common assumptions, methodology, parameters, and alternatives) and resulting in a joint report. Prior to an anticipated change, a written notice of thirty (30) days shall be given by the initiating Party to the other Party and the completion of the mutual study shall be carried out within a period of six (6) months from the receipt of notice. The scope of such a study shall take into account, but not be limited to, the full cost recovery for capital investments and associated expenses incurred over the life of such capital investments. The Parties acknowledge that each Party may pursue the implementation of the conclusions of the joint report, in which case the Parties shall engage in good faith efforts to coordinate the implementation schedule.

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| <p>5.6 Chaque Partie doit aviser sans délai l'autre Partie de toute circonstance dont elle prend connaissance qui est susceptible de rendre indisponible pour utilisation l'Interconnexion des Appalaches-Maine ou d'en réduire considérablement la capacité de transfert. Ce type de renseignement est assujéti aux exigences de confidentialité de l'article 8 de la présente Convention.</p> | <p>5.6 Each Party shall promptly notify the other Party of any circumstances it becomes aware of that are likely either to render the Appalaches-Maine Interconnection unavailable for use or significantly decrease the transfer capability of the Appalaches-Maine Interconnection. Such information shall be subject to the confidentiality requirements of Article 8 of this Agreement.</p> |
| <p>5.7 Chacune des Parties doit prévoir ou prendre les mesures nécessaires en vue d'assurer, 24 heures sur 24, le contrôle, la surveillance et la sécurité de sa partie de l'Interconnexion des Appalaches-Maine, et les Parties doivent coordonner leurs activités dans ce sens lorsqu'il y a lieu de le faire.</p> | <p>5.7 Each Party shall provide or arrange for 24-hour control, monitoring and security of its portion of the Appalaches-Maine Interconnection, and the Parties shall coordinate such activities, where appropriate.</p> |
| <p>5.8 Aucune des Parties n'a le droit d'exploiter ou de maintenir sa partie de l'Interconnexion des Appalaches-Maine ou d'y effectuer du mesurage de manière à privilégier indûment une entité qui utilise ou tente d'utiliser l'Interconnexion des Appalaches-Maine à des fins de service de transport, ou de manière à nuire indûment à une telle entité.</p> | <p>5.8 Each Party shall operate, maintain and meter its portion of the Appalaches-Maine Interconnection in a manner that will not unduly discriminate in favor of or against any entity using or seeking to use the Appalaches-Maine Interconnection for transmission service.</p> |
| <p>5.9 Les Parties doivent coordonner leur exploitation, leurs essais, leur mesurage, leurs travaux de maintenance et leurs programmes de retrait respectifs relativement à l'Interconnexion des Appalaches-Maine de manière à respecter leurs obligations en vertu de la présente Convention. Dans le cadre de l'exploitation coordonnée de l'Interconnexion des Appalaches-Maine, les Parties, par l'intermédiaire du Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine,</p> | <p>5.9 The Parties shall coordinate their respective operation, testing, metering, maintenance and planned outage schedules of the Appalaches-Maine Interconnection so as to meet their obligations under this Agreement. As part of their coordinated operation of the Appalaches-Maine Interconnection, the Parties, acting through the Appalaches-Maine Asset Owners Committee, shall establish and maintain Appalaches-Maine Common Operating Instructions appropriate to give effect to this</p> |

doivent élaborer et maintenir des Instructions communes d'exploitation de l'Interconnexion des Appalaches-Maine appropriées en vue de donner effet à la présente Convention. Les Parties doivent se conformer aux Instructions communes d'exploitation de l'Interconnexion des Appalaches-Maine et aux autres Protocoles CPA approuvés par le Comité.

Agreement. The Parties shall comply with the Appalaches-Maine Common Operating Instructions and other AOA Protocols approved by the Committee.

5.10 Les Parties doivent se consulter afin de déterminer ensemble les possibilités souhaitables de mise à niveau commune de l'Interconnexion des Appalaches-Maine. La répartition des coûts des mises à niveau doit être déterminée par le Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine avant le début des travaux. Sauf dans la mesure prévue aux paragraphes 5.4 et 5.5 de la présente Convention, aucune Partie ne sera contrainte d'entreprendre de telles mises à niveau de l'Interconnexion des Appalaches-Maine, conjointement ou autrement, la décision de le faire étant à l'entière discrétion de chaque Partie.

5.10 The Parties shall consult with one another to identify desirable opportunities for joint upgrades to the Appalaches-Maine Interconnection. Cost allocation for any such upgrades shall be determined in advance of the commencement of such projects by the Appalaches-Maine Asset Owners Committee. Except to the extent provided under Sections 5.4 and 5.5 of this Agreement, no Party shall be obligated to undertake any upgrades with respect to the Appalaches-Maine Interconnection, jointly or otherwise, unless such Party elects to do so in its sole discretion.

5.11 Chacune des Parties doit veiller au maintien de l'ensemble des approbations et droits gouvernementaux nécessaires à l'acquittement de ses obligations en vertu de la présente Convention. Les Parties doivent collaborer entre elles dans des limites raisonnables pour maintenir ou obtenir les approbations et droits gouvernementaux nécessaires à l'exploitation ininterrompue de l'Interconnexion des Appalaches-Maine en conformité avec la présente Convention.

5.11 Each Party shall maintain all governmental rights and approvals required to perform its respective obligations under this Agreement. The Parties shall reasonably cooperate with one another to maintain or otherwise secure any necessary governmental rights and approvals for the continued operation of the Appalaches-Maine Interconnection in accordance with this Agreement.

5.12 Aucune Partie ne sera contrainte d'accepter ou d'assurer des livraisons de puissance ou d'énergie électrique

5.12 Neither Party shall be obligated to take or provide deliveries of electric power and energy over the Appalaches-Maine

transitant par l'Interconnexion des Appalaches-Maine si ces livraisons risquent de conduire à une exploitation non sécuritaire de l'Interconnexion des Appalaches-Maine.

Interconnection that may lead to insecure or unsafe operation of the Appalaches-Maine Interconnection.

5.13 Les Parties doivent s'entendre sur l'établissement de programmes portant sur l'énergie nécessaire aux essais et doivent proposer que ces programmes soient mis en œuvre par leurs Exploitants désignés respectifs, conformément à la CEI. Si les Exploitants désignés sont incapables de respecter ces programmes, les Parties devront alors négocier de bonne foi afin de les modifier.

5.13 The Parties shall agree to appropriate test energy schedules and shall propose that such schedules be implemented by their respective Designated Operators pursuant to the IOA. If the Designated Operators are unable to accommodate such agreed schedules, then the Parties shall negotiate in good faith to develop revised test energy schedules.

5.14 Nonobstant toute disposition contraire du présent article 5, dans le cas où l'une ou l'autre des Parties est tenue de mettre à niveau l'Interconnexion des Appalaches-Maine conformément au CEI ou au *NECEC Transmission Operating Agreement As Between ISO New England, Inc., and NECEC* (« TOA »), qui définit la portée de l'autorité de l'ISO relativement à la ligne de transport de NECEC, si nécessaire pour préserver les niveaux existants de fiabilité de l'Interconnexion des Appalaches-Maine, les Parties doivent déployer des efforts commercialement raisonnables pour se coordonner et coopérer afin de faciliter une telle mise à niveau. Chaque Partie peut conclure des contrats appropriés pour respecter toute obligation associée à la propriété et à la construction de ces mises à niveaux, et chaque Partie sera responsable de tous les coûts associés à celles-ci sur sa partie de l'Interconnexion des Appalaches-Maine; à condition que rien dans le présent paragraphe 5.14 n'oblige l'une ou l'autre des Parties à construire de telles mises à niveaux.

5.14 Notwithstanding any provision in this Article 5 to the contrary, in the event that either Party is required to upgrade the Appalaches-Maine Interconnection pursuant to the IOA or the *NECEC Transmission Operating Agreement As Between ISO New England, Inc. and NECEC* ("TOA"), which defines the ISO's scope of authority with respect to the NECEC transmission line, as necessary to preserve existing levels of reliability of the Appalaches-Maine Interconnection, the Parties shall use commercially reasonable efforts to coordinate and cooperate to facilitate such upgrade. Each Party may enter into appropriate contracts to fulfill any obligations associated with the ownership and construction of such upgrades, and each Party shall be responsible for any costs associated with such upgrades on its portion of the Appalaches-Maine Interconnection; provided nothing in this Section 5.14 obligates either Party to construct such upgrades.

ARTICLE 6 : MESURAGE ; PERTES

6.1 Chaque Partie est responsable de l'installation, de l'exploitation, de la maintenance, de l'essai et de l'inspection de l'appareillage de mesure approprié ainsi que de la collecte des données provenant de cet appareillage pour la partie de l'Interconnexion des Appalaches-Maine qu'elle possède, et ce, à ses propres frais. Les Parties doivent se consulter entre elles afin de déterminer ensemble les possibilités d'un mesurage conjoint relatif à l'Interconnexion des Appalaches-Maine. La répartition des coûts d'un éventuel mesurage conjoint doit être déterminée avant le début d'un tel mesurage, par le Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine. Aucune Partie ne sera contrainte d'entreprendre un tel mesurage conjoint relativement à l'Interconnexion des Appalaches-Maine, la décision de le faire étant à l'entière discrétion de chaque Partie.

6.2 Par l'entremise du Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine et sous réserve des tarifs, des Critères de fiabilité, des Règles de l'art de l'industrie et des lois et règlements applicables en matière de mesurage, les Parties doivent élaborer conjointement des Protocoles CPA, qu'elles seront ensuite tenues d'observer, en vue de l'exécution du mesurage relatif à l'Interconnexion des Appalaches-Maine ainsi que du calcul des données provenant de ce mesurage, afin de déterminer les transferts d'énergie et les pertes réelles. Ces Protocoles doivent être des documents émis par le Comité des Propriétaires d'actifs de l'Interconnexion

ARTICLE 6: METERING; LOSSES

6.1 Each Party shall be responsible for installing, operating, maintaining, testing, and inspecting appropriate metering equipment, and gathering data from such equipment on the portion of the Appalaches-Maine Interconnection it owns at its own expense. The Parties shall consult with one another to identify any desirable opportunities for joint metering of the Appalaches-Maine Interconnection. Cost allocation for any joint metering shall be determined in advance of the commencement of such metering by the Appalaches-Maine Asset Owners Committee. No Party shall be obligated to undertake any joint metering with respect to the Appalaches-Maine Interconnection unless such Party elects to do so in its sole discretion.

6.2 Through the Appalaches-Maine Asset Owners Committee, and subject to any applicable tariffs, Reliability Criteria, Good Utility Practice, and applicable laws and regulations pertaining to metering, the Parties shall jointly develop, and be subject to, AOA Protocols for conducting metering on the Appalaches-Maine Interconnection, and for calculating the data resulting from such metering to determine energy transfers and actual losses. Such Protocols shall be documents issued by the Appalaches-Maine Asset Owners Committee pursuant to Article 7 below.

des Appalaches-Maine, conformément à l'article 7 ci-après.

6.3 Chaque Partie a le droit d'assister aux essais de l'appareillage de mesure de l'autre Partie et d'en observer le déroulement. La Partie qui doit procéder à des essais doit donner à l'autre Partie un préavis écrit raisonnable. La Partie qui assiste aux essais doit assumer les frais de sa présence.

6.3 Each Party shall have the right to be present during, and to observe, testing of the other Party's meters. Reasonable advance notice of such testing shall be given in writing by the testing party. The cost of witnessing such testing shall be the responsibility of the witnessing party.

ARTICLE 7 : COMITÉ DES PROPRIÉTAIRES D'ACTIFS DE L'INTERCONNEXION DES APPALACHES-MAINE

ARTICLE 7: APPALACHES-MAINE ASSET OWNERS COMMITTEE

7.1 Les Parties ont créé et doivent maintenir un Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine composé de quatre membres, soit deux nommés par Hydro-Québec et deux nommés par NECEC LLC. Chacune des Parties doit de plus nommer deux membres suppléants qui remplaceront au besoin les membres absents. Chacune des Parties doit aviser sans délai l'autre Partie par écrit (incluant par courriel) de toute nomination ou révocation et de tout remplacement. Le Comité devra se conformer aux règlements administratifs qu'il aura lui-même établis.

7.1 The Parties have established and shall maintain an Appalaches-Maine Asset Owners Committee, consisting of four members, two appointed by Hydro-Québec, and two appointed by NECEC LLC. Additionally, the Parties shall each appoint two alternate members that may fill in for the members in their absence. Prompt notice in writing (including by email) shall be given by each Party to the other Party for all appointments, removals and replacements. The Committee shall conduct itself in accordance with by-laws to be established by the Committee.

7.2 Le Comité est autorisé à faire, pour le compte des Parties, tout ce qui est nécessaire et raisonnable pour que les Parties puissent exécuter la présente Convention. Les responsabilités et les pouvoirs spécifiques du Comité sont les suivants : a) l'élaboration et la création de Protocoles CPA, y compris les ICE, qui soient compatibles avec les Critères de fiabilité, les Règles de l'art de l'industrie

7.2 The Committee is authorized on behalf of the Parties to do all things necessary and reasonable to ensure that the Parties carry out this Agreement. The specific scope of responsibility and authority of the Committee shall include the following: (a) development and establishment of AOA Protocols, including COI, that are consistent with Reliability Criteria, Good Utility Practice, and the IOA Protocols

et les Protocoles CEI (y compris les ICC), lesdits protocoles devant être produits conformément à la Convention des exploitants de l'Interconnexion des Appalaches-Maine; b) la surveillance de la conformité avec les Protocoles CPA, y compris les ICE ; c) l'interaction avec le Comité des exploitants de l'Interconnexion des Appalaches-Maine afin d'assurer l'exploitation coordonnée de l'Interconnexion des Appalaches-Maine ; d) la coordination des programmes de maintenance des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine; e) le maintien de tous les permis, licences ou autres autorisations de type conjoint touchant l'Interconnexion des Appalaches-Maine; f) la coordination des essais et des études de mesurage et d'exploitation de l'Interconnexion des Appalaches-Maine; g) l'élaboration et la modification des annexes à la présente Convention ; h) l'élaboration de Protocoles CPA en vue du maintien de la Capacité nominale de transfert de l'Interconnexion des Appalaches-Maine; i) la détermination de la nécessité d'entreprendre des travaux conjoints de maintenance ou de mise à niveau de l'Interconnexion des Appalaches-Maine ou un mesurage conjoint relatif à celle-ci et, dans l'affirmative, l'établissement d'une répartition adéquate des coûts entre les Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine pour ces travaux sans toutefois que le Comité ait l'autorité nécessaire pour contraindre une des Parties à entreprendre des travaux conjoints de maintenance, de mise à niveau ou de mesurage, la Partie devant consentir à de tels travaux ; j) l'élaboration de Protocoles CPA relatifs à l'échange de renseignements sur l'exploitation de l'Interconnexion des Appalaches-Maine, lesdits protocoles

(including the CDI) issued pursuant to the Appalaches-Maine Interconnection Operators Agreement; (b) oversight of compliance with the AOA Protocols, including COI; (c) interaction with the Appalaches-Maine Interconnection Operators Committee to ensure the coordinated operation of the Appalaches-Maine Interconnection; (d) coordination of maintenance schedules of the Appalaches-Maine Asset Owners; (e) ensuring that any joint licenses, permits, or other authorizations affecting the Appalaches-Maine Interconnection are maintained; (f) coordination of metering and operational tests and studies of the Appalaches-Maine Interconnection; (g) establishment and modification of the Attachments to this Agreement; (h) development of AOA Protocols for maintaining the Nominal Transfer Capability of the Appalaches-Maine Interconnection; (i) determination of whether any joint maintenance, upgrades or metering of the Appalaches-Maine Interconnection should be undertaken, and, if so, the proper cost allocation among the Appalaches-Maine Asset Owners for such projects, provided however, the Committee shall have no authority to compel a Party to undertake joint maintenance, upgrades or metering project unless agreed to by that Party; (j) development of specific AOA Protocols for the exchange of information regarding the operation of the Appalaches-Maine Interconnection consistent with the confidentiality requirements of Article 8 of this Agreement; (k) recommendation to the Parties of amendments to this Agreement, provided however, the Committee shall have no authority to amend, waive or derogate from any provisions of this Agreement; (l) establishment of subcommittees and working groups to assist the Committee in

devant être conformes aux exigences de l'article 8 de la présente Convention en matière de confidentialité ; k) la recommandation aux Parties d'apporter des modifications à la présente Convention ; le Comité n'a toutefois pas l'autorité de modifier les dispositions de la présente Convention, d'y renoncer ou d'y déroger ; l) la mise sur pied de sous-comités et de groupes de travail chargés d'aider le Comité à s'acquitter de ses responsabilités en vertu de la présente Convention ; et m) la réalisation de toute autre activité raisonnable et nécessaire en vue de l'exécution de la présente Convention et des obligations des Parties.

the performance of its responsibilities under this Agreement; and (m) the performance of any other activities that are necessary and reasonable to carry out the purpose of this Agreement and the obligations of the Parties.

7.3 Toute action, y compris et sans s'y limiter l'approbation et l'adoption d'un Protocole CPA, ne pourra être approuvée et adoptée par le Comité que si elle fait l'objet d'un vote unanime, chaque membre disposant d'un vote égal au vote de chacun des autres membres. L'ordre du jour des réunions du Comité sera transmis à l'avance au Comité des exploitants de l'Interconnexion des Appalaches-Maine et le Comité fera tout en son possible afin de fournir cet ordre du jour au plus tard cinq (5) Jours ouvrables avant la date de la réunion.

7.3 For an action to be approved and adopted by the Committee, including, but not limited to, the approval and adoption of an AOA Protocol, it must receive a unanimous vote. Each member has one vote of equal weight to each other vote. Agendas of the Committee's meetings will be provided in advance of the meetings to the Appalaches-Maine Interconnection Operators Committee, and the Committee will use best efforts to provide such agendas on or before five (5) Business Days before the meeting dates.

7.4 Chacune des Parties doit acquitter les frais de ses propres membres du Comité et ceux de leurs suppléants. Les frais communs engagés par le Comité pour des activités relatives à l'Interconnexion des Appalaches-Maine seront assumés à parts égales par les Parties ou par les commettants pour lesquels les Parties agissent à titre de mandataires ou seront répartis suivant d'autres proportions que pourra déterminer le Comité.

7.4 Each Party shall pay the expenses of its own members and alternates on the Committee. Any expenses jointly incurred by the Committee for activities pertaining to the Appalaches-Maine Interconnection shall be shared equally by the Parties or the principals for whom the Parties are acting as agents, or shall be allocated in such other proportion as may be agreed upon by the Committee.

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| <p>7.5 Le Comité procédera au besoin à des échanges de renseignements et d'idées avec le Comité des exploitants de l'Interconnexion des Appalaches-Maine en vue de l'exécution de la présente Convention.</p> | <p>7.5 The Committee shall exchange information and views, as appropriate to carry out this Agreement, with the Appalaches-Maine Interconnection Operators Committee.</p> |
| <p>7.6 Tout Protocole CPA émis par le Comité conformément à la présente Convention doit l'être par écrit.</p> | <p>7.6 Any and all AOA Protocols issued by the Committee made pursuant to this Agreement shall be in writing.</p> |
| <p>7.7 Les Protocoles CPA ne doivent pas modifier de façon significative les tarifs, les modalités et les conditions du service de transport prévus pour l'Interconnexion des Appalaches-Maine.</p> | <p>7.7 AOA Protocols shall not significantly affect rates, terms and conditions for transmission service provided over the Appalaches-Maine Interconnection.</p> |
| <p>7.8 Des parties sans droit de vote peuvent assister aux réunions du Comité, conformément aux normes de conduite et aux restrictions applicables en matière de partage de renseignements avec des parties s'adonnant à des activités marchandes. Nonobstant cette disposition, les Parties se réservent le droit de tenir certaines discussions dans le cadre de réunions du Comité en la seule présence des membres du Comité ou de leurs suppléants.</p> | <p>7.8 Committee meetings may be attended by non-voting parties in accordance with applicable standards of conduct and applicable restrictions on the sharing of information with those engaged in merchant functions. Notwithstanding this provision, the Parties reserve the right to have certain Committee meeting discussions take place solely among Committee members or alternates.</p> |

**ARTICLE 8 : CONFIDENTIALITÉ ;
NORMES DE CONDUITE ; ACCÈS AUX
DOSSIERS ET AUX DOCUMENTS**

**ARTICLE 8: CONFIDENTIALITY;
STANDARDS OF CONDUCT; ACCESS
TO RECORDS AND DOCUMENTS**

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| <p>8.1 L'information fournie par une Partie à l'autre Partie en vertu de la présente Convention et marquée ou autrement désignée comme confidentielle par la Partie qui la divulgue (la « Partie divulgatrice »), quels qu'en soient la forme ou le mode de transmission, est</p> | <p>8.1 Information supplied under this Agreement by one Party to the other Party and marked or otherwise designated by the Party disclosing the information ("Disclosing Party") as confidential, regardless of the form of the information, or the method by which the information is</p> |
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considérée comme de l'information confidentielle (l'« **Information confidentielle** »). La Partie qui reçoit de l'Information confidentielle (la « **Partie destinataire** ») doit la traiter comme telle et ne doit à aucun moment la divulguer, en totalité ou en partie, à quelque tiers que ce soit, sauf à son Exploitant désigné en ce qui a trait aux sujets pour lesquels il existe une relation mandant-mandataire, à ses employés et aux employés de ses Affiliées qui ne sont pas engagés dans des fonctions marchandes de l'électricité, et à ses consultants et représentants en autant que cette information leur soit essentielle afin de remplir leurs fonctions, et sauf comme il est prévu au paragraphe 8.2 de la présente Convention. Nonobstant ce qui précède, chaque Partie doit traiter l'Information confidentielle conformément à sa politique d'information et à son code de conduite applicables. Chaque Partie conserve la totalité de ses droits, titres et intérêts par rapport à l'Information confidentielle qu'elle divulgue à l'autre Partie. Chaque Partie doit exercer au moins le même niveau de diligence pour protéger l'Information confidentielle qu'elle reçoit que celui dont elle fait preuve pour protéger sa propre Information confidentielle.

8.2 L'Information confidentielle ne comprend aucune information correspondant aux situations suivantes :

- a) une information qui est couramment à la disposition de l'industrie électrique ou du public au moment de la divulgation ;
- b) une information qui, après sa réception par la Partie destinataire, devient couramment à la disposition de l'industrie électrique ou du public en raison de sa divulgation par la Partie divulgatrice ou ses représentants ;
- c) la Partie destinataire fournit une preuve crédible démontrant

transmitted, will be considered confidential information (“**Confidential Information**”). The Party receiving the Confidential Information (“**Recipient**”) shall treat as confidential all Confidential Information and shall not at any time disclose any of the Confidential Information to any other person, except its Designated Operator with respect to such matters as there is a principal/agent relationship, its and its Affiliates' employees not involved in power marketing functions, and its consultants and representatives on a need-to-know basis, and except as provided for in Section 8.2 of this Agreement; notwithstanding, each Party shall treat Confidential Information in accordance with its respective applicable information policy and code of conduct. Each Party retains all rights, title and interest in the Confidential Information it discloses to the other Party. Each Party shall use at least the same standard of care to protect the Confidential Information it receives as it uses to protect its own Confidential Information.

8.2 Confidential Information shall not include any information provided which: (a) is generally available to the electric industry or the public at the time of disclosure; (b) subsequent to receipt by the Recipient, becomes generally available to the electric industry or the public as a result of disclosure by the Disclosing Party or its representatives; (c) the Recipient can establish by credible evidence that it was available to the Recipient on a non-confidential basis prior to its disclosure to the Recipient; (d) subsequent to receipt by

que cette information était à sa disposition sans être sous le sceau du secret avant sa divulgation ; d) après réception, la Partie destinataire établit, au moyen d'une preuve crédible, que cette information avait été mise à sa disposition sans être sous le sceau du secret par une source autre que la Partie divulgatrice ou ses représentants, sans manquement à la présente Convention ; e) une information qui doit être divulguée en vertu d'une règle de droit qui s'impose, y compris en vertu de toute législation en matière d'accès à l'information, ou d'une exigence de la Régie de l'énergie du Québec, de la Régie de l'énergie du Canada, du Maine Public Utilities Commission, de la FERC, du Département de l'énergie des États-Unis, d'une autre autorité gouvernementale ou d'un tribunal compétent, lorsqu'il n'y a pas d'autre option raisonnable à une telle divulgation ; f) une information qui doit être divulguée par l'une des Parties dans l'exercice de ses attributions en vue de l'exploitation du réseau ou de la gestion du tarif de transport, lorsqu'il n'y a pas d'autre option raisonnable à une telle divulgation ; g) une information qui doit être divulguée par l'une des Parties à un conseil national ou régional en matière de fiabilité, en sa qualité de membre d'un tel conseil, lorsqu'il n'y a pas d'autre option raisonnable à une telle divulgation.

8.3 Avant de divulguer ou de fournir une Information confidentielle reçue, la Partie destinataire doit informer rapidement par écrit la Partie divulgatrice des demandes ou requêtes de divulgation ou de communication de cette Information confidentielle, afin que la Partie divulgatrice ait la possibilité d'empêcher une telle divulgation.

the Recipient, the Recipient can establish by credible evidence that it became available to the Recipient on a non-confidential basis from a source other than the Disclosing Party or its representatives without breach of this Agreement; (e) must be disclosed by law, including pursuant to freedom of information legislation, or pursuant to requirement of the Québec Régie de l'énergie, the Canada Energy Regulator, the Maine Public Utilities Commission, the FERC, the US Department of Energy, and any other governmental authority or tribunal having jurisdiction where there is no reasonable alternative to such disclosure; (f) must be disclosed by one of the Parties in connection with the performance of its duties and functions for reasons of power system operation or transmission tariff administration where there is no reasonable alternative to such disclosure; (g) must be disclosed by one of the Parties to a national or regional reliability council as a consequence of its membership in such a national or regional reliability council where there is no reasonable alternative to such disclosure.

8.3 Each Recipient shall provide prompt notice in writing to the Disclosing Party of any demands or requests to disclose or provide any Confidential Information prior to disclosing or furnishing the Confidential Information so as to afford the Disclosing Party a reasonable opportunity to prevent the disclosure.

- 8.4** Les dispositions relatives à la confidentialité du présent article 8 restent en vigueur pour une période d'un an à compter de la date de fin de la présente Convention, le cas échéant, et s'appliquent aux Parties pendant toute cette période. Advenant la fin de la présente Convention, pour quelque motif que ce soit, chaque Partie devra, dans les dix (10) jours suivant la réception d'une demande écrite de l'autre Partie, déployer des efforts raisonnables pour détruire, effacer ou supprimer toute Information confidentielle qu'elle a reçue de cette Partie.
- 8.4** The confidentiality provisions of this Article 8 shall survive the termination of this Agreement for one year from the date of such termination and shall apply to the Parties for such time period. Upon termination of this Agreement, for any reason, each Party shall, within ten (10) days of receipt of a written request from the other Party, use reasonable efforts to destroy, erase or delete any and all Confidential Information it has received from that Party.
- 8.5** À la demande du Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine et sous réserve des exigences en matière de confidentialité de la présente Convention, chaque Partie doit fournir rapidement au Comité ou à ses représentants désignés tous les documents ou toute l'information nécessaires pour permettre au Comité de remplir ses fonctions et aux Parties de respecter leurs obligations en vertu des présentes. Une Partie n'est toutefois pas tenue de fournir au Comité ou à l'autre Partie des documents ou de l'information si elle estime, de façon raisonnable, que leur confidentialité ne sera pas adéquatement protégée en conformité avec les exigences du présent article 8.
- 8.5** Upon the request of the Appalaches-Maine Asset Owners Committee and subject to the confidentiality requirements of this Agreement, each Party shall supply promptly to the Committee or its designated representatives any and all documents or information required to enable the Committee to perform its duties and for the Parties to fulfill their obligations under this Agreement; provided, however that a Party shall not be obligated to supply to the Committee or the other Party any documents or information if, in its reasonable judgment, the confidentiality of such documents or information would not be properly protected in accordance with the requirements of this Article 8.
- 8.6** Aucune des Parties ne doit exploiter l'Interconnexion des Appalaches-Maine en contrevenant aux lois ou à la réglementation applicables, ni divulguer d'information sur l'exploitation de l'Interconnexion des Appalaches-Maine en violation des paragraphes 8.1 et 8.2 des présentes, de manière à accorder un avantage concurrentiel à un ou plusieurs
- 8.6** No Party shall operate the Appalaches-Maine Interconnection in violation of applicable law or regulation, or disclose information about the operation of the Appalaches-Maine Interconnection in violation of Sections 8.1 and 8.2 of this Agreement, so as to give a competitive advantage to one or more market participants or Affiliates in a way that

participants aux marchés ou à l'une quelconque de leurs Affiliées, en contravention des lois, règlements ou normes de conduite qui s'appliquent à cette Partie.

violates any law, regulation, or standards of conduct applicable to that Party.

8.7 Sous réserve d'un préavis écrit dans un délai raisonnable, chaque Propriétaire d'actifs de l'Interconnexion des Appalaches-Maine (la « **Partie demanderesse** ») aura le droit d'examiner, durant les heures d'ouverture normales, les dossiers, livres, comptes et autres données (les « **Données** ») que possède, garde ou contrôle l'autre Partie, dans la mesure où : i) chaque demande est accompagnée d'un certificat de la part d'un dirigeant de la Partie demanderesse indiquant clairement la portée de l'examen et les motifs sur lesquels se fonde la Partie demanderesse pour croire que les pratiques de l'autre Partie ont des répercussions négatives importantes sur la Partie demanderesse ; ii) ces Données sont directement et uniquement pertinentes à l'exécution des obligations respectives de chaque Partie en vertu de la présente Convention ; iii) ces Données ne constituent pas de l'information faisant l'objet d'une obligation de non-divulgaration ; et iv) la divulgation de ces Données ne contreviendrait pas aux lois ou aux conventions applicables régissant la confidentialité des Données ou l'accès à celles-ci. En cas de mésentente entre les Parties sur le caractère raisonnable de la demande, cette mésentente devra être résolue conformément aux dispositions sur le règlement des différends de l'article 13 des présentes.

8.7 Upon reasonable prior written notice, each Appalaches-Maine Asset Owner (the « **Requesting Party** ») shall have the right to review, during normal business hours, the records, books, accounts and other data (« **Data** ») in the possession, custody or control of the other Party to the extent that: (i) each request is accompanied by a certificate from an officer of the Requesting Party stating clearly the scope of the review and the grounds on which the Requesting Party believes that the performance of the other Party is materially and negatively impacting the Requesting Party, (ii) such Data is directly pertinent to the performance by each of the Parties of their respective obligations under this Agreement only, (iii) such Data is not privileged information, and (iv) disclosure of such Data would not violate applicable laws or agreements governing the confidentiality of, or access to, the Data. In case of a disagreement between the Parties on the reasonableness of the request, such disagreement shall be resolved pursuant to the dispute resolution provisions in Article 13 of this Agreement.

8.8 L'« information sur une infrastructure énergétique essentielle » (« **CEII** »), telle que définie dans *l'Electronic Code of*

8.8 Critical Electric Infrastructure Information (« **CEII** »), as defined in the Electronic Code of Federal Regulations

Federal Regulations (e-CFR) aux États-Unis au 18 CFR 388.113(c)(1), sera soumise aux dispositions supplémentaires du présent paragraphe. La CEII sera désignée comme tel par la Partie divulgateuse et pourra inclure des informations orales, écrites ou enregistrées/électroniques. La CEII doit être (i) conservée par la Partie destinataire dans un endroit sécurisé afin d'empêcher tout accès non autorisé, (ii) restreinte par la Partie destinataire à ceux qui ont besoin de la connaître et qui acceptent également de se conformer aux exigences du présent article 8, (iii) clairement marquée par la Partie divulgateuse comme CEII, et (iv) utilisée uniquement en relation avec les obligations de la Partie destinataire en vertu de la présente Convention, à moins que la Partie divulgateuse n'y consente par écrit. La Partie destinataire peut faire des copies et/ou des notes de la CEII et effectuer une analyse de la CEII, mais ces copies, notes et analyses doivent également être traitées comme CEII. La CEII divulguée à la Partie destinataire est considérée comme « en prêt » et doit être rapidement détruite sur demande de la Partie divulgateuse. La CEII n'est pas soumise à, et ne peut être divulguée en vertu de la *Freedom of Information Act* ou de lois et statuts similaires régissant la divulgation d'information. Les divulgations non autorisées de la CEII par la Partie destinataire doivent être rapidement signalées à la Partie divulgateuse. Nonobstant toute autre disposition contraire de Convention, les dispositions de confidentialité du présent paragraphe survivront à la résiliation de cette Convention et resteront en vigueur jusqu'à ce que la Partie divulgateuse annule la désignation CEII ou que la Partie destinataire ait détruit la CEII et

(e-CFR) in the USA at 18 CFR 388.113(c)(1), shall be subject to the additional provisions of this Section. CEII shall be designated as such by the Disclosing Party and may include oral, written, or recorded/electronic information. CEII must be (i) maintained by the Recipient in a secure location so as to prevent unauthorized access, (ii) restricted by Recipient to those with a need to know and who also agree to comply with the requirements of this Article 8, (iii) clearly marked by Disclosing Party as CEII, and (iv) used solely in connection with the Recipient's obligations under this Agreement unless consented to in writing by the Disclosing Party. The Recipient may make copies and/or notes of CEII and perform analysis of such CEII, but such copies, notes and analysis must be treated also as CEII. CEII provided to the Recipient is considered to be "on loan" and must be promptly destroyed upon request of the Disclosing Party. CEII is not subject to, and may not be released pursuant to, Freedom of Information Act or similar laws and statutes governing the release of information. Unauthorized releases of CEII by the Recipient must be promptly reported to the Disclosing Party. Notwithstanding any other provision of this Agreement to the contrary, the confidentiality provisions of this section shall survive the termination of this Agreement and remain in effect until the Disclosing Party rescinds the CEII designation or the Recipient has destroyed the CEII and provided a written certification of such destruction to the Disclosing Party.

fourni à la Partie divulgatrice une confirmation écrite de cette destruction.

ARTICLE 9 : FORCE MAJEURE

9.1 Chaque Partie aux présentes doit faire preuve de la diligence voulue pour exécuter ses obligations en vertu de la présente Convention. Il peut toutefois survenir des situations qui empêchent ou retardent cette exécution par une ou l'autre des Parties en raison d'une ou de plusieurs causes hors du contrôle ou de toute prévisibilité raisonnables de cette Partie, y compris, sans s'y limiter, l'un des événements suivants : bris ou accident touchant le matériel ou les équipements et ne résultant pas d'un manque de précautions ou de maintenance appropriées, inondation, séisme, tempête, verglas, foudre, perturbations magnétiques ou solaires, incendie, explosion, épidémie, guerre, acte terroriste, émeute, troubles publics, conflit de travail, grève, sabotage et contrainte imposée par un tribunal ou par une autorité publique qu'une ou l'autre Partie n'aurait pu raisonnablement être en mesure d'éviter, malgré l'exercice de toute la diligence et la prévoyance voulues (« **Force majeure** »). Une Partie ne sera pas considérée en défaut quant à une obligation en vertu de cette Convention si elle est empêchée de respecter cette obligation en raison d'un événement de Force majeure. Nonobstant ce qui précède, aucun événement de Force majeure ne dispense une Partie de tout paiement, charge, pénalité, conséquence financière ou responsabilité découlant d'un règlement qu'elle est tenue d'effectuer en vertu de la présente Convention. Une Partie dont l'exécution en vertu de cette Convention est

ARTICLE 9: FORCE MAJEURE

9.1 Each Party hereto shall use due diligence to perform its obligations under this Agreement but conditions may arise which prevent or delay performance by one or the other because of a cause or causes beyond a Party's reasonable control and foresight, including, but not limited to, breakage or accident to machinery or equipment not due to lack of proper care or maintenance, flood, earthquake, storm, ice storm, lightning, magnetic or solar disturbances, fire, explosion, epidemic, war, terrorist acts, riot, civil disturbance, labor trouble, strike, sabotage and restraint by court or public authority which by exercise of due diligence and foresight either Party could not reasonably be expected to avoid ("**Force Majeure**"). A Party shall not be considered in default as to an obligation under this Agreement if it is prevented from fulfilling such obligation by reason of an event of Force Majeure. Notwithstanding the foregoing, no event of Force Majeure shall excuse a Party from any payment, charge, penalty, financial consequence or settlement responsibility that it is obligated to make under this Agreement. A Party whose performance under this Agreement is prevented or delayed by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement and promptly notify the other Party of the commencement and the end of the event of Force Majeure. Notwithstanding the general reasonable efforts standard herein, settlement of strikes and labor disturbances that

empêchée ou retardée par un événement de Force majeure doit faire tous les efforts raisonnables pour respecter ses obligations en vertu de la présente Convention et informer rapidement l'autre Partie du début et de la fin de l'événement de Force majeure. Nonobstant la norme générale relative aux efforts raisonnables énoncée aux présentes, le règlement des grèves et des perturbations du travail qui constituent un cas de Force majeure sera entièrement à la discrétion de la Partie ayant cette difficulté à résoudre.

constitute an event of Force Majeure shall be wholly within the discretion of the Party having the difficulty to resolve

ARTICLE 10 : MANQUEMENT ; CORRECTION ; RÉSILIATION

ARTICLE 10: DEFAULT; CURE; TERMINATION

10.1 Le terme « **Manquement** » signifie le défaut d'une Partie d'exécuter une obligation dans les délais ou de la façon prévus dans la présente Convention. Il n'y a pas de Manquement lorsqu'un tel défaut résulte d'un cas de Force majeure ou lorsque l'exécution de l'obligation est empêchée par un acte ou une omission de l'autre Partie. En cas de Manquement, la Partie qui n'est pas en défaut doit remettre un avis écrit à propos dudit Manquement à la Partie en défaut dans les trente (30) jours suivant le moment où elle aura pris connaissance du Manquement. La Partie en défaut dispose de quarante (40) jours à compter de la réception de l'avis de Manquement pour remédier à ce Manquement, sous réserve toutefois que, s'il ne peut être remédié à ce Manquement dans les quarante (40) jours, la Partie en défaut entreprenne d'y remédier dans les quarante (40) jours suivant l'avis et poursuive l'exécution de la correction de façon continue et avec diligence sur une période de quatre-vingt-dix (90) jours à compter de la réception de l'avis. S'il est remédié entièrement dans ce délai, le

10.1 The term “**Default**” shall mean the failure of any Party to perform any obligation in the time or manner provided in this Agreement. No Default shall exist where such failure to discharge an obligation by one Party is the result of Force Majeure or where the performance was prevented by an act or omission of the other Party. Upon an event of Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party within thirty (30) days of becoming aware of the Default. The defaulting Party shall have forty (40) days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within forty (40) days, the defaulting Party shall commence such cure within forty (40) days after notice and continuously and diligently complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

Manquement décrit dans l'avis reçu cesse d'exister.

10.2 Si un Manquement n'est pas corrigé conformément aux dispositions du paragraphe 10.1 de la présente Convention, ou si un Manquement ne peut être corrigé dans les limites de la période précisée au paragraphe 10.1, la Partie qui n'est pas en défaut a le droit de mettre fin à la présente Convention en tout temps au moyen d'un avis écrit et est libérée de toute obligation en vertu de la présente Convention, à l'exception des obligations qui survivent expressément à la fin de la Convention. Que la Partie qui n'est pas en défaut choisisse ou non de mettre fin à la présente Convention, elle a le droit de récupérer sans délai tous les montants dus en vertu de la présente Convention de la Partie en défaut, en plus de tout montant correspondant aux autres dommages et recours auxquels elle peut légalement prétendre avoir droit, sous réserve des dispositions relatives à la responsabilité et des autres limites énoncées dans les présentes. Les dispositions du présent paragraphe concernant la récupération des montants dus et des dommages survivent à la fin de la présente Convention.

ARTICLE 11 : INDEMNISATION ; ASSURANCES ; LIMITES DE RESPONSABILITÉ

11.1 Indemnisation

- a) Sous réserve des dispositions des alinéas 11.6 b) à 11.6 d), i) NECEC LLC doit indemniser Hydro-Québec et la dégager de toute responsabilité en cas de dommages, pertes, responsabilités, obligations, réclamations, demandes, poursuites,

10.2 If a Default is not cured as provided in Section 10.1 of this Agreement, or if a Default is not capable of being cured within the period provided for in Section 10.1, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time, and shall be relieved of any further obligation under this Agreement, except those obligations that expressly survive termination of this Agreement. Whether or not the non-defaulting Party chooses to terminate this Agreement, it shall have the right to immediately recover from the defaulting Party all amounts due under this Agreement, plus all other damages and remedies to which it is entitled at law, subject to the liability and other limitations contained in this Agreement. The provisions of this Section regarding recovery of amounts due and damages shall survive the termination of this Agreement.

ARTICLE 11: INDEMNIFICATION; INSURANCE; LIMITATIONS ON LIABILITY

11.1 Indemnification

- (a) Subject to Sections 11.6(b) through 11.6 (d), (i) NECEC LLC shall release, indemnify, and hold harmless Hydro-Québec from and against any and all damages, losses, liabilities, obligations, claims, demands, suits, proceedings, actions, recoveries,

actions en justice, recouvrements, jugements, règlements, coûts et dépenses, frais judiciaires, honoraires d'avocat et autres obligations (chaque élément étant un « **Dommage indemnisable** ») invoqués contre Hydro-Québec par une personne n'étant pas Partie à la présente Convention (un « **Tiers** »), y compris, sans s'y limiter, les actions intentées par un employé de NECEC LLC ou un employé de son Exploitant désigné qui, prétendument, résultent ou découlent d'actes ou d'omissions de NECEC LLC ou de son Exploitant désigné donnant lieu à un tel Dommage indemnisable ou sont associées à de tels actes ou omissions ; et ii) Hydro-Québec doit indemniser NECEC LLC le dégager de toute responsabilité en cas de Dommage indemnisable invoqué contre NECEC LLC par un Tiers, y compris, sans s'y limiter, des actions intentées par un employé de Hydro-Québec, ou un employé de son Exploitant désigné qui, prétendument, résultent ou découlent d'actes ou d'omissions de Hydro-Québec ou de ceux de son Exploitant désigné donnant lieu à un tel Dommage indemnisable, ou sont associés à de tels actes ou omissions.

- b) L'indemnisation décrite à l'alinéa 11.1 a) est limitée dans la mesure où la responsabilité de la Partie qui demande indemnisation est limitée par toute loi applicable et provient d'une réclamation i) de cette Partie agissant à titre de client du service de transport ou ii) d'un client de cette Partie.
- c) Par les présentes, NECEC LLC et Hydro-Québec i) renoncent à toute défense ou immunité dont ils pourraient autrement profiter en vertu

judgments, settlements, costs and expenses, court costs, attorney fees, and all other obligations (each, an "**Indemnifiable Loss**") asserted against Hydro-Québec by a person that is not a Party to this Agreement (a "**Third Party**"), including but not limited to any action by a NECEC LLC employee or employee of its Designated Operator, to the extent alleged to result from, arise out of or be related to NECEC LLC's acts or omissions, or the acts or omissions of its Designated Operator, that give rise to such Indemnifiable Loss; and (ii) Hydro-Québec shall release, indemnify, and hold harmless NECEC LLC from and against any Indemnifiable Loss asserted against NECEC LLC by a Third Party, including but not limited to any action by a Hydro-Québec employee or employee of its Designated Operator, to the extent alleged to result from, arise out of or be related to Hydro-Québec's acts or omissions, or the acts or omissions of its Designated Operator, that give rise to such Indemnifiable Loss.

- (b) The indemnification set forth in Section 11.1 (a) shall be limited to the extent that the liability of a Party seeking indemnification is limited by any applicable law and arises from a claim by (i) such Party in such Party's role as a transmission customer or (ii) a customer of such Party.
- (c) NECEC LLC and Hydro-Québec hereby (i) waive any defense or immunity it might otherwise have under applicable workers'

des lois applicables sur l'indemnisation des accidents du travail ou de toute autre législation ou décision judiciaire rejetant ou limitant une telle indemnisation ; et ii) consentent à une cause d'action pour indemnité ou contribution en relation avec une telle indemnisation.

compensation laws or any other statute, or judicial decision, disallowing or limiting such indemnification and (ii) consent to a cause of action for indemnity or contribution in connection with such indemnification.

11.2 Avis de procédures. Chaque Partie admissible à une indemnisation en vertu de la présente Convention (chacune étant un « **Indemnitaire** ») doit aviser sans délai la Partie qui a une obligation d'indemnisation aux présentes (dans chaque cas, la « **Partie indemnissante** ») de tout Dommage indemnisable pour lequel l'Indemnitaire a ou peut avoir droit à une indemnisation aux termes du précédent paragraphe 11.1. Un tel avis doit être donné dès qu'il est raisonnablement possible de le faire après que l'Indemnitaire a pris connaissance du Dommage indemnisable et du fait que la réclamation ou la procédure peut entraîner une obligation d'indemnisation en vertu des présentes. Cet avis doit décrire la nature du dommage ou de la procédure suffisamment en détail et doit indiquer, dans la mesure du possible, le montant estimé du Dommage indemnisable qui a été ou peut être subi par l'Indemnitaire. Le retard ou le défaut de l'Indemnitaire de produire l'avis requis en vertu du présent paragraphe 11.2 ne dégage la Partie indemnissante d'aucune obligation d'indemnisation qu'elle peut avoir envers cet Indemnitaire, sauf dans la mesure où a) un tel défaut ou retard a des répercussions négatives importantes sur la capacité de la Partie indemnissante de défendre une telle action ou a pour effet d'augmenter le montant du Dommage indemnisable ; et b) la Partie indemnissante n'est pas responsable des

11.2 Notice of Proceedings. Each Party entitled to receive indemnification under this Agreement (each, an « **Indemnatee** ») shall promptly notify the Party who holds an indemnification obligation hereunder (in each case, the « **Indemnifying Party** ») of any Indemnifiable Loss in respect of which such Indemnatee is or may be entitled to indemnification pursuant to Section 11.1 above. Such notice shall be given as soon as reasonably practicable after the Indemnatee becomes aware of the Indemnifiable Loss and that any such claim or proceeding may give rise to an indemnification obligation hereunder. Such notice shall describe the nature of the loss or proceeding in reasonable detail and shall indicate, if practicable, the estimated amount of the Indemnifiable Loss that has been or may be sustained by the Indemnatee. The delay or failure of such Indemnatee to provide the notice required pursuant to this Section 11.2 shall not release the Indemnifying Party from any indemnification obligation which it may have to such Indemnatee except (a) to the extent that such failure or delay materially and adversely affects the Indemnifying Party's ability to defend such action or increases the amount of the Indemnifiable Loss, and (b) that the Indemnifying Party shall not be liable for any costs or expenses of the Indemnatee in the defense of the claim, suit, action or

coûts ou des dépenses de l'Indemnitaire dans la contestation de la réclamation, de la poursuite, de l'action ou de la procédure, pendant la période de défaut ou de retard.

proceeding during such period of failure or delay.

11.3 Contestation des réclamations

11.3 Defense of Claims

a) À moins que la Partie indemnissante i) reconnaisse par écrit son obligation dans les dix (10) jours civils de l'avis de l'Indemnitaire concernant une réclamation, une poursuite, une action, une demande ou une procédure et ii) prenne en charge la défense de cette réclamation, poursuite, action, demande ou procédure selon les termes de l'alinéa 11.3 b) ci-après, l'Indemnitaire a le droit, mais non l'obligation, de contester, défendre et plaider, avec le conseiller juridique de son choix, toute réclamation, action, poursuite, demande ou procédure d'un Tiers alléguée ou invoquée contre cet Indemnitaire résultant ou découlant d'un fait en regard duquel il a le droit d'être indemnisé en vertu des présentes ou associée à un tel fait. Les coûts et les dépenses raisonnables correspondantes sont couverts par les obligations d'indemnisation de la Partie indemnissante aux termes des présentes.

(a) Unless and until the Indemnifying Party (i) acknowledges in writing its obligation within ten (10) calendar days of the Indemnatee's notice of a claim, suit, action, demand, or proceeding, and (ii) assumes control of the defense of such claim, suit, action, demand, or proceeding in accordance with Section 11.3 (b) below, the Indemnatee shall have the right, but not the obligation, to contest, defend and litigate, with counsel of its own selection, any claim, action, suit, demand or proceeding by any Third Party alleged or asserted against such Indemnatee in respect of, resulting from, related to or arising out of any matter for which it is entitled to be indemnified hereunder, and the reasonable costs and expenses thereof shall be subject to the indemnification obligations of the Indemnifying Party hereunder.

b) En reconnaissant par écrit son obligation d'indemniser un Indemnitaire dans les limites requises par les dispositions du présent article 11 et en payant les frais raisonnables engagés par cet Indemnitaire pour sa défense, y compris des honoraires raisonnables d'avocat, la Partie indemnissante a le droit, à sa discrétion (sous réserve des dispositions de l'alinéa 11.3 d) ci-dessous), de prendre

(b) Upon acknowledging in writing its obligation to indemnify an Indemnatee to the extent required pursuant to this Article 11 and paying all reasonable costs incurred by such Indemnatee in its defense, including reasonable attorney's fees, the Indemnifying Party shall be entitled, at its option (subject to Section 11.3(d) below), to assume and control the defense of such claim, action, suit, demand, or

charge de la contestation d'une telle réclamation, action, poursuite, demande ou procédure à ses frais avec le conseiller juridique de son choix, à la condition d'avoir obtenu au préalable l'approbation raisonnablement donnée de l'Indemnitaire.

proceeding at its expense with counsel of its selection, subject to the prior reasonable approval of the Indemnatee.

c) Ni la Partie indemnissante ni l'Indemnitaire n'est autorisé à régler ou à conclure une transaction pour une telle réclamation, action, poursuite, demande ou procédure sans le consentement écrit préalable de l'autre Partie, à la condition toutefois qu'un tel consentement ne soit pas refusé de façon déraisonnable.

(c) Neither the Indemnifying Party nor the Indemnatee shall be entitled to settle or compromise any such claim, action, suit, demand, or proceeding without the prior written consent of the other; provided, however, that such consent shall not be unreasonably withheld.

d) Après l'acceptation de l'indemnisation et la prise en charge de la défense par la Partie indemnissante en vertu de l'alinéa 11.3 b) ci-dessus, l'Indemnitaire aura le droit d'utiliser son propre conseiller juridique et ce conseiller pourra participer à la réclamation, à l'action, à la poursuite, à la demande ou à la procédure, mais les frais et les dépenses lui étant associés seront à la charge de l'Indemnitaire, lorsqu'ils surviendront, à moins que i) l'embauche d'un conseiller juridique par l'Indemnitaire ait été autorisée par écrit par la Partie indemnissante ; ii) l'Indemnitaire ait conclu raisonnablement et avisé précisément la Partie indemnissante qu'il pourrait y avoir conflit d'intérêt entre la Partie indemnissante et l'Indemnitaire dans la conduite de la défense de cette réclamation, action, poursuite, demande ou procédure ; iii) la Partie indemnissante n'ait pas réellement embauché un conseiller juridique indépendant à la satisfaction de l'Indemnitaire pour assumer la

(d) Following the acknowledgment of the indemnification and the assumption of the defense by the Indemnifying Party pursuant to Section 11.3(b) above, the Indemnatee shall have the right to employ its own counsel and such counsel may participate in such claim, action, suit, demand, or proceeding but the fees and expenses of such counsel shall be at the expense of such Indemnatee, when and as incurred, unless: (i) the employment of counsel by such Indemnatee has been authorized in writing by the Indemnifying Party; (ii) the Indemnatee shall have reasonably concluded and specifically notified the Indemnifying Party that there may be a conflict of interest between the Indemnifying Party and the Indemnatee in the conduct of the defense of such claim, action, suit, demand, or proceeding; (iii) the Indemnifying Party shall not in fact have employed independent counsel reasonably satisfactory to the Indemnatee to assume the defense of

contestation de cette réclamation, action, poursuite, demande ou procédure et en a été informée par l'Indemnitaire ; iv) l'Indemnitaire ait raisonnablement conclu et ait avisé précisément la Partie indemnissante qu'il pourrait avoir à sa disposition certaines défenses qui sont différentes ou qui s'ajoutent à celles dont la Partie indemnissante dispose, ou que la réclamation, l'action, la poursuite, la demande ou la procédure implique l'Indemnitaire ou pourrait avoir un effet négatif substantiel sur l'Indemnitaire au-delà de la portée de la présente Convention ; ou v) la Partie indemnissante n'ait pas pris les mesures raisonnables nécessaires pour assurer sa défense avec diligence dans les vingt (20) jours civils suivant la réception de l'avis de l'Indemnitaire indiquant que l'Indemnitaire croit que la Partie indemnissante a fait défaut de prendre ces mesures. Si l'énoncé ii), iii), iv) ou v) de la phrase ci-haut est applicable, le conseiller juridique de l'Indemnitaire a le droit de diriger la contestation de la réclamation, de l'action, de la poursuite ou de la procédure au nom de l'Indemnitaire et les frais et les débours raisonnables de ce conseiller seront des dépenses juridiques ou autres indemnissables aux présentes.

- e) Si le montant de tout Dommage indemnissable subi par un Indemnitaire, à tout moment après le paiement d'une indemnité par une Partie indemnissante en vertu des présentes, est réduit par recouvrement, règlement ou autrement en vertu d'une protection d'assurance, ou à la suite d'un paiement, d'un recouvrement, d'un règlement ou d'une réclamation auprès d'une autre entité, le montant d'une telle réduction,

such claim, action, suit, demand, or proceeding and shall have been so notified by the Indemnitee; (iv) the Indemnitee shall have reasonably concluded and specifically notified the Indemnifying Party that there may be specific defenses available to it which are different from or additional to those available to the Indemnifying Party or that such claim, action, suit, demand, or proceeding involves or could have a material adverse effect upon the Indemnitee beyond the scope of this Agreement; or (v) the Indemnifying Party shall not have taken reasonable steps necessary to defend diligently such action within twenty (20) calendar days after receiving notice from the Indemnitee that the Indemnitee believes the Indemnifying Party has failed to take such steps. If clause (ii), (iii), (iv) or (v) of the preceding sentence shall be applicable, then counsel for the Indemnitee shall have the right to direct the defense of such claim, action, suit or proceeding on behalf of the Indemnitee and the reasonable fees and disbursements of such counsel shall constitute indemnifiable legal or other expenses hereunder.

- (e) If the amount of any Indemnifiable Loss incurred by an Indemnitee, at any time subsequent to the making of an indemnity payment by an Indemnifying Party in respect thereof, is reduced by recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement or payment by or against any other entity, the amount of such reduction, less any

moins les coûts, les dépenses ou les primes engagés à cet égard, ainsi que les intérêts à compter de la date du paiement au taux que les banques commerciales consentent à leurs clients les mieux cotés, tel que publié dans la plus récente édition du *Wall Street Journal* dans la chronique « Monday Rates », (le « **Taux préférentiel** »), seront rapidement remboursés par l'Indemnitaire à la Partie indemnissante. Dans le cas où la réclamation, l'action, la poursuite, la demande ou la procédure donnant lieu à un Dommage indemnisable est ultimement réglée, si une ordonnance finale confirme que l'Indemnitaire n'avait pas droit à une indemnisation en vertu des présentes, le montant avancé par la Partie indemnissante en regard du Dommage indemnisable ainsi que les intérêts courus depuis la date du paiement au Taux préférentiel devront rapidement être payés par l'Indemnitaire à la Partie indemnissante.

11.4 Subrogation. Au paiement de toute indemnisation par une Partie en vertu du présent article 11, la Partie indemnissante, sans autre action, est subrogée à toutes les réclamations, actions, poursuites, demandes et procédures que l'Indemnitaire peut avoir ou avoir instituées en relation avec les présentes, et cet Indemnitaire, à la demande et aux frais de la Partie indemnissante, coopérera avec la Partie indemnissante et donnera, à la demande et aux frais de la Partie indemnissante, les autres assurances nécessaires ou souhaitables pour permettre à la Partie indemnissante de poursuivre vigoureusement ces

costs, expenses or premiums incurred in connection therewith, together with interest thereon from the date of payment thereof at the interest rate that commercial banks charge their most creditworthy borrowers, as published in the most recent Wall Street Journal in its "Monday Rates" column (the "**Prime Rate**"), shall promptly be repaid by the Indemnatee to the Indemnifying Party. In the event that the claim, action, suit, demand, or proceeding giving rise to an Indemnifiable Loss is ultimately adjudicated, if a final order confirms that the Indemnatee was not entitled to indemnification hereunder, then the amount advanced by the Indemnifying Party in respect of such Indemnifiable Loss, together with interest thereon from the date of payment thereof at the Prime Rate, shall promptly be paid by the Indemnatee to the Indemnifying Party.

11.4 Subrogation. Upon payment of any indemnification by a Party pursuant to this Article 11, the Indemnifying Party, without any further action, shall be subrogated to any and all claims, actions, suits, demands, or proceedings that the Indemnatee may have or have initiated relating thereto, and such Indemnatee shall at the request and expense of the Indemnifying Party cooperate with the Indemnifying Party and give at the request and expense of the Indemnifying Party such further assurances as are necessary or advisable to enable the Indemnifying Party vigorously to pursue such claims, actions, suits, demands, or proceedings.

réclamations, actions, poursuites, demandes ou procédures.

11.5 Assurances

a) Dans la mesure où cela est disponible sur les marchés de l'assurance commerciale, chaque Partie maintiendra une assurance de biens sur ses actifs de transport et ses installations connexes. Chaque Partie doit également maintenir une assurance responsabilité civile générale couvrant les dommages corporels (y compris le décès) et les dommages matériels encourus. Chaque Partie peut auto-assurer ses installations de transport et installations connexes conformément à ses pratiques de gestion des risques et d'assurance. NECEC LLC maintiendra une assurance responsabilité civile avec une limite minimale de 15 millions \$ US. Hydro-Québec doit être indiquée comme assuré supplémentaire sur l'assurance responsabilité civile maintenue par NECEC LLC. NECEC LLC reconnaît qu'Hydro-Québec est auto-assurée pour 15 millions \$ US ; et NECEC LLC sera indiquée dans le programme d'auto-assurance d'Hydro-Québec avec le même statut qu'un assuré supplémentaire dans le cadre d'un programme d'assurance responsabilité civile conventionnel.

b) Toutes les polices d'assurance émises par des assureurs externes et requises en vertu du présent paragraphe 11.5 doivent être souscrites et maintenues en vigueur soit auprès d'assureurs qualifiés pour garantir les obligations ou les responsabilités liées à la présente Convention et ayant une

11.5 Insurance

(a) To the extent available in commercial insurance markets, each Party will maintain property insurance on its transmission assets and related facilities. Each Party shall also maintain third-party and liability insurance covering personal injuries (including death) and property damage incurred. Each Party may self-insure its transmission and related facilities as per each Party's risk management and insurance practices. NECEC LLC will maintain liability insurance with a minimum limit of \$15 million USD. Hydro-Québec shall be listed as an additional insured party on the liability insurance maintained by NECEC LLC. NECEC LLC acknowledges that Hydro-Québec is self-insured for \$15 million USD; and NECEC LLC will be included under Hydro-Quebec's self-insurance program with the same standing as an additional insured under a conventional liability insurance program.

(b) All insurance required under this Section 11.5 by outside insurers shall be maintained with insurers qualified to insure the obligations or liabilities under this Agreement and having a Best's rating of at least B+ VIII (or an equivalent Best's rating from time to time of B+ VIII), or in the event that

notation de crédit d'AM Best d'au moins B+ VIII (ou une notation équivalente à B+ VIII émise par AM Best, le cas échéant) ou, si les évaluations d'AM Best ne sont plus émises à l'égard des assureurs à un certain moment, une notation comparable émise par une agence de notation de crédit américaine reconnue à l'échelle nationale, soit auprès d'autres assureurs convenus par les Parties.

from time to time Best's ratings are no longer issued with respect to insurers, a comparable rating by a U.S. nationally recognized rating service or such other insurers as may be agreed upon by the Parties.

c) À la signature de la présente Convention, NECEC LLC doit fournir à Hydro-Québec un certificat de police d'assurance responsabilité indiquant les montants de couverture, les numéros de police et la date d'expiration de cette assurance, conformément aux exigences de la présente Convention. Hydro-Québec s'engage à fournir une preuve de lettre d'auto-assurance sur demande écrite de NECEC LLC.

(c) Upon execution of this Agreement, NECEC LLC shall provide Hydro-Québec with a certificate of liability insurance policy setting forth the amounts of coverage, policy numbers, and date of expiration for such insurance in conformity with the requirements of this Agreement. Hydro-Québec agrees to provide evidence of self-insurance letter upon written request by NECEC LLC.

d) Les polices d'assurance souscrites par toute Partie aux présentes ne doivent pas être annulées ou résiliées, et leurs modalités ne doivent pas être modifiées sans qu'un préavis d'au moins trente (30) jours ait été donné à l'autre Partie.

(d) The insurance policies maintained by any Party hereunder shall not be canceled or terminated or the terms thereof modified or amended without at least thirty (30) days' prior notice to the other Party.

e) De plus, pour tout service devant être uniquement sous-traité par une Partie en vertu de la présente Convention, cette Partie doit s'assurer que (i) chaque sous-traitant souscrive et maintienne toutes les assurances conformément aux pratiques de gestion des risques et d'assurance de cette Partie et (ii) que chaque sous-contrat contienne une clause stipulant que les exigences d'assurance requises conformément aux pratiques de

(e) In addition, for any services to be solely subcontracted by a Party under this Agreement, that Party shall ensure that (i) each subcontractor procure and maintain all insurance as per that Party's risk management and insurance practices and (ii) that each subcontract contains a clause stating that the insurance requirements required as per each Party's risk management and insurance practices shall not be construed as a limitation of

gestion des risques et d'assurance de chaque Partie ne doivent pas être interprétées comme une limitation de responsabilité ou limiter/diminuer l'une ou les obligations d'indemnisation de l'entrepreneur/du sous-traitant ou d'autres responsabilités maintenues en vertu du sous-contrat ou entente, ou toute loi ou tout statut ou règlement.

liability or limit/diminish any of contractor / subcontractors indemnity obligation(s) or other liabilities/responsibilities maintained under the subcontract or agreement, or any statutes, law or regulation.

11.6 Acceptation de responsabilité

- a) i) NECEC LLC, individuellement et pour son Exploitant désigné est responsable envers Hydro-Québec, et Hydro-Québec, individuellement et pour son Exploitant désigné, est responsable envers NECEC LLC, des pertes, responsabilités, dommages, réductions de valeur, obligations, réclamations, procédures, amendes, déficiences et dépenses (collectivement les « **Pertes** ») causées par des actes de négligence ou des omissions graves ou une mauvaise conduite délibérée de sa part (y compris des actes de négligence ou des omissions graves ou une mauvaise conduite délibérée de la part de ses administrateurs, Affiliées, membres, dirigeants, employés, mandataires et entrepreneurs), relativement à l'exécution des obligations de la Partie en cause en vertu de la présente Convention ; et ii) aucune Partie n'est responsable envers l'autre Partie des dommages indirects, spéciaux, exemplaires, punitifs ou consécutifs, y compris des pertes de revenus ou de profits, même si ces dommages sont prévisibles ou que la Partie sinistrée a informé l'autre Partie de la possibilité d'occurrence de tels dommages, et indépendamment du fait que de tels

11.6 Assumption of Liability

- (a) (i) NECEC LLC for itself and its Designated Operator, shall be liable to Hydro-Québec, and Hydro-Québec, for itself and its Designated Operator, shall be liable to NECEC LLC for losses, liabilities, damages, diminution in value, obligations, claims, proceedings, fines, deficiencies and expenses (collectively, “**Losses**”) caused by such Party’s grossly negligent acts or omissions or willful misconduct (including the grossly negligent acts or omissions or willful misconduct of such Party’s directors, Affiliates, members, officers, employees, agents, and contractors) in connection with the performance of such Party of its obligations under this Agreement; and (ii) no Party shall be liable to the other Party for any incidental, indirect, special, exemplary, punitive or consequential damages, including lost revenues or profits, even if such damages are foreseeable or the damaged Party has advised such Party of the possibility of such damages and regardless of whether any such damages are deemed to result from the failure or inadequacy of any exclusive or other remedy. The foregoing limitations shall not apply to the right of the Parties to seek

dommages soient considérés comme un résultat de la défaillance ou de l'insuffisance de tout correctif exclusif ou autre. Les restrictions qui précèdent ne s'appliquent pas au droit des Parties de demander une indemnisation en vertu de la présente Convention, conformément aux dispositions du précédent paragraphe 11.1.

- b) Rien dans la présente Convention ne doit être considéré comme modifiant le droit d'une Partie de récupérer les frais occasionnés par sa responsabilité en vertu du présent article 11 par l'entremise de ses tarifs dûment autorisés.
- c) Aucune Partie n'est responsable envers l'autre Partie des dommages qui sont directement attribuables à la confiance accordée par cette Partie aux évaluations des installations établies par l'autre Partie.
- d) En l'absence d'une entente explicite à l'effet contraire, aucune Partie n'est responsable envers l'autre Partie en vertu de la présente Convention (que ce soit en vertu d'un contrat, d'une indemnisation, d'une garantie, d'un délit civil, d'une responsabilité stricte ou autrement) des coûts et des dépenses liés à l'exploitation, à la réparation, à la maintenance ou à l'amélioration d'une installation de transport appartenant à l'autre Partie.

ARTICLE 12 : LÉGISLATION APPLICABLE

12.1 La validité, l'interprétation et l'exécution de la présente Convention sont régies et mises en application conformément aux lois de l'État de New York. Les Parties

indemnification under this Agreement in accordance with Section 11.1 above.

- (b) Nothing in this Agreement shall be deemed to affect the right of any Party to recover its costs due to liability under this Article 11 through its duly authorized tariffs.
- (c) No Party shall be liable to the other Party with respect to any damages that are directly attributable to that Party's reliance on facility ratings established by the other Party.
- (d) Absent an explicit agreement to the contrary, no Party shall be liable to the other Party by reason of this Agreement (whether based on contract, indemnification, warranty, tort, strict liability or otherwise) for any costs and expenses relating to the operation, repair, maintenance or improvement of any transmission facility of the other Party.

ARTICLE 12: APPLICABLE LAW

12.1 This validity, interpretation and performance of this Agreement shall be governed by and enforced in accordance with the laws of the State of New York.

reconnaissent que les concepts juridiques utilisés dans la présente Convention réfèrent à ceux définis et appliqués en vertu du droit de New York.

The Parties understand that the legal concepts used in this Agreement refer to those defined and applied under New York law.

12.2 Dans la mesure où une Partie jouit d'une immunité absolue ou d'une autre immunité pouvant découler du fait que la Partie est une subdivision d'une entité politique et que cette immunité empêcherait l'autre Partie d'appliquer les conditions de la présente Convention en vertu de la *Federal Sovereign Immunities Act* (la « **FSIA** »), sous réserve de toute modification future de cette loi, les Parties reconnaissent que toutes les activités visées par la Convention doivent être considérées comme des activités commerciales et, de ce fait, constituent des exceptions applicables aux activités commerciales au sens de la FSIA, de sorte que toute immunité pouvant être accordée à une Partie en vertu de cette loi ne s'applique pas aux présentes.

12.2 To the extent that any Party has sovereign immunity or other immunity that might arise from being a subdivision of a political entity that would prevent the other Party from enforcing the terms of this Agreement, pursuant to the Federal Sovereign Immunities Act (“**FSIA**”), but subject to any future amendment to that Act, the Parties acknowledge that all activities under this Agreement shall be deemed commercial activities and, thus, are qualified to be a commercial activity exception within the meaning of the FSIA so that any immunities that may be given to a Party pursuant to that Act do not apply to this Agreement.

ARTICLE 13 : RÈGLEMENT DES DIFFÉRENDS

ARTICLE 13: DISPUTE RESOLUTION

13.1 Les Parties doivent chercher de bonne foi à régler à l'amiable les différends qui surviennent en vertu de la présente Convention ou des Protocoles CPA. Si de tels différends ne peuvent être réglés dans un délai raisonnable après l'exécution de cette démarche, une Partie peut soumettre le différend à l'American Arbitration Association (l'« **AAA** ») en vue d'un arbitrage obligatoire et exécutoire conformément aux Règlements d'arbitrage commercial de l'AAA, sous réserve des modifications ci-après. Un tel arbitrage est l'unique moyen de régler formellement les différends dans le cadre de la Convention, sauf si les Parties

13.1 The Parties shall make a good faith effort to resolve informally disputes that arise under this Agreement or under the AOA Protocols. If such disputes cannot be resolved within thirty (30) days after such effort has been made, any Party may submit such dispute to the American Arbitration Association (“**AAA**”) for mandatory binding arbitration under the AAA Commercial Arbitration Rules, as modified below. Such arbitration shall be the exclusive means for the formal resolution of disputes under this Agreement, unless the Parties agree to another means.

s'entendent sur l'utilisation d'une autre méthode.

13.2 Dans les trente (30) jours suivant le dépôt d'un avis d'arbitrage auprès de l'AAA par la Partie demanderesse (ou conjointement par les Parties), les Parties doivent choisir un arbitre unique et neutre. Si les Parties ne s'entendent pas sur le choix de l'arbitre, elles doivent choisir, au cours d'un délai supplémentaire de trente (30) jours, un arbitre unique et neutre dans une liste de dix (10) candidats compétents présentée par l'AAA. Pour être jugé compétent, un candidat doit être un arbitre chevronné et posséder soit une expérience dans le domaine juridique, soit une expérience générale du sujet du différend. Sans le consentement exprès écrit de chaque Partie relativement à une personne en particulier, aucun dirigeant, employé ou consultant, ancien ou actuel, d'une des Parties ou d'une entité associée ou d'un Affilié à une Partie, ou autrement concerné par la question faisant l'objet de l'arbitrage, ne pourra être choisi comme arbitre. Toute personne nommée comme arbitre doit dévoiler aux Parties, s'il y a lieu, l'existence d'une telle relation donnant lieu à une exclusion, et un nouvel arbitre sera alors nommé. Si les parties en litige ne peuvent s'entendre sur le choix d'un arbitre, les Parties devront rayer à tour de rôle un nom sur la liste fournie par l'AAA, la première Partie à le faire ayant été déterminée par tirage au sort. La dernière personne restant sur la liste est désignée comme arbitre. Si cette personne ne peut ou ne veut servir d'arbitre, la personne dont le nom a été rayé en dernier sera désignée, et ainsi de suite jusqu'à la sélection d'une personne qui pourra et voudra être l'arbitre.

13.2 Within thirty (30) days following filing of the notice of arbitration with the AAA by the claimant (or jointly by the Parties), the Parties shall choose a single, neutral arbitrator. If the Parties do not agree on an arbitrator, within thirty (30) more days, the Parties shall choose a single, neutral arbitrator from a list of ten (10) qualified candidates presented by the AAA. To be qualified, a candidate shall be an experienced arbitrator and have either legal experience or have experience in the general subject matter of the dispute. Absent the express written consent of each Party, as to any particular individual, no person shall be eligible for selection as arbitrator who is a past or present officer, employee or consultant of either of the Parties, or of any entity related to or an Affiliate with either of the Parties or is otherwise interested in the matter to be arbitrated. Any individual designated as arbitrator shall make known to the Parties any such disqualifying relationship and a new arbitrator shall be designated. If the disputing parties cannot agree upon an arbitrator, the Parties shall take turns striking names from the list supplied by the AAA, with a Party chosen by lot to strike first a name. The last remaining name on the list shall be designated as arbitrator. If that individual is unable or unwilling to serve, the individual last stricken shall be designated and the process repeated until an individual is selected that is able and willing to serve.

13.3 Dans les soixante (60) jours suivant la sélection de l'arbitre, ou dans tout autre délai raisonnablement requis ou déterminé par l'arbitre, chaque Partie doit soumettre par écrit un exposé de position sur le ou les points en litige et la documentation à l'appui de sa position, y compris les faits et le droit pertinents, de même que ses demandes visant l'information additionnelle qui pourrait être en possession de l'autre Partie. L'arbitre doit déterminer jusqu'à quel point ces demandes d'information doivent être prises en compte, comment les preuves doivent être recueillies, quelles autres présentations écrites peuvent être faites et autres questions de procédure. Ce faisant, il doit tenir compte de la complexité des questions en cause, de la mesure dans laquelle des données factuelles sont en cause et de la pertinence de la crédibilité des témoins en vue d'un règlement. Les procédures d'arbitrage d'un différend doivent fournir un moyen d'obtenir un jugement sommaire sans divulgation des faits si le différend ne porte pas sur un fait substantiel, ou avec la divulgation restreinte dont l'arbitre juge raisonnablement probable qu'elle conduira à une résolution rapide de toute question litigieuse sur un fait substantiel. Chaque partie au différend doit présenter l'ensemble de la preuve (à l'exception des communications privilégiées ou confidentielles entre l'avocat et son client ou relatives au produit du travail de l'avocat) que l'arbitre considère comme étant nécessaire au règlement des questions en cause. Dans la mesure où une telle preuve met en cause des renseignements exclusifs, commercialement sensibles ou confidentiels, l'arbitre peut émettre une ordonnance de sauvegarde appropriée à laquelle devront se conformer toutes les parties au

13.3 Within sixty (60) days of the selection of the arbitrator, or such other time as may be reasonably required or determined by the arbitrator, each Party shall submit written position papers on the disputed issue(s) and any written supporting information, including all relevant facts and law, as well as written requests for any additional data that the other Party might have. The arbitrator shall determine the extent to which such data requests must be complied with, how evidence shall be taken, what other written submittals may be made, and other procedural matters, taking into account the complexity of the issues involved, the extent to which factual matters are disputed, and the extent to which the credibility of witnesses is relevant to a resolution. The procedures for the arbitration of a dispute shall provide a means for summary disposition without discovery of facts if there is no dispute as to any material fact, or with such limited discovery as the arbitrator shall determine is reasonably likely to lead to the prompt resolution of any disputed issue of material fact. Each party to the dispute shall produce all evidence (except for privileged and confidential attorney-client communications or attorney work product) determined by the arbitrator as necessary to the resolution of the issues presented. To the extent such evidence involves proprietary, commercially sensitive or confidential information, the arbitrator may issue an appropriate protective order which shall be complied with by all disputing parties. Such a protective order must take into account any applicable laws, rules, regulations, or contracts that prohibit or limit the disclosure of the subject information. The arbitrator may elect to resolve the arbitration matter solely on the basis of

différend. Cette ordonnance préventive doit tenir compte des lois, règles, règlements ou contrats applicables qui interdisent ou restreignent la divulgation d'information sur le sujet. L'arbitre peut décider de régler la question en arbitrage en se basant uniquement sur la preuve et les arguments écrits, sauf si l'objet du différend et les autres éléments de preuve exigent raisonnablement l'interrogatoire des témoins.

written evidence and arguments, but not if the subject matter of the dispute and the other evidence reasonably requires the examination of witnesses.

13.4 Rapidement après sa sélection, l'arbitre doit fixer la date d'émission de la sentence arbitrale, laquelle ne doit pas être à plus de six (6) mois (ou à une date plus proche convenue par les Parties) de la date de sélection de l'arbitre, de même que d'autres dates, dont les dates d'audition des témoins ou de présentation finale des autres éléments de preuve, qui seront déterminées en fonction de cette date. La date d'audience ou de présentation finale d'éléments de preuve ne doit pas être modifiée, sauf en cas de situation exceptionnelle. L'arbitre aura le pouvoir d'imposer des sanctions, y compris le rejet de la procédure pour tactiques dilatoires ou pour retard indu, dans la réalisation de la procédure d'arbitrage.

13.4 Promptly after the selection of the arbitrator, the arbitrator shall set a date for the issuance of the arbitrator's decision, which shall be not later than six (6) months (or such earlier date as may be agreed to by the Parties) from the date of the selection of the arbitrator, with other dates, including the dates for an evidentiary hearing or other final submissions of evidence, set in light of this date. The date for the evidentiary hearing or other final submission of evidence shall not be changed absent extraordinary circumstances. The arbitrator shall have the power to impose sanctions, including dismissal of the proceeding for dilatory tactics or undue delay in completing the arbitration proceedings.

13.5 L'arbitre doit prendre en compte toutes les questions sous-jacentes au différend, et il doit recevoir la preuve soumise par les parties en litige conformément aux procédures qu'il a lui-même établies ; il pourra demander un supplément d'information, y compris l'opinion d'organismes ou d'experts techniques reconnus. Chaque Partie se verra accorder une possibilité raisonnable de réfuter ce supplément d'information.

13.5 The arbitrator shall consider all issues underlying the dispute, and the arbitrator shall take evidence submitted by the disputing parties in accordance with procedures established by the arbitrator and may request additional information including the opinion of recognized technical bodies or experts. Each Party shall be afforded a reasonable opportunity to rebut any such additional information.

13.6 À moins que les Parties n'en conviennent autrement, l'arbitre rend sa sentence dans les six (6) mois suivant sa nomination et avise les Parties par écrit de cette sentence et des motifs à l'appui de la sentence. La portée de la sentence arbitrale est limitée aux questions soumises à l'arbitrage. L'arbitre n'est autorisé qu'à interpréter et à appliquer les dispositions de la présente Convention et n'a pas le pouvoir de modifier la Convention. La sentence de l'arbitre est définitive et lie les Parties, et elle n'est pas confidentielle. Elle peut être confirmée par tout tribunal de New York ou tribunal fédéral compétent siégeant à New York. Nonobstant ce qui précède, une Partie peut présenter une requête en annulation ou en modification de la sentence arbitrale en se fondant sur les motifs d'appel énumérés dans la *Federal Arbitration Act* (9 U.S.C. §1, *et seq.*).

13.7 Tous les coûts associés aux heures travaillées, aux dépenses et aux autres frais de l'arbitre et de l'AAA sont assumés par la Partie perdante. Chaque Partie doit assumer ses propres frais, y compris les honoraires de ses avocats et de ses experts.

13.8 L'arbitrage se déroulera à New York.

13.9 Aucune des Parties n'est tenue d'agir en conformité avec une sentence arbitrale si, ce faisant, elle enfreindrait aux statuts ou aux règlements la régissant.

13.6 Unless otherwise agreed by the Parties, the arbitrator shall render a decision within six (6) months of appointment and shall notify the Parties in writing of such decision and the reasons supporting the decision. The scope of the arbitrator's decision shall be limited to the issues presented for arbitration. The arbitrator shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change the Agreement. The decision of the arbitrator shall be final and binding upon the Parties, and shall not be confidential. The award may be confirmed in any New York court or federal court sitting in New York having jurisdiction. Notwithstanding the foregoing, any Party may move to vacate or modify an award based on the grounds enumerated in the Federal Arbitration Act (9 U.S.C. §1, *et seq.*).

13.7 All costs associated with the time, expense and other charges of the arbitrator and the AAA shall be borne by the unsuccessful Party. Each Party shall bear its own costs, including attorney and expert fees.

13.8 The site of the arbitration shall be New York.

13.9 A Party shall not be bound to act in compliance with an arbitration decision if doing so would result in violation of statutes or regulations governing such Party.

ARTICLE 14 : CESSION

14.1 Sous réserve des dispositions du paragraphe 14.2 ci-dessous, un transfert ou une cession volontaires de la présente Convention ou des droits ou obligations d'une Partie en vertu des présentes ne peut être effectué sans l'approbation écrite de l'autre Partie, une telle approbation ne pouvant être refusée de façon déraisonnable. Toutefois, dans tous les cas, tout successeur ou cessionnaire des droits ou obligations d'une Partie, que ce soit par cession ou transfert volontaires ou autrement, doit être soumis aux dispositions et aux conditions de la présente Convention de la même façon que si ce successeur ou ce cessionnaire était la Partie à l'origine, et la cession ou le transfert ne doit pas servir à libérer la Partie à l'origine des obligations ou des devoirs liés à la présente Convention, à moins qu'elle obtienne à cet égard le consentement écrit de l'autre Partie, un tel consentement ne devant être refusé indûment.

14.2 Toute Partie peut, moyennant un préavis écrit de six (6) mois et sans le consentement de l'autre Partie, céder ses intérêts dans la présente Convention à un organisme régional de transport ou à une entreprise de transport indépendante ayant été approuvée si requis par la FERC, et la Partie cédante est alors libérée de toutes les responsabilités survenant à compter de la date de la cession, mais pas avant. Toute Partie peut, avec le consentement de l'autre Partie (un tel consentement ne devant être refusé indûment), céder les droits que lui confère la présente Convention à une Affiliée, et la Partie cédante est alors libérée de toutes les

ARTICLE 14: ASSIGNMENT

14.1 Except as provided in Section 14.2 below, no voluntary transfer or assignment of this Agreement or of the rights or obligations of a Party hereunder shall be made without the written approval of the other Party, such approval not to be unreasonably withheld. In any event, any successor to or assignee of the rights or obligations of a Party, whether by voluntary assignment, transfer, or otherwise, shall be subject to all of the provisions and conditions of this Agreement to the same extent as though such successor or assignee were the original Party hereunder and no such assignment or transfer shall serve to release the original Party from any of the obligations or duties under this Agreement unless by the written consent of the other Party, such consent not to be unreasonably withheld.

14.2 Any Party may assign its respective interest in this Agreement, with six (6) months' advance written notice and without the consent of the other Party, to a regional transmission organization or an independent transmission company if required that has been approved by the FERC, and the assigning Party shall be released from any liabilities arising on and after, but not before, the date of assignment. Any Party may assign its respective interest in this Agreement, with the consent of the other Party (such consent not to be unreasonably withheld), to an Affiliate of such Party, and the assigning Party shall be released from any

responsabilités survenant à compter de la date de la cession, mais pas avant.

liabilities arising on and after, but not before, the date of assignment.

ARTICLE 15 : AVIS

ARTICLE 15: NOTICES

15.1 Sauf indication contraire dans la présente Convention, tout avis, mise-en-demeure ou demande à une Partie requis ou autorisé par les présentes doit être présenté par écrit et livré à au moins un membre ou suppléant du Comité des Propriétaires d'actifs de l'Interconnexion des Appalaches-Maine représentant cette Partie. La livraison d'un tel avis doit être effectuée soit en mains propres, par un service de messagerie reconnu, soit par courrier recommandé affranchi, à l'adresse de la Partie indiquée à l'annexe 2 de la présente Convention, cette adresse pouvant être modifiée en tout temps par une Partie moyennant un avis écrit à l'autre Partie. Tout avis, mise-en-demeure ou demande en vertu de la présente Convention prend effet dès sa livraison.

15.1 Unless otherwise specified in this Agreement, any notice, demand or request required or authorized by this Agreement to be given to a Party shall be in writing and shall be delivered to one or more of that Party's Appalaches-Maine Asset Owners Committee members or alternates. Delivery of such notice shall be effected either by hand delivery, by a recognized courier service, or by registered mail, postage prepaid, to the Party at the address specified in Attachment 2 to this Agreement, which address may be modified at any time by a Party by giving written notice to the other Parties. Any notice, demand, or request under this Agreement shall be effective upon delivery.

ARTICLE 16 : MODIFICATION ; RÉVISION

ARTICLE 16: AMENDMENT; REVIEW

16.1 Aucune modification apportée à la présente Convention n'aura d'effet à moins d'avoir été émise sous la forme d'un écrit dûment signé par les représentants autorisés des Parties.

16.1 No amendment of this Agreement shall be effective unless effected by written instrument duly executed by the authorized representatives of the Parties.

16.2 Les modalités de la présente Convention sont susceptibles de révision pour intégration d'éventuelles modifications à la demande de l'une des Parties. Si, à la suite d'une telle révision, les Parties conviennent qu'une disposition quelconque aux présentes ou que les pratiques ou la conduite d'une Partie

16.2 The terms of this Agreement are subject to review for potential amendment at the request of any Party. If, consequent to such review, the Parties agree that any of the provisions hereof, or the practices or conduct of any Party impose an inequity, hardship or undue burden upon the other Party, or if the Parties agree that any of the

créent une injustice, un préjudice ou une charge exagérée à l'égard de l'autre Partie, ou si les Parties reconnaissent qu'une disposition quelconque de la présente Convention est devenue désuète ou incompatible avec des modifications touchant l'Interconnexion des Appalaches-Maine, les Parties doivent tenter en toute bonne foi de négocier une modification ou un complément mutuellement acceptables à la présente Convention de façon à éliminer cette injustice, ce préjudice ou cette charge exagérée ou de remédier de toute autre façon appropriée à la cause d'une telle modification.

provisions of this Agreement have become obsolete or inconsistent with changes related to the Appalaches-Maine Interconnection, the Parties shall endeavor in good faith to negotiate a mutually acceptable amendment or supplement to this Agreement to remove such inequity, hardship or undue burden, or otherwise appropriately address the cause for such change.

16.3 Les Parties peuvent modifier la présente Convention en tout temps par une entente mutuelle, conformément au paragraphe 16.1 ci-dessus.

16.3 The Parties may amend this Agreement at any time by mutual agreement in accordance with Section 16.1 above.

ARTICLE 17 : DÉCLARATIONS

ARTICLE 17: REPRESENTATIONS

17.1 Chaque Partie déclare et garantit qu'elle existe et est dûment constituée, et qu'elle est en règle avec le régime des lois de l'État ou de la province où elle a été constituée, formée ou incorporée, selon le cas.

17.1 Each Party represents and warrants that it is duly organized, validly existing and in good standing under the laws of the state or province in which it is organized, formed, or incorporated, as applicable.

17.2 Chaque Partie déclare et garantit qu'elle a le droit, le pouvoir et l'autorité de s'engager dans la présente Convention, d'être partie aux présentes et de s'acquitter des obligations qui en découlent. La présente Convention constitue une obligation légale et valide de cette Partie, lie cette Partie et est opposable à cette Partie, conformément aux modalités de la présente Convention.

17.2 Each Party represents and warrants that it has the right, power and authority to enter into this Agreement, to become a party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

17.3 Chaque Partie déclare et certifie que la signature, la livraison et l'exécution de la présente Convention n'entrent pas en conflit avec les documents organisationnels ou de formation, les règlements administratifs, les conventions d'exploitation ou les conventions de mandat de cette Partie, ni avec les jugements, licences, permis, ordonnances réglementaires ou autorisations gouvernementales applicables à cette Partie et n'y contreviennent pas.

17.3 Each Party represents and warrants that the execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, bylaws, operating agreement, or agency agreement of such Party, or any judgment, license, permit, regulatory order, or governmental authorization applicable to such Party.

17.4 Chaque Partie déclare et certifie qu'elle possède ou a demandé toutes les autorisations réglementaires nécessaires à l'exécution de ses obligations en vertu de la présente Convention.

17.4 Each Party represents and warrants that it has, or has applied for, all regulatory authorizations necessary for it to perform its obligations under this Agreement.

ARTICLE 18 : DISPOSITIONS DIVERSES

ARTICLE 18: MISCELLANEOUS

18.1 Le défaut d'une Partie d'insister, en toute occasion, sur l'exécution rigoureuse de toute disposition de la présente Convention ne sera pas considéré comme une renonciation à tout droit détenu par cette Partie. Toute renonciation à un droit par une Partie, en toute occasion particulière, ne peut être considérée comme une renonciation continue à ce droit, ni comme une renonciation à quelque autre droit en vertu de la présente Convention.

18.1 The failure of a Party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any right held by such Party. Any waiver on any specific occasion by any Party shall not be deemed a continuing waiver of such right, nor shall it be deemed a waiver of any other right under this Agreement.

18.2 La présente Convention ne vise pas à créer et ne crée pas des droits, des recours ou des avantages de quelque nature que ce soit en faveur de toute entité autre que les Parties et, dans les cas où cela est permis, leurs ayants droit.

18.2 This Agreement is not intended to and does not create any rights, remedies, or benefits of any kind whatsoever in favor of any entities other than the Parties, and, where permitted, their assigns.

- 18.3** La présente Convention ne vise pas à créer et ne crée pas une coentreprise, une relation de mandant-mandataire ou une société de personnes entre les Parties.
- 18.3** This Agreement is not intended to and does not create a joint venture, agency relationship, or partnership between the Parties.
- 18.4** La présente Convention, y compris toutes les annexes qui y sont jointes, constitue l'entente intégrale intervenue entre les Parties quant à l'objet des présentes et remplace toutes les ententes ou conventions antérieures ou contemporaines, orales ou écrites, portant sur l'objet de la présente Convention.
- 18.4** This Agreement, including all Attachments hereto, is the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous understandings or agreements, oral or written, with respect to the subject matter of this Agreement.
- 18.5** La présente Convention, y compris toute modification future et tout Protocole CPA, s'il en est, est assujettie aux autorisations gouvernementales initiales et continues nécessaires à l'établissement, à l'exploitation et à la maintenance de l'Interconnexion des Appalaches-Maine précisées dans les présentes. Chaque Partie doit prendre toutes les mesures raisonnables sur le plan commercial qui sont en son pouvoir afin de conserver tous les droits et approbations gouvernementaux nécessaires à l'exécution des obligations qui lui incombent en vertu de la présente Convention.
- 18.5** This Agreement, including its future amendments and AOA Protocols, if any, is subject to the initial and continuing governmental authorizations required to establish, operate and maintain the Appalaches-Maine Interconnection as herein specified. Each Party shall take all commercially reasonable actions reasonably within its control to maintain all governmental rights and approvals required to perform its respective obligations under this Agreement.
- 18.6** Si l'exécution d'une modalité ou d'une condition de la présente Convention se révèle incompatible avec une obligation imposée à une des Parties ou à ses Exploitants désignés par une autorité gouvernementale compétente à l'égard de cette Partie ou de ces Exploitants désignés, cette Partie sera dispensée de l'exécution de cette modalité ou condition, et les Parties négocieront une modalité ou condition modifiée qui sera acceptable pour toutes les Parties, qui ne
- 18.6** If performance of a term or condition of this Agreement would conflict with an obligation imposed on any of the Parties or their Designated Operators by a governmental authority having jurisdiction over such Party or Designated Operator, such Party shall be excused from performance in compliance with such term or condition, and the Parties will negotiate a mutually acceptable modified term or condition that would not

sera pas incompatible et qui visera à concrétiser l'intention initiale des Parties.

be in conflict but would seek to achieve the Parties' original intent.

18.7 Si une disposition de la présente Convention est jugée invalide, le reste de la Convention demeurera en vigueur et les Parties négocieront de bonne foi en vue de parvenir à une entente sur une disposition substitutive acceptable pour les Parties qui concrétisera l'intention initiale des Parties.

18.7 If any provision of this Agreement is deemed unenforceable, the rest of the Agreement shall remain in effect and the Parties shall negotiate in good faith and seek to agree upon a mutually acceptable substitute provision that will achieve the original intent of the Parties.

18.8 La présente Convention peut être signée en plusieurs exemplaires, dont chacun sera considéré comme un original, mais qui seront considérés ensemble comme une seule et même Convention, et elle aura une force exécutoire lorsque tous les exemplaires auront été signés par chacune des Parties et livrés à chaque Partie aux présentes. La livraison par courriel d'un exemplaire signé d'une page de signature sera aussi valide que la livraison d'un original signé.

18.8 This Agreement may be executed in multiple counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same Agreement and shall become binding when all counterparts have been signed by each of the Parties and delivered to each Party hereto. Delivery of an executed signature page counterpart by email shall be as effective as delivery of a signed original.

18.9 Sauf indication écrite contraire des Parties, tous les paiements exigibles en vertu de la présente Convention seront effectués en fonds des États-Unis d'Amérique disponibles immédiatement.

18.9 Unless otherwise indicated in writing by the Parties, all payments due under this Agreement will be effected in immediately available funds of the United States of America.

18.10 Sauf en cas de changement recevant l'assentiment des deux Parties, la norme de révision applicable aux changements apportés à la présente Convention par une Partie, un tiers non partie à la Convention ou la FERC agissant de son propre chef est celle de « l'intérêt public » telle qu'elle est énoncée dans *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) et *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) et tel que défini plus

18.10 Absent the agreement of both Parties to any change, the standard of review for changes to this Agreement by a Party, a non-party or the FERC acting sua sponte shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and as further defined in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of*

en détails dans *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 554 U.S. 527 (2008) et *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165 (2010) (la doctrine « *Mobile-Sierra* »).

Snohomish County, 554 U.S. 527 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165 (2010) (the “*Mobile-Sierra*” doctrine).

18.11 Si un organisme de réglementation ayant compétence (ou toute commission ou tout organisme le remplaçant), un tribunal ayant compétence ou une autre entité gouvernementale possédant la compétence nécessaire établit une règle, émet un règlement, adopte une loi ou prononce une ordonnance ou un décret ayant pour effet d’annuler, de modifier ou de remplacer une modalité ou une disposition de la présente Convention (l’« **Exigence réglementaire** »), alors la présente Convention sera réputée modifiée dans la mesure nécessaire au respect de l’Exigence réglementaire. Nonobstant ce qui précède, si l’organisme de réglementation change de manière importante les modalités et conditions de la présente Convention et que le ou les changements influent sensiblement sur les avantages qu’en tire une des Parties tel qu’il aura été déterminé par l’une des Parties dans un délai de vingt (20) Jours ouvrables suivant la réception de la Convention changée de manière importante, les Parties acceptent de tenter de bonne foi de négocier une ou des modifications à la présente Convention ou de prendre une ou plusieurs autres mesures appropriées pour faire en sorte que chaque Partie soit remise dans le même état que si la ou les modifications n’avaient pas été apportées. Si, dans un délai de soixante (60) jours, ou au cours de toute autre période sur laquelle les Parties se sont entendues, suivant la ou les modifications en question, les Parties sont

18.11 If any regulatory body having jurisdiction (or any successor boards or agencies), a court of competent jurisdiction or other governmental entity with the appropriate jurisdiction issues a rule, regulation, law or order that has the effect of cancelling, changing or superseding any term or provision of this Agreement (the “**Regulatory Requirement**”), then this Agreement will be deemed modified to the extent necessary to comply with the Regulatory Requirement. Notwithstanding the foregoing, if the regulatory body materially modifies the terms and conditions of this Agreement and such modification(s) materially affect the benefits flowing to one of the Parties, as determined by one of the Parties within twenty (20) Business Days of the receipt of the Agreement as materially modified, the Parties agree to attempt in good faith to negotiate an amendment or amendments to this Agreement or take other appropriate action(s) so as to put each Party in effectively the same position in which the Parties would have been had such modification not been made. In the event that, within sixty (60) days or some other time period mutually agreed upon by the Parties after such modification has been made, the Parties are unable to reach agreement as to what, if any, amendments are necessary and fail to take other appropriate action to put each Party in effectively the same position in which the Parties would have been had such modification not been made, then a Party

incapables de parvenir à une entente au sujet des modifications nécessaires, s'il en est, et font défaut de prendre d'autres mesures appropriées pour remettre chaque Partie dans le même état que si la ou les modifications n'avaient pas été apportées, alors une Partie a le droit de mettre fin unilatéralement et immédiatement à la présente Convention.

shall have the right to unilaterally terminate this Agreement forthwith.

EN FOI DE QUOI, les représentants
autorisés des Parties ont signé la présente
Convention.

IN WITNESS WHEREOF, the Parties
authorized representatives have executed this
Agreement.

HYDRO-QUÉBEC
DATE: 4/4/2025

Signé par :



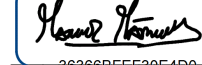
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HYDRO-QUÉBEC

Régis Tellier

Directeur principal – Opérations et maintenance
(Production et transport – Sud)

NECEC TRANSMISSION LLC
DATE: 4/6/2025

Signed by:



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NECEC TRANSMISSION LLC

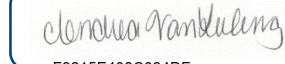
Manuel lorenzo Marquez asensio

Vice President

et/and

NECEC TRANSMISSION LLC
DATE: 4/7/2025

Signed by:



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NECEC TRANSMISSION LLC

Andrea Vanluling

Vice President Controller – Networks

**ANNEXE 1 : DESCRIPTION DE
L'INTERCONNEXION DES
APPALACHES-MAINE ET DES
INSTALLATIONS CONNEXES**

L'Interconnexion des Appalaches-Maine consiste en une nouvelle liaison HVDC utilisant une configuration monopôle symétrique comme suit:

Une nouvelle ligne de transport HVDC de 334,7 kilomètres (208 milles) +/- 320 kV qui reliera la sous-station existante des Appalaches à Saint-Adrien-d'Irlande, au Québec, et un nouveau poste de conversion HVDC, nommée « Merrill Road HVDC Converter », à environ 1,9 kilomètres (1,2 mille) de la sous-station existante de Larrabee Road à Lewiston, dans le Maine ; et

Nouveaux postes de conversion VSC-HVDC aux deux extrémités de la ligne de transport.

**Description des installations
d'interconnexion de NECEC LLC situées
dans le Maine, aux États-Unis**

Nouvelle ligne de transport HVDC +/-320 kV de 233,4 kilomètres (145 milles) depuis la frontière Québec-Maine jusqu'à une nouvelle sous-station de conversion située près de Merrill Road à Lewiston, comprenant un nouveau câble souterrain HVDC +/-320 kV de 1,6 kilomètres (1 mille) installé par une foreuse directionnelle horizontale sous la rivière Kennebec (section 432); et

Nouvelle ligne de transport CA de 345 kV de 1,9 kilomètre (1,2 mille) entre la nouvelle sous-station de conversion Merrill Road et la sous-station existante Larrabee Road (section 3007) ;

Nouvelle sous-station de conversion VSC-HVDC Merrill Road de 345 kV CA à +/- 320 kV HVDC de 1 200 MW ;

**ATTACHMENT 1: DESCRIPTION OF
APPALACHES-MAINE
INTERCONNECTION AND
RELATED FACILITIES**

The Appalaches-Maine Interconnection consists of a new HVDC link utilizing a symmetrical monopole configuration as follows:

A new 208 mile +/- 320 kV HVDC transmission line that will run between the existing Appalaches Substation in Saint-Adrien-d'Irlande, Québec and a new HVDC converter station, named "Merrill Road HVDC Converter", approximately 1.2 miles from the existing Larrabee Road Substation in Lewiston, Maine; and

New VSC-HVDC converter stations at both ends of the transmission line.

**Description of the NECEC LLC
Interconnection Facilities located in Maine,
USA**

New 145.0 mile +/-320 kV HVDC transmission line from the Quebec-Maine border to a new converter substation located near Merrill Road in Lewiston, including a new 1.0 mile +/-320 kV HVDC underground cable installed by a horizontal directional drill under the Kennebec River (Section 432); and

New 1.2 mile 345 kV AC transmission line from the new Merrill Road Converter Substation to the existing Larrabee Road Substation (Section 3007);

New 345 kV AC to +/-320 kV HVDC 1200 MW Merrill Road VSC-HVDC Converter Substation;

Nouveau passage aérien HVDC +/-320 kV vers la station de terminaison souterraine à Moxie Gore ;	New +/-320kV HVDC Overhead to Underground Termination Station in Moxie Gore;
Nouveau passage aérien HVDC +/- 320 kV vers la station de terminaison souterraine de West Forks Plantation ;	New +/-320kV HVDC Overhead to Underground Termination Station in West Forks Plantation;
Nouveau bâtiment de surveillance des câbles souterrains dans le canton de Johnson Mountain ; et	New Underground Cable Monitoring Hut in Johnson Mountain Township; and
Nouvel équipement de télécommunication de ligne HVDC +/-320 kV au sein de la sous-station existante de CMP Starks.	New +/-320 kV HVDC line telecommunication equipment within the existing CMP Starks Substation.

Description des installations d'interconnexion d'Hydro-Québec situées au Québec, Canada

Description of the Hydro-Québec Interconnection Facilities Located in Quebec, Canada

Nouvelle ligne de transport HVDC +/-320 kV de 101 km (63 milles) depuis le poste des Appalaches à Saint-Adrien-d'Irlande, Québec jusqu'à la frontière Québec-Maine, à Frontenac, Québec (circuit numéro 432).	New 101 km (63 mi) +/-320 kV HVDC transmission line from Appalaches substation in Saint-Adrien-d'Irlande, Québec to the Québec-Maine border, in Frontenac, Québec (circuit number 432).
Nouveau convertisseur HVDC-VSC de 1 282 MW dans le poste existant des Appalaches pour convertir 735 kV AC en +/- 320 kV DC.	New 1282 MW HVDC-VSC converter in existing Appalaches substation to convert 735 kV AC to +/-320 kV DC.
Nouvel équipement de télécommunication de ligne HVDC +/-320 kV au sein du poste existant Mégantic à Lac Mégantic, Québec.	New +/-320 kV HVDC line telecommunication equipment within the existing Mégantic substation in Lac Mégantic, Québec.
Les installations de l'Interconnexion des Appalaches-Maine comprennent des équipements supplémentaires de comptage, de télémessure, de communications et à toute autre fin qui peuvent être jugées nécessaires par les Parties, individuellement ou collectivement, pour assurer l'exploitation adéquate et satisfaisante des installations d'interconnexion conformément à la présente Convention.	The Appalaches-Maine Interconnection facilities include additional equipment for metering, telemetering, communications and such other purposes as may be deemed necessary by the Parties, individually or collectively, to perform the adequate and satisfactory operation of the Appalaches-Maine Interconnection pursuant to this Agreement.

**ANNEXE 2 : PERSONNES-
RESSOURCES POUR LES AVIS**

**ATTACHMENT 2: CONTACT
INFORMATION FOR NOTICES**

NECEC TRANSMISSION LLC:

NECEC TRANSMISSION LLC
Attention: Justin Tribbet
83 Edison Drive
Augusta, Maine 04336 USA

NECEC TRANSMISSION LLC
Attention: Inmaculada Sanz Santidrian
83 Edison Drive
Augusta, Maine 04336 USA

With copy to:
NECEC TRANSMISSION LLC
Attention: Legal Department
162 Canco Road
Portland, ME 04103 USA

HYDRO-QUÉBEC:

Hydro-Québec
Directeur principal Opérations et Maintenance – Production et transport
C. P. 10000, succ. pl. Desjardins, Tour Est
Complexe Desjardins, 13^e étage
Montréal (Québec) H5B1H7
CANADA

Et/and

Hydro-Québec
Directeur – Affaires réglementaires et services de transport d'électricité
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Complexe Desjardins, 15^e étage
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CANADA

With copy to:
Hydro-Québec
Avocate en chef
75, boulevard René Lévesque Ouest
Montréal (Québec) H2Z 1A4
CANADA