ELECTRIC CAPITAL INVESTMENT INCENTIVE PROGRAM

Note to state, regional, and local economic developers: If you intend to use this program as part of an overall incentive offer to a company, you must submit a written request to National Grid’s Economic Development Department in advance of the project announcement.

Program Summary
Major economic development projects that create a large number of jobs are generally eligible for a wide range of public assistance from Empire State Development and/or local industrial development agencies. These existing economic development programs may overlook projects, which may not be significant job generators, but are nonetheless extremely important to a business and to its regional economy.

The Capital Investment Incentive Program provides funds to help offset the customer costs associated with upgrading utility infrastructure to accommodate a business expansion or new construction project. Specifically, this program supports business attraction or expansion projects located in National Grid’s Upstate New York service territory. The applicant must demonstrate that they are unable to secure sufficient funding for the project through federal, state, or local economic development programs.

Application requests may include but are not limited to, the following:

- Improvements to National Grid’s electric or natural gas system, such as line extensions or upgrades to transmission lines or distribution feeders, that require a customer contribution.
- Conduit, trenching, and backfill associated with National Grid owned infrastructure.
- Customer owned substations, transformers, pads, switchgear, meter cabinets, and metering devices in the case where a new or expanding customer is required to increase the size of their service.

Minimum Program Requirements: Please review the program requirements and guidelines below prior to completing an application for funding.

Note: Program assistance is only available to customers in good standing, located within National Grid’s Upstate New York franchise territory. Applicants must be current in payments with National Grid or have executed a deferred payment agreement with the Company.

To be eligible for this program, the applicant must:

- Be the customer of record (owner or lessee) of an eligible facility or prospective eligible facility;
- Demonstrate efforts to obtain state and local economic development incentives for the facility;
- Demonstrate the ability to retain and/or attract jobs and capital investment to the eligible facility; and
- Make a capital investment that requires electric and/or natural gas infrastructure improvements.

To be eligible for this program, the facility (business) or prospective facility must:
- Be located in National Grid’s Upstate New York service territory;
- Demonstrate Industrial Development Agency (“IDA”) or other public development agency support for the project;
- Have electric or gas infrastructure that is clearly a barrier to attracting new industrial or commercial activity;
- Have a National Grid electric service classification of SC 2 (demand metered customers), 3, 3A, or 4;
- Have a natural gas classification as one of the following: SC4, SC5, SC6, SC8, or SC9; and
- Be used for a business that can be classified in one of the following industry sectors:
  - Manufacturing
  - Regional warehousing/distribution center
  - Scientific research and development
  - Data Centers
  - “Back office” operations, such as data processing or customer service operations
  - Regional/national administrative centers or headquarter facilities
  - Agri-Business

**Funding and Eligibility Guidelines**

Program funding and parameters are established annually by National Grid. Grants are available on a continual basis until all funding is expended or until the end of National Grid’s current rate agreement. Funding is released to a grant award recipient only after the recipient has met all conditions of the program. In all circumstances, funding should be viewed by the applicant as a reimbursement for work completed following grant approval in the form of an award letter.

The grant award recipient should expect to execute a Funding Agreement with National Grid. The Agreement will outline expectations of the grant program and the conditions for the release of funds.

Grant amounts listed are the maximum allowable award for each program. Each application is evaluated on a variety of factors, resulting in some not receiving the maximum grant award.

If you are applying to more than one program for the same project, you must clearly indicate that on the application.

Under no circumstance will funding be released after the expiration of the Company’s current rate agreement or without prior written consent from National Grid.

Grant amounts are determined based on the **total** capital investment being made in plant and equipment (including energy and non-energy related investments) as follows:
<table>
<thead>
<tr>
<th>Total Capital Investment</th>
<th>Total Available Funding not to Exceed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000 to $1 Million</td>
<td>$50,000</td>
</tr>
<tr>
<td>$1 Million to $5 Million</td>
<td>$100,000</td>
</tr>
<tr>
<td>$5 Million to $10 Million</td>
<td>$250,000</td>
</tr>
<tr>
<td>$10 Million to $25 Million</td>
<td>$500,000</td>
</tr>
<tr>
<td>Over $25 Million</td>
<td>$750,000**</td>
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</tbody>
</table>

*Proposed changes to existing programs are identified in red.

**In order to qualify for the highest level of funding, energy infrastructure investments must be $2 million or more, in addition to the above $100 million investment requirement. Projects must require transmission level (115kV and above) service.

Program funds cannot represent more than thirty percent (30%) of the total capital investment costs (energy infrastructure and other related capital improvements).

Program funds cannot exceed the final cost of energy related infrastructure improvements related to the project.

**How to Apply**

To apply for the Capital Investment Incentive Program please:

- Complete the program application online; and
- Upload all required documentation as noted at the end of your online application.

*If you need assistance in completing the application, please contact Karen Mousaw via email at Karen.Mousaw@nationalgrid.com.*