

Champlain Hudson Power Express
Saratoga County - PILOT Payment Proposal

(\$ actuals, unless noted otherwise)

	Assumptions		
	Submarine	Underground	Total
Length in Saratoga County (miles)	0.0	32.9	32.9
Est. Avg Cost per Mile in Saratoga County ⁽¹⁾			\$7,164,134
Est. Cost for Portion of Line in Saratoga County			\$235,765,065
Avg. Applicable Combined Tax Rate in Saratoga County ⁽²⁾			1.86%
Potential Initial Year Tax			\$4,385,346
Tax Payment Escalation ⁽³⁾			1.45%

(1) Current TDI estimate. Figure to be updated as costs are further refined.

(2) Based on recent full value property tax rates for all involved tax jurisdictions. Figure to be updated as tax jurisdiction-level mileage is refined and will be a weighted average.

(3) Avg escalation in NY State for FY2016 through FY 2020 (per NY State Comptroller).

Option 1: PILOT Abatement Schedule			
PILOT Agreement Year ⁽⁴⁾	Potential Annual Taxes Otherwise Due ⁽⁵⁾	Abatement	PILOT Payment
Construction			
Years	\$0		\$0
1	\$4,385,346	40%	\$2,631,207
2	\$4,448,933	40%	\$2,669,360
3	\$4,513,443	40%	\$2,708,066
4	\$4,578,888	40%	\$2,747,333
5	\$4,645,282	35%	\$3,019,433
6	\$4,712,638	35%	\$3,063,215
7	\$4,780,971	35%	\$3,107,631
8	\$4,850,295	35%	\$3,152,692
9	\$4,920,625	30%	\$3,444,437
10	\$4,991,974	30%	\$3,494,382
11	\$5,064,357	30%	\$3,545,050
12	\$5,137,791	30%	\$3,596,453
13	\$5,212,289	25%	\$3,909,216
14	\$5,287,867	25%	\$3,965,900
15	\$5,364,541	25%	\$4,023,406
16	\$5,442,327	25%	\$4,081,745
17	\$5,521,240	20%	\$4,416,992
18	\$5,601,298	20%	\$4,481,039
19	\$5,682,517	20%	\$4,546,014
20	\$5,764,914	20%	\$4,611,931
21	\$5,848,505	15%	\$4,971,229
22	\$5,933,308	15%	\$5,043,312
23	\$6,019,341	15%	\$5,116,440
24	\$6,106,622	15%	\$5,190,628
25	\$6,195,168	10%	\$5,575,651
26	\$6,284,998	10%	\$5,656,498
27	\$6,376,130	10%	\$5,738,517
28	\$6,468,584	10%	\$5,821,726
29	\$6,562,379	5%	\$6,234,260
30	\$6,657,533	5%	\$6,324,656

Option 2: PILOT Discount Schedule			
PILOT Agreement Year ⁽⁴⁾	Potential Annual Taxes Otherwise Due ⁽⁵⁾	Discount	PILOT Payment
Construction			
Years	\$0		\$0
1	\$4,385,346	28%	\$3,157,449
2	\$4,448,933	28%	\$3,203,232
3	\$4,513,443	28%	\$3,249,679
4	\$4,578,888	28%	\$3,296,799
5	\$4,645,282	28%	\$3,344,603
6	\$4,712,638	28%	\$3,393,099
7	\$4,780,971	28%	\$3,442,299
8	\$4,850,295	28%	\$3,492,213
9	\$4,920,625	28%	\$3,542,850
10	\$4,991,974	28%	\$3,594,221
11	\$5,064,357	28%	\$3,646,337
12	\$5,137,791	28%	\$3,699,209
13	\$5,212,289	28%	\$3,752,848
14	\$5,287,867	28%	\$3,807,264
15	\$5,364,541	28%	\$3,862,469
16	\$5,442,327	28%	\$3,918,475
17	\$5,521,240	28%	\$3,975,293
18	\$5,601,298	28%	\$4,032,935
19	\$5,682,517	28%	\$4,091,412
20	\$5,764,914	28%	\$4,150,738
21	\$5,848,505	28%	\$4,210,924
22	\$5,933,308	28%	\$4,271,982
23	\$6,019,341	28%	\$4,333,926
24	\$6,106,622	28%	\$4,396,768
25	\$6,195,168	28%	\$4,460,521
26	\$6,284,998	28%	\$4,525,198
27	\$6,376,130	28%	\$4,590,814
28	\$6,468,584	28%	\$4,657,381
29	\$6,562,379	28%	\$4,724,913
30	\$6,657,533	28%	\$4,793,424

Total PILOT Payments - 30 Year Term \$126,888,420

Total PILOT Payments - 30 Year Term \$117,619,274

Note: Although the total PILOT payments for each option are different on a nominal basis, they are equivalent on an NPV basis.

(4) 1st PILOT payment would be due in the 1st year of commercial operation for the Project (i.e., 2025). Construction currently estimated to take ~4 yrs. During this time, no tax would be due.

(5) Does not account for any form of depreciation initially or over time, non-taxable elements of the project, or arguments regarding the taxability of project assets.