

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

Please answer all questions. Use "None" or "Not Applicable" where necessary. Return one signed original (with all 19 pages) plus three (3) copies to our Agency with the application fee of \$1,500.00. (A credit of \$750.00 will be applied to closing costs.)

A) Applicant Information-company receiving benefit:

Applicant Name CHPE LLC, or its designee

Applicant Address: 600 Broadway, Albany, NY 12207

Phone: (518) 465-0710 Fax: _____

Website: chpexpress.com E-mail: josh.bagnato@transmissiondevelopers.com

Federal ID#: [REDACTED]

Will a Real Estate Holding Company be utilized to own the Project property/facility? ☐ Yes or ☒ No

What is the name of the Real Estate Holding Company: N/A

Federal ID#: N/A

State and Year of Incorporation/Organization: N/A

List of stockholders, members, or partners of Real Estate Holding Company: N/A

B) Company Contact for this Application:

Name: Josh Bagnato

Title: Vice President, Development

Address: 600 Broadway, Albany, NY 12207

Phone: (802) 477-3830 Fax: _____

E-Mail: josh.bagnato@transmissiondevelopers.com

C) Company Counsel:

Name of Attorney: Peter Swartz

Firm Name: Swartz Moses PLLC

Address: 1583 East Genesee Street, Skaneateles, NY 13152

Phone: (315) 554-8166 Fax: _____

E-mail: phs@swartzmoses.com

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

D) Identify the assistance being requested of the Agency (select all that apply):

- | | |
|-------------------------------------|--|
| 1. Exemption from Sales Tax | <input checked="" type="checkbox"/> Yes or <input type="checkbox"/> No |
| 2. Exemption from Mortgage Tax | <input checked="" type="checkbox"/> Yes or <input type="checkbox"/> No |
| 3. Exemption from Real Property Tax | <input checked="" type="checkbox"/> Yes or <input type="checkbox"/> No |
| 4. Tax Exempt Financing * | <input type="checkbox"/> Yes or <input checked="" type="checkbox"/> No |

* (typically for not-for-profits & small qualified manufacturers)

E) Business Organization (check appropriate category):

- | | | | |
|---------------------|--------------------------|---------------------------|-------------------------------------|
| Corporation | <input type="checkbox"/> | Partnership | <input type="checkbox"/> |
| Public Corporation | <input type="checkbox"/> | Joint Venture | <input type="checkbox"/> |
| Sole Proprietorship | <input type="checkbox"/> | Limited Liability Company | <input checked="" type="checkbox"/> |

Other (please specify) _____

Year Established: 2020

State in which Organization is established: New York

F) List all stockholders, members, or partners with % of ownership greater than 20%:

<u>Name</u>	<u>% of ownership</u>
TDI-USA Holdings, LLC	100%
See Project Supplement for more detail	

G) Applicant Business Description:

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility: CHPE LLC develops unique energy transmission projects in an environmentally responsible manner. We use proven high-voltage direct current ("HVDC") cable technology to link trapped generation resources such as wind, hydro and other renewables with markets that are experiencing acute power shortages. Our approach to HVDC avoids the visual impacts of overhead transmission. We install our projects either underwater or underground. These buried lines increase the electric grid's safety and reliability, while providing hardened infrastructure that is less susceptible to damage from natural disasters.

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

Estimated % of sales within County/City/Town/Village: _____ 0%

Estimated % of sales outside County/City/Town/Village. but within New York State: _____ 100%

Estimated % of sales outside New York State but within the U.S.: _____ 0%

Estimated % of sales outside the U.S. _____ 0%

(*Percentage to equal 100%)

H) What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in County/City/Town/Village. Include list of vendors, raw material suppliers and percentages for each.

_____ *See Project Supplement



A) Project Location:

1. Street Address: _____ N/A (See Project Supplement)
2. City/Town where located: _____ Putnam, Dresden, Whitehall, Fort Ann, Hartford, Kingsbury, Fort Edward
3. Village where located: _____ Whitehall, Fort Ann, Fort Edward
4. School District where located: _____ Putnam, Whitehall, Fort Ann, Hudson Falls, Fort Edward
5. Fire District where located: _____ Multiple
6. County where located (Circle One): Warren Washington
7. Tax Parcel Map # for Property where proposed Project will be located: _____ N/A - Multiple parcels

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

☐ Yes ☒ No

If the Proposed Project is located in a different Municipality than the Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

☐ Yes ☒ No

If Yes, you will need to complete Section II (Q) and Section IV of this Application.

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

What are the current real estate/school taxes on the proposed Project Site? \$ N/A

If amount of current taxes is not available, provide assessed value for each:

Land: \$ N/A

Buildings(s): \$ N/A

➤ *If available please include a copy of current tax bill.*

Are Real Property Taxes current? ☐ Yes or ☐ No. If no, please explain N/A

Does the Applicant or any related entity currently hold fee title to the Project site? ☐ Yes or ☒ No

If No, indicate name of present owner of the Project Site: See Project Supplement

Does Applicant or related entity have an option/contract to purchase the Project site? ☐ Yes or ☒ No

Describe the present use of the proposed Project site: Transportation right-of-ways; Railroad tracks; State/County
Town/City streets

B) Please provide narrative of project and the purpose of the project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility): The
Champlain Hudson Power Express ("CHPE") is a proposed ~335-mile, fully buried high voltage direct current ("HVDC")

electric power transmission line sized up to 1,250MW and designed to help New York State meet its green energy
goals. The project will play a key role in the state's energy transformation, lowering greenhouse gas emissions,
creating jobs, and generating billions of dollars in new investment in New York's economy while delivering low-cost
renewable energy to New York State. Please see Project Supplement for more detail.

Describe the reasons why the Agency's Financial Assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary): _____

*See Project Supplement

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

☒ Yes ☐ No

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency: _____

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and County/City/Town/Village? _____ *See Project Supplement

C) Will Project include leasing any equipment? ☒ Yes ☐ No

If Yes, please describe: Equipment-leasing for construction TBD

D) Site Characteristics:

Will the Project meet zoning/land use requirements at the proposed location? ☒ Yes or ☐ No

Describe the present zoning/land use: Transportation

Describe required zoning/land use, if different: N/A

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements: N/A

Is the proposed project located on a site where the known or potential presence of contaminants is complicating the development/use of the property? If yes, please explain: N/A

E) Has a Phase I Environmental Assessment been prepared or will one be prepared with respect to the proposed project site? ☐ Yes ☒ No **If yes, please provide a copy.**

F) Have any other studies or assessments been undertaken with respect to the proposed project site that indicate the known or suspected presence of contamination that would complicate the site's development?

☐ Yes ☒ No **If yes, please provide copies of the study**

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

G) Provide any additional information or details: The Project is permitted under New York Public Service
Law Article VII.

H) Select Project Type for all end users at project site (you may check more than one):

Please check any and all end users as identified below.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Questionnaire contained in Section IV of the Application.

Retail Sales: ☐ Yes ☒ No

Services: ☐ Yes ☒ No

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Industrial	<input checked="" type="checkbox"/>	Back Office	<input type="checkbox"/>
Acquisition of Existing Facility	<input type="checkbox"/>	Retail	<input type="checkbox"/>
Housing	<input type="checkbox"/>	Mixed Use	<input type="checkbox"/>
Equipment Purchase	<input type="checkbox"/>	Facility for Aging	<input type="checkbox"/>
Multi-Tenant	<input type="checkbox"/>	Civic Facility (not for profit)	<input type="checkbox"/>
Commercial	<input type="checkbox"/>	Other <u>Transmission Line</u>	<input checked="" type="checkbox"/>

I) Project Information:

Estimated costs in connection with Project: *See Project Supplement

1. Land and/or Building Acquisition: \$ _____
_____ acres _____ square feet
2. New Building Construction: _____ square feet \$ _____
3. New Building Addition(s): _____ square feet \$ _____
4. Infrastructure Work \$ 285,000,000
5. Reconstruction/Renovation: _____ square feet \$ _____
6. Manufacturing Equipment: \$ _____
7. Non-Manufacturing Equipment (furniture, fixtures, etc.): \$ _____
8. Soft Costs: (professional services, etc.): \$ _____
9. Other, Specify: _____ \$ _____

TOTAL Capital Costs: \$ 285,000,000

Project refinancing; estimated amount
(for refinancing of existing debt only) \$ _____

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

Sources of Funds for Project Costs:

*See Project Supplement

Bank Financing: \$ TBD

Equity (excluding equity that is attributed to grants/tax credits) \$ TBD

Tax Exempt Bond Issuance (if applicable) \$ N/A

Taxable Bond Issuance (if applicable) \$ N/A

Public Sources (Include sum total of all state and federal grants and tax credits) \$ 0

Identify each state and federal grant/credit:

N/A \$ N/A

\$

\$

Total Sources of Funds for Project Costs: \$ *See Project Supplement

Have any of the above costs been paid or incurred as of the date of this Application? ☒ Yes ☐ No

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

Mortgage Recording Tax Exemption Benefit: Amount of mortgage that would be subject to mortgage recording tax:

*See Project Supplement

Mortgage Amount (include sum total of construction/permanent/bridge financing): \$ TBD

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage Amount as indicated above multiplied by __ %): \$ TBD

Construction Cost Breakdown:

Total Cost of Construction \$ TBD (sum of 2,3,4,5, and/or 7 in Question I, above)

*See Project Supplement

Cost for materials: \$ TBD

% sourced in County/City/Town/Village: TBD %

% sourced in State TBD % (including County/City/Town/Village)

Cost for labor: \$ TBD

Estimated number of construction jobs for your project: TBD

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

Sales and Use Tax: Gross amount of costs for goods and services that are subject to State and local Sales and Use tax - said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

\$ TBD

Estimated State and local Sales and Use Tax Benefit (product of ____% multiplied by the figure, above):

\$ TBD

*** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.*

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency's PILOT benefit: TBD; PILOT payment terms have not yet been determined.

IDA PILOT Benefit: Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in Section V of the Application.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above in Section II(I) of the Application.

J) For the proposed facility, please indicate the square footage for each of the uses outlined below:
 If company is paying for FFE (furniture, fixtures, equipment) for tenants, please include in cost breakdown

	Square Footage	Cost	% of Total Cost of Project
Manufacturing/Processing	N/A		
Warehouse	N/A		
Research & Development	N/A		
Commercial	N/A		
Retail (see section K)	N/A		
Office	N/A		

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

Specify Other	N/A		
---------------	-----	--	--

K) What is your project timetable (Provide dates):

1. Start date: acquisition of equipment or construction of facilities: September 30, 2021
2. Estimated completion date of project: December 31, 2025
3. Project occupancy – estimated starting date of operations: January 1, 2026
4. Have construction contracts been signed? ☐ Yes ☒ No
5. Has Financing been finalized? ☐ Yes ☒ No

If construction contracts have been signed, please provide copies of executed construction contracts and a complete project budget. The complete project budget should include all related construction costs totaling the amount of the new building construction, and/or new building addition(s), and/or renovation.

L) Have site plans been submitted to the appropriate planning department?

☐ Yes ☒ No *See Project Supplement

If yes, please provide the Agency with a copy of the related State Environmental Quality Review Act ("SEQR") Environmental Assessment Form that may have been required to be submitted along with the site plan application to the appropriate planning department. Please provide the Agency with the status with respect to any required planning department approval: _____

Has the Project received site plan approval from the planning department? ☐ Yes ☒ No.
 *See Project Supplement

If Yes, please provide the Agency with a copy of the planning department approval along with the related SEQR determination.

M) Is the project necessary to expand project employment: ☐ Yes ☒ No

Is project necessary to retain existing employment: ☐ Yes ☒ No

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

O) Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon TWO Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon TWO Years after Project Completion **
Full time (FTE)				
Part Time (PTE)		*See Project Supplement		
Total ***				

** For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes the Counties of Warren and Washington as well as the following Areas: Counties of Saratoga, Essex and Hamilton.

*** By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO-Year time period following Project completion. Agency staff converts PTE jobs into FTE jobs by dividing the number of PTE jobs by two (2).

Salary and Fringe Benefits for Jobs to be Retained and Created:

Category of Jobs to be Retained and Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management		
Professional		
Administrative	*See Project Supplement	
Production		
Independent Contractor		
Other		

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

Employment at other locations in County/City/Town/Village: (provide address and number of employees at each location): *

	Address	Address	Address
Full time			
Part Time		*See Project Supplement	
Total			

P) Will any of the facilities described above be closed or subject to reduced activity? ☐ Yes ☒ No

*** If any of the facilities described above are located within the State of New York, and you answered Yes to the question above, you must complete Section IV of this Application.*

*** Please note that the Agency may utilize the foregoing employment projections, among other items, to determine the Financial Assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.*

Q) Is the project reasonably necessary to prevent the project occupant from moving out of New York State? ☐ Yes ☒ No.

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation if available: _____

R) What competitive factors led you to inquire about sites outside of New York State? N/A

S) Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies? ☒ Yes ☐ No.

If yes, please identify which agencies and what other Local, State and/or Federal assistance and the assistance sought and dollar amount that is anticipated to be received: The Project passes through 15
different counties (see Project Map in Exhibit 1 of Project Supplement). In addition to WWIDA, we've reached out to 10
other agencies along the Project route with similar PILOT proposals.

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

- A. Will any portion of the project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

☐ Yes ☒ No. If the answer is yes, please continue. If no, proceed to section V

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? _____ %.
- If the answer is less than 33% do not complete the remainder of the retail determination and proceed to section V.**

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

1. Will the project be operated by a not-for-profit corporation ☐ Yes ☐ No.
2. Is the Project location or facility likely to attract a significant number of visitors from outside the economic development region (list specific County or ED region) in which the project will be located?

☐ Yes ☐ No

If yes, please provide a third party market analysis or other documentation supporting your response.

3. Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

☐ Yes ☐ No

If yes, please provide a third-party market analysis or other documentation supporting your response.

4. Will the project preserve permanent, private sector jobs or increase the overall number of

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

permanent, private sector jobs in the State of New York?

☐ Yes ☐ No.

If yes, explain _____

5. Is the project located in a Highly Distressed Area? ☐ Yes ☐ No

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency Financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the Project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state? ☐ Yes ☒ No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? ☐ Yes ☒ No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry: _____

Does the Project involve relocation or consolidation of a project occupant from another municipality?

Within New York State ☐ Yes ☒ No

Within County/City/Town/Village ☐ Yes ☒ No

If Yes to either question, please, explain: _____

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

Section V of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
TOTAL							

Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA's Cost Benefit Software

I, _____, have read and reviewed the above information in Section V completed by the WWIDA.

Signature

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: _____%

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

**** This Section of the Application can only be completed upon the Applicant receiving, and must be completed after the Applicant receives, IDA Staff confirmation that Section I through Section V of the Application are complete.**

_____ (name of CEO or other authorized representative of Applicant)
confirms and says that he/she is the _____ (title) of
_____ (name of corporation or other entity) named in the attached
Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents
thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

- A. Job Listings: In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. Annual Sales Tax Filings: In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant. Copies of all filings shall be provided to the Agency.
- D. Employment Reports: The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

- E. The Applicant acknowledges that certain environmental representations will be required at closing. The Applicant shall provide with this Representation, Certification and Indemnification Form copies of any known environmental reports, including any existing Phase I Environmental Site Assessment Report(s) and/or Phase II Environmental Investigations. The Agency may require the Company and/or owner of the premises to prepare and submit an environmental assessment and audit report, including but not necessarily limited to, a Phase I Environmental Site Assessment Report and a Phase II Environmental Investigation, with respect to the Premises at the sole cost and expense of the owner and/or the Applicant. All environmental assessment and audit reports shall be completed in accordance with ASTM Standard Practice E1527-05, and shall be conformed over to the Agency so that the Agency is authorized to use and rely on the reports. The Agency, however, does not adopt, ratify, confirm or assume any representation made within reports required herein.
- F. The Applicant and/or the owner, and their successors and assigns, hereby release, defend and indemnify the Agency from any and all suits, causes of action, litigations, damages, losses, liabilities, obligations, penalties, claims, demands, judgments, costs, disbursements, fees or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees) which may at any time be imposed upon, incurred by or asserted or awarded against the Agency, resulting from or arising out of any inquiries and/or environmental assessments, investigations and audits performed on behalf of the Applicant and/or the owner pursuant hereto, including the scope, level of detail, contents or accuracy of any environmental assessment, audit, inspection or investigation report completed hereunder and/or the selection of the environmental consultant, engineer or other qualified person to perform such assessments, investigations, and audits.
- G. Hold Harmless Provision: The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (ii) the Agency's acquisition, construction and/or installation of the proposed Project described herein; and (iii) any further action taken by the Agency with respect to the proposed Project including, without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency, any mortgage recording tax exemption claimed by the Applicant and approved by the Agency, and/or any real property tax abatement claimed by the Applicant and approved by the Agency, in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of the New York State and local sales and use tax exemption

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

benefit, the amount of the mortgage recording tax exemption benefit, and the amount of the real property tax abatement, if and as applicable, to the best of the Applicant's knowledge, is true, accurate and complete.

H. This obligation includes an obligation to submit an Agency Fee Payment to the Agency in accordance with the Agency Fee policy effective as of the date of this Application

I. By executing and submitting this Application, the Applicant covenants and agrees to pay the following fees to the Agency and for the Agency's general counsel and/or for the Agency's bond/transaction counsel, the same to be paid at the times indicated:

(i) An application fee of \$1,500.00 with \$750.00 credited towards future administrative fees;

(ii) Security Deposit: To ensure that the Agency's costs are reimbursed if the project does not proceed, applicant shall pay to the Agency a security deposit equal to one-half of one percent (0.5%) of the cost of the Project or \$10,000.00, whichever is greater. The maximum initial deposit is set at \$25,000.00. Payment shall be made when the Preliminary Agreement is signed.

(iii) Unless otherwise agreed to by the Agency, an Agency fee as follows:

<u>Cost of Project/Amount of Bonds:</u>	<u>Applicable Percentage:</u>
First \$10,000,000	0.75%
Next \$10,000,000	0.50%
Next \$10,000,000	0.25%
Portion over \$30,000,000	0.125%

(iv) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel and/or the Agency's bond/transaction counsel, thus note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and the Agency's bond/transaction counsel; and (2) other consultants retained by the Agency in connection with the proposed project, with all such charges to be paid by the Applicant at the closing.

J. If the Applicant fails to conclude or consummate the necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable proper or requested action, or withdraws, abandons, cancels, or neglects the Application, or if the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon the presentation of an invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs incurred by the Agency in furtherance of the Application, up to that date and time, including but not necessarily limited to, fees of the Agency's general counsel and/or the Agency's bond/transaction counsel.

K. The Applicant acknowledges and agrees that all payment liabilities to the Agency and the Agency's general counsel and/or the Agency's bond and/or transaction counsel as expressed in

Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

Sections H and I are obligations that are not dependent on final documentation of the transaction contemplated by this Application.

- L. The cost incurred by the Agency and paid by the Applicant, the Agency's general counsel and/or bond/transaction counsel fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.
- M. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). **Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.**
- N. The Applicant acknowledges that it has been provided with a copy of the Agency's Policy for Termination of Agency Benefits and Recapture of Agency Benefits Previously Granted (the "Termination and Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Termination and Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Termination and Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.
- O. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.
- P. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- Q. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- R. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

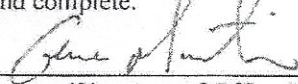
Counties of Warren and Washington Industrial Development Agency
5 Warren St. Suite 210, Glens Falls, NY 12801 Tel: (518) 792-1312
Email: aweaver@warren-washingtonida.com

- S. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

STATE OF NEW YORK)
COUNTY OF) ss.:

GENE MARTIN, being first duly sworn, deposes and says:

1. That I am the President & COO (Corporate Office) of CHPE LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof and I subscribe and affirm, under penalty of perjury that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.


(Signature of Officer)

Sworn before me on this 21st day of December, 2020


(Notary Public)

MATTHEW S. MOSES
Notary Public in the State of New York
Qualified in Oneida Co. No. 02MO6020566
My Commission Expires March 2, 2023

CHPE LLC, or its designee (the "Company")
Project Supplement to Application for Financial Assistance to
Counties of Warren and Washington Industrial Development Agency (the "Agency")

Application for Assistance

Section I

F) List of stockholders, members, or partners with % of ownership greater than 20%: (Page 2)

CHPE LLC, a New York State entity, is 100% owned by TDI-USA Holdings LLC, a Delaware entity. TDI-USA Holdings LLC is ~87% owned by New York Clean Power Holdings LLC, which is 100% owned by the Blackstone Group; ~11% owned by Transmission Developers, Inc., a Canadian corporation; and ~2% owned by National Resources Energy LLC. New York-based Blackstone is a global leader in alternative asset management with over \$584 billion of assets under management as of September 30, 2020.

H) Percentage of total annual supplies, raw materials and vendor services purchased from firms in County/City/Town/ Village (Page 3)

Given the complex technical nature of the HVDC cables to be installed underwater and underground, there are only a few suppliers worldwide. Likewise, installation requires specific technical expertise. This means that out of necessity much of the supplies, raw materials and vendor services will need to be sourced outside of Washington County. However, it is possible that the construction contractor will source locally for more generalized labor needs (e.g., laborers, heavy equipment operators) and smaller, less specialized supplies and services. CHPE has not yet projected supply logistics at such a granular level and therefore cannot state a specific percentage to be supplied locally.

Section II

A) Project Location: (Page 3)

In Washington County, the fully-permitted project will travel ~41 miles underground through Washington County, primarily within existing road right-of-ways or Canadian Pacific Railway's right-of-way, and ~6 miles constructed underwater in Lake Champlain.

(Page 4)

Indicate name of present owner of the Project Site:

Cables in Washington County will be buried underground and installed primarily within Canadian Pacific Railway's right-of-way and State Route 22 right-of-way. To a lesser extent, cables will also be located in Lake Champlain and under state, county, town and city roads/streets.

B) Please provide narrative of project, the purpose of the project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users (Page 4)

The project covered by this Application (the "Project") will consist of: (a)(1) the acquisition of an interest in the Company's interest in certain parcels of land as well as an interest in the Company's

CHPE LLC, or its designee (the “Company”)
Project Supplement to Application for Financial Assistance to
Counties of Warren and Washington Industrial Development Agency (the “Agency”)

interim permit and easement issued or to be issued by the New York State Office of General Services (“OGS”) in relation to submerged State-owned land located in the Towns of Putnam, Dresden, Whitehall, Fort Ann, Hartford, Kingsbury and Fort Edward, and Villages of Whitehall, Fort Ann and Fort Edward, Washington County, New York (collectively, the “Land”), (2) the acquisition of two five-inch diameter high-voltage direct current (“HVDC”) transmission cables (the “Equipment”), and (3) the construction, installation and equipping on or under the Land of a fully-buried, up to 1,250-megawatt (“MW”) HVDC electric transmission line and related infrastructure (the “Improvements”, and together with the Land and Equipment, the “Project Facility”), all of the foregoing for use by the Company as a portion of an electric transmission line from the U.S.-Canada border to New York City, (b) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including exemptions from sales and use taxes, mortgage recording taxes, and real property taxes for the Project Facility (but not including special district taxes) (collectively, the “Financial Assistance”); and (c) the lease of the Project Facility by the Agency back to the Company; all as contemplated by and in furtherance of the purposes of the General Municipal Law.

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

Describe the reasons why the Agency’s financial assistance is necessary, and the effect the Project will have on the Applicant’s business or operations. Focus on competitiveness issues, project shortfalls, etc.

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

- Need for broad-based cost certainty, including:
 - Operating expenses: Property taxes could be significant and would be uncertain, and long-term certainty is required for Project viability and financing.
 - High and increasing transmission cable costs.
 - High and unpredictable installation costs due to fluctuating labor and commodity markets, and cost risks associated with underground installation.
 - Financing costs: Project difficult to finance with uncertain operating expenses; risk of rising interest rates and future financial market uncertainty.
- Because of the high number of tax jurisdictions along the route (including in Washington County), if PILOTs are not utilized, uniformity of treatment and long-term certainty associated with the tax obligations of the Project cannot be achieved.
 - Washington County: 16 tax jurisdictions (one county, seven towns, three villages and five school districts)¹

¹ Towns of Putnam, Dresden, Whitehall, Fort Ann, Hartford, Kingsbury, Fort Edward; Villages of Whitehall, Fort Ann and Fort Edward; School districts of Putnam, Whitehall, Fort Ann, Hudson Falls, and Fort Edward. Involved tax jurisdictions subject to change based on final construction plans.

CHPE LLC, or its designee (the "Company")
Project Supplement to Application for Financial Assistance to
Counties of Warren and Washington Industrial Development Agency (the "Agency")

- Entire route: Nearly 150 tax jurisdictions (15 counties, 5 cities, 60 towns, 11 villages, and 60 school districts)
- CHPE must offer fixed, market-competitive pricing to execute commercial agreements required to finance and construct the Project.
- PILOT facilitates the Project's viability and financing, which helps achieve NY State environmental mandates and goals.
- Project provides long-term and predictable WWIDA and tax jurisdiction benefits for the region from an "invisible" project with no use of public infrastructure or services.
- Helps provide uniformity of treatment across all affected tax jurisdictions in NY State (i.e., creates a fair, efficient, streamlined process which enables CHPE to reach agreements benefitting the multitude of tax jurisdictions). The only anticipated variability will be to account for the lower construction impacts in counties/locations where (and to the extent) the cable will be installed underwater.

(page 5)

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and County/City/Town/Village?

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

I) Project Information (Pages 6-7)

Estimated costs in connection with Project:

The Company does not have estimated costs per mile for the portion of the Transmission System to be located within each county. However, based on estimated average costs of the Transmission System, the cost of acquiring the Land and Equipment and of constructing, installing, and equipping the Improvements can be estimated to be approximately \$285 million.²

Sources of Funds for Project Costs:

The Project will be financed through a combination of private sector financing and Applicant equity. Amounts and terms of each source of financing have not yet been determined, but it may include a mortgage on the Project Facility in Washington County and on Transmission System land and improvements in other counties; a mortgage on the Transmission System converter station site located

² Figure to be revised as capital cost estimates are further refined.

CHPE LLC, or its designee (the “Company”)
Project Supplement to Application for Financial Assistance to
Counties of Warren and Washington Industrial Development Agency (the “Agency”)

in New York City; an assignment of contracts, such as the Transmission Services Agreement and construction contracts; an assignment of options on real estate; UCC filings; and a pledge of the equity interest in CHPE LLC held by TDI-USA Holdings, LLC.

Private sector financing will be sought for the entire Transmission System and not on a county-by-county basis. Accordingly, the total amount to be borrowed to finance the Project has not yet been determined.

Mortgage Recording Tax Exemption Benefit:

For purposes of this Application, the Company estimates that the portion of the total borrowing to be allocated to the Washington County portion of the Transmission System is up to 100% of the \$285 million³ in capital costs, for which mortgage recording tax exemption is sought.

Construction Cost Breakdown:

The Company does not have a breakdown of those figures by county. See note above under “Estimated costs in connection with Project.”

L) Site plan submission and approval (Page 9)

The Project is permitted under New York Public Service Law Article VII and as such is a Type II action under SEQR requiring no further review. A copy of the certificate from the New York Public Service Commission is available for review at <https://chpexpress.com/wp-content/uploads/2020/03/permit-PSC.pdf>.

O) Employment Worksheets (pages 10-11):

The Company does not have a breakdown of employment figures by county.

The Transmission System is anticipated to create more than 1,100 direct full-time jobs in New York State over the 4-year construction period, with total wages of approximately \$0.6 billion during that period.⁴ Using economic multipliers, those jobs are expected to create approximately 1,100 secondary jobs (indirect and induced) as well as \$1.5 billion in new economic output during construction focused on materials providers, trucking, hospitality, food service, transportation, fuel and clothing, among other sectors.⁵

As a submerged and buried transmission line with no moving parts, the Project will not require day-to-day operations and maintenance efforts. Accordingly, the Project will not create permanent employment at the Project site. However, the Transmission System is anticipated to induce the creation of more than 800 long-term jobs in New York State once operational. Those induced jobs are anticipated to generate approximately \$5.6 billion in wages during the first 30 years of operation on a statewide basis.⁶

³ Figure to be revised as capital cost estimates are further refined.

⁴ Id.

⁵ Id.

⁶ See “Analysis of Economic, Environmental, and Reliability Impacts to the State of New York,” PA Consulting, a copy of which is available for review at https://chpexpress.com/wp-content/uploads/2020/03/PA_Analysis_Report_on_Champlain_Hudson_Power_Express_Benefits.pdf

CHPE LLC, or its designee (the “Company”)
Project Supplement to Application for Financial Assistance to
Counties of Warren and Washington Industrial Development Agency (the “Agency”)

Exhibit 1
Project Map

