

COOPERATIVE AGREEMENT

No: CA00211

BETWEEN

**THE NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION,
THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
AND RGGI, INC.**

This COOPERATIVE AGREEMENT (CA00211) (“Agreement”) is entered into by and between the New York State Department of Environmental Conservation (“Department”) having its principal place of business at 625 Broadway, Albany, NY 12233 and the New York State Energy Research and Development Authority having its principal place of business at 17 Columbia Circle, Albany, New York 12203-6399 (“NYSERDA”) (collectively referred to as the “State”); and the Regional Greenhouse Gas Initiative, Inc. (“RGGI, Inc.”), a Delaware not-for-profit corporation having its principal place of business at 90 Church Street, New York, New York, 10119 (collectively referred to as the “Parties”).

WITNESSETH:

WHEREAS, as of the date of this Agreement, the Governors of the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont (the “Signatory States”) have entered into a Memorandum of Understanding to establish the Regional Greenhouse Gas Initiative (“RGGI”) a multi-state greenhouse gas control program for carbon dioxide emissions from certain electric power plants;

WHEREAS, on July 12, 2007, RGGI, Inc. was incorporated in the State of Delaware as a non-profit corporation formed to serve as the sole regional organization for purposes of: (a) providing technical and scientific advisory services to the Signatory States in the development and implementation of a multi-state greenhouse gas control program, or its successor, under RGGI, (b) reducing air pollutants that contribute to climate change; and (c) performing other charitable or scientific functions related to the reduction of greenhouse gas emissions or the increase in carbon sequestration on behalf of the Signatory States;

WHEREAS, New York State is establishing its carbon dioxide cap and trade program (the “CO₂ Budget Trading Program”) and its Auction Program pursuant to the Department’s obligation to prevent and control air pollution, as set out in the Environmental Conservation Law (ECL) at Sections 1-0101, 1-0303, 3-0301, 19-0103, 19-0105, 19-0107, 19-0301, 19-0303, 19-0305, 71-2103, 71-2105; the Department’s obligation to preserve and protect the other natural resources and public health as set out in ECL Sections 11-0303, 11-0305, 11-0535, 13-0105, 15-0109, 15-1903, 16-0111, 17-0303, 24-0103, 25-0102, 34-0108, and 49-0309 and the Department’s obligations under Energy Law 3-101 and Energy Law 3-103. The general powers of NYSERDA to conduct the Auction Program are set out in the Public Authorities Law Sections 1850, 1851, 1854 and 1855.

WHEREAS, the Programs will: (a) stabilize and then reduce anthropogenic emissions of CO₂, a greenhouse gas, from CO₂ budget sources in an economically efficient manner; (b)

establish the Tracking System Program (“Tracking System”), an electronic system to track CO₂ emissions, CO₂ allowances and CO₂ Offset allowances; (c) establish a multi-state auction that provides for the periodic auctions of CO₂ allowances (the “Auction Program”); and (d) establish a program that provides compliance flexibility by awarding CO₂ offset allowances to projects that reduce and/or sequester emissions of greenhouse gases (the “Offset Program”) and other activities necessary for the successful implementation of the CO₂ Budget Trading Program.

WHEREAS, RGGI, Inc. shall administer the duties listed below and shall perform all duties in compliance with the terms and conditions contained in this Agreement.

WHEREAS, the State is authorized to execute this Agreement on behalf of New York State; and

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1. Term

1.1 The term of this Agreement shall be four (4) years commencing on the final date of execution of the Agreement unless otherwise renewed in accordance Article 1.2 below or terminated in accordance with Article 5.

1.2 This Agreement may be amended or extended for two (2) additional one year periods upon mutual written consent of the Parties.

ARTICLE 2. RESPONSIBILITIES AND SCOPE OF SERVICES

2.1 Through separate agreement in accordance with applicable law and regulations, the State agrees to provide RGGI, Inc. annual funding to implement the activities described in section 2.2 of the Article. Such annual funding shall be calculated by RGGI, Inc. and shall equal the New York State proportionate share of the costs, in accordance with an annual budget approved by the RGGI, Inc. Board of Directors. As of the date of this Agreement, the RGGI, Inc. Board of Directors approved an annual budget, attached hereto as Appendix A, which reflects each Signatory State’s proportionate share of allocated costs. The Parties agree that revenues received by the sale of CO₂ Allowances shall represent the sole source of monies to be used to meet the State’s obligations to pay its proportionate share of allocated costs.

2.2 RGGI, Inc. shall conduct the following activities and any administrative or support services necessary to effectuate such activities:

(a) Creation and Implementation of a Tracking System: RGGI, Inc. shall design, develop, operate and maintain the Tracking System in accordance with the Scope of Work, attached hereto as Appendix B.

(b) Creation and Implementation of an Auction Program: RGGI, Inc. shall administer the Auction Program and conduct multi-state auctions in accordance with the Scope of Work attached hereto as Appendix B.

(c) Creation and Implementation of an Offset Program: RGGI, Inc. shall provide services to administer the Offset Program in accordance with the Scope of Work attached hereto as Appendix B.

(d) Creation and Implementation of a Market Monitor Program: RGGI, Inc. shall provide services to administer the Market Monitor Program in accordance with the Scope of Work attached hereto as Appendix B.

(e) Reporting: By the 15th day of April, July, October and January of each year during which this Agreement is in effect, RGGI, Inc. shall provide the Department and NYSERDA a detailed report of the activities undertaken by RGGI, Inc. or its subcontractors to meet its responsibilities under this Agreement during the preceding calendar quarter, without limitation.

(f) Contractors: In accordance with RGGI, Inc.'s Certificate of Incorporation, which is attached hereto as Appendix C, and in order to fulfill its obligations under this Agreement, RGGI, Inc. may enter into contracts with any person, firm, association, corporation or body politic for the purposes of fulfilling its obligations under this Agreement. Any contract entered into by RGGI, Inc. must be in writing and shall be consistent with and subject to the provisions of this Agreement. Contracts shall not relieve or discharge RGGI, Inc. from any duty, obligation, responsibility or liability arising under this Agreement. RGGI, Inc. shall provide the Department and NYSERDA copies of all such contracts. Neither the Department nor NYSERDA shall be bound by any provisions contained in a contract to which it is not a party. The Department and NYSERDA shall also have access to any reports, financial records, prepared by the contractors for RGGI, Inc.

(g) Maintenance of Records:

1. RGGI, Inc. shall keep, maintain and preserve at its principal offices, through the term of this Agreement and for a period of seven additional years thereafter, full and detailed books, accounts, and records pertaining to the performance of its obligations, including without limitation, all bills, invoices, payrolls, subcontracting records and other data related to the indirect and direct costs and expenses incurred by RGGI, Inc. in the course of such performance under this Agreement.
2. All documents generated or accepted in performance of this Agreement shall be confidential and shall not be released to anyone without prior authorization by the Department and NYSERDA, unless directed by a court of competent jurisdiction.
3. All documents generated or received by RGGI, Inc. in performance of this Agreement shall be made available to the Department and NYSERDA upon request.

(h) Independent Contractor: The status of RGGI, Inc. under this Agreement shall be that of an Independent Contractor and not that of an agent, and in accordance with such status, RGGI, Inc. and its respective officers, agents, employees, representatives and servants shall at all times during the term of this Agreement conduct themselves in a manner consistent with such status and by reason of this Agreement shall neither hold themselves out as, nor claim to be acting in the capacity of, officers, employees, agents, representatives or servants of the State of New York nor make any claim, demand or application for any right or privilege applicable to New York State, including, without limitation, rights or privileges derived from workers' compensation coverage, unemployment insurance benefits, social security coverage and retirement membership or credit.

(i) Force Majeure: Neither party hereto shall be liable for any failure or delay in the performance of its respective obligations hereunder if and to the extent that such delay or failure is due to a cause or circumstance beyond the reasonable control of such party, including, without limitation, acts of God or the public enemy, expropriation or confiscation of land or facilities, compliance with any law, order or request of any Federal, State, municipal, or local governmental authority, acts of war, rebellion or sabotage or damage resulting therefrom, fires, floods, storms, explosions, accidents, riots, or strikes.

2.3 Compliance with Laws: The Parties agree to comply with the provisions of all State and Federal laws, local statutes, ordinances, and regulations that are applicable to the performance of this Agreement.

ARTICLE 3. PROJECT MANAGEMENT AND NOTICES

3.1 All notices, submissions, correspondence and other communications specifically provided for or required under this Agreement shall be made by hand-delivery, electronic mail or by First Class Mail to the person and addresses listed below, or their successors. Any notice shall be deemed delivered and received when submitted in writing in person or when delivered by another appropriate method evidencing actual receipt by the Department, NYSERDA, or RGGI, Inc.

3.2 Contact information for RGGI, Inc.: c/o Executive Director, 90 Church Street, New York, NY 10007.

3.3 Contact information for the Department: Lois New, Patricia Mastrianni, New York State Department of Environmental Conservation, 625 Broadway, Albany New York 12233.

3.4 Contact information for NYSERDA: RGGI Project Manager, David Coup, NYSERDA, 17 Columbia Circle, Albany, NY 12203,

ARTICLE 4. INDEMNIFICATION

4.1 RGGI, Inc. shall protect, indemnify and hold harmless the State, the Department and NYSERDA from and against all liabilities, losses, claims, damages, judgments, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon or incurred by or asserted against the State, the Department and NYSERDA resulting from, arising out of or relating to RGGI, Inc.'s performance of this Agreement. The obligations of RGGI, Inc. under this clause shall survive any expiration or termination of this Agreement, and shall not be limited by any enumeration herein of required insurance coverage.

ARTICLE 5. TERMINATION and SEVERABILITY

5.1 This Agreement may be terminated by any of the Parties by giving the others 30 days advance written notice of such intent and the reasons thereof. None of the Parties shall enter into or otherwise create new obligations relative to this Agreement following receipt of such notice, without the written consent of the other Parties. All Parties agree to enter into good faith negotiations to resolve any differences and provide for an orderly closure of this Agreement if agreement cannot be reached.

5.2 If any part of this Agreement is determined to be invalid, illegal or unenforceable, such determination shall not affect the validity, legality or enforceability of any other part of this Agreement, and the remaining parts of this Agreement shall be enforced as if the invalid, illegal or unenforceable part were not contained therein.

ARTICLE 6. ENTIRE AGREEMENT/CHANGES

6.1 This Agreement together with any Appendices annexed hereto contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior agreements or understanding regarding such subject matter, or any portion thereof.

ARTICLE 7. EXECUTORY CLAUSE.

7.1 Nothing in this Agreement shall act to obligate the Department beyond those monies lawfully appropriated and available for this Agreement.

SIGNATURES

In WITNESS WHEREOF, the individuals listed below are authorized to sign and execute this Cooperative Agreement between the respective Parties, on the date appearing below their respective signatures.

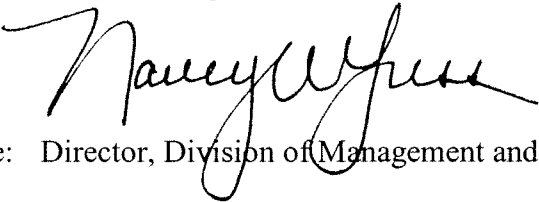
Regional Greenhouse Gas Initiative, Inc.

By: 
clifton Below

Title: Secretary

Dated: May 23, 2008

New York State Department of Environmental Conservation:

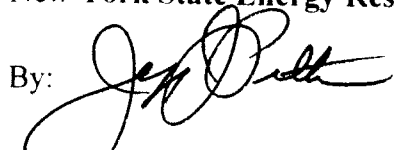
By: 

Title: Director, Division of Management and Budget

Dated: may 7, 2008

New York State Energy Research and Development Authority

By:



Title: Treasurer

Dated: May 8, 2008

Regional Greenhouse Gas Initiative, Inc.

Scope of Work in Support of New York State's Implementation of the CO₂ Budget Trading Program and Auction Program

Regional Greenhouse Gas Initiative, Inc. ("RGGI, Inc.") will provide program implementation and program development services, as outlined in this scope of services, to the State of New York to support the State's participation in the Regional Greenhouse Gas Initiative (RGGI) and the implementation of CO₂ Budget Trading Program and Auction Program. RGGI, Inc., a non-profit organization incorporated in the State of Delaware, was formed expressly to provide technical implementation and program development support services to signatories of the RGGI Memorandum of Understanding (the "participating states"), signed December 20, 2005, as amended.

Overview

RGGI, Inc. will provide services to support implementation of the New York State CO₂ Budget Trading Program in the following seven areas:

- I. Design and operation of a regional emissions and allowance tracking system (EATS), for use by the State in administering the New York State CO₂ Budget Trading Program and the counterpart programs in other participating states;
- II. Design and operation of a regional allowance auction platform, for use by the State in administering the New York State CO₂ Budget Trading Program and the counterpart programs in other participating states;
- III. Development of model offsets consistency applications and model offsets monitoring and verification submittal forms, suitable for customization by the State for use in administering the offsets component of the New York State CO₂ Budget Trading Program;
- IV. Development of generic and category-specific guidance documents detailing the requirements for offset projects under New York State CO₂ Budget Trading Program, suitable for use by the State to support administration of the offsets component of the Program;
- V. Development and operation of an accreditation process for the accreditation of independent verifiers of offset projects, suitable for use by the State to support administration of the offsets component of the New York State CO₂ Budget Trading Program;
- VI. Market monitoring services for monitoring of both allowance auction conduct and outcomes and monitoring of the secondary allowance market;

State to verify the Tracking System software is functioning properly including potential redress; (2) if directed by the State, to publicly post appropriate information about the Tracking System; and (3) to work with the State to use ongoing experience to continuously improve the Tracking System.

Tracking System Development

Following approval by the State of the Tracking System data requirements and system design, RGGI, Inc. shall develop software code for the Tracking System. RGGI, Inc. shall develop a test plan and perform extensive quality assurance and unit and integrated testing for all Tracking System functionality. RGGI, Inc. shall document and provide all testing scenarios to the State. RGGI, Inc. shall deploy an alpha version of the application on a platform for testing and acceptance by the State. Following acceptance of the alpha product, RGGI, Inc. shall provide a beta version of the Tracking System for beta users selected by the State and RGGI, Inc., including industry users and representatives from each participating state. Finally, RGGI, Inc. shall deploy the final version of the program. As part of the system development, RGGI, Inc. shall develop system documentation, user manuals, and other training tools.

Tracking System Hosting

To support the Tracking System Internet application and database in a secure data environment, RGGI, Inc. shall contract with a third-party vendor to establish dedicated hosting for the database. This will also serve as the environment for alpha and beta testing. Using preliminary research on the capability and cost associated with a variety of hosting options, to include all appropriate security requirements for Application Service Providers (ASPs), RGGI, Inc. shall refine this analysis and subcontract with the selected ASP. Prior to executing any subcontract, RGGI, Inc. shall provide all relevant information relating to capability, cost, and subcontract terms for the recommended ASP and two alternatives, to the State for approval. The successful subcontracted ASP will have acceptable plans, to be reviewed by both the State and RGGI, Inc., for loss or disaster recovery and business continuance.

Emissions Data Tracking and Processing Development

In order for the State to use the emissions data reported to U.S. EPA under 40 CFR Part 75 for purposes of determining source compliance with the requirements of the New York State CO₂ Budget Trading Program, a process and supporting data management tools and software must be developed. The procedures relating to this task area shall be developed by RGGI, Inc. and any necessary coordination or agreement with U.S. EPA regarding use and access to the emissions data shall be resolved. RGGI, Inc. shall also develop a detailed plan for accomplishing this task. To the extent possible, RGGI, Inc. shall use existing emissions management routines to accomplish this objective.

The end result shall be the establishment by RGGI, Inc. of emissions data management tables consistent with the Tracking System design, so that the emissions values for the compliance period are available to the State for true-up purposes.

data, and the accuracy and completeness of the data. To the extent requested by the State, RGGI, Inc. shall contact industry representatives directly to resolve any outstanding issues. RGGI, Inc. shall document all issues, their resolution, and all contacts with industry representatives.

Allowance Reconciliation (True-up)

RGGI, Inc. shall assist the State with the compliance assessment for the New York State CO2 Budget Trading Program. The tracking System shall support data entry of compliance certifications required by the program and the identification of allowances to be deducted during the compliance process. This assessment shall factor in appropriate offsets limits as a function of a source's reported emissions. These limits will be adjusted appropriately to address the price trigger mechanisms in the participating states' regulations. RGGI, Inc. shall prepare draft and final compliance reports and will provide information to the State's staff contacts regarding possible non-compliance.

User Technical Support

RGGI, Inc. shall provide technical support to industry, the State, and public users of the Tracking System. RGGI, Inc. shall record all technical support requests, inquiries, or other occurrences in a log that identifies the nature of the request or events, requestor, respondent, response provided, date(s) and time(s) of response, and amount of chargeable time expended on the request and response. Records shall be provided to the State's Project Manager on a periodic basis, or on demand, as requested.

As necessary, RGGI, Inc. shall provide assessments and recommendations relating to performance of the system based on the technical support levels and user feedback. RGGI, Inc. shall not be responsible for interpretation of the State's regulations, and/or interpretation of actions taken by the State in enforcement of those regulations.

System and Database Support

RGGI, Inc. shall be responsible for all aspects of Tracking System maintenance and database support and management. This shall include the database initialization and setup, ongoing database quality assurance activities, management of all user accounts and security, coordination and monitoring of the Application Service Provider support activities, database, security, and application performance, and all other tasks designed to ensure high system availability and performance. RGGI, Inc. shall provide reports to the State's Project Manager on all routine activities and on any events or technical issues that will affect the operation or performance of the system. RGGI, Inc. shall oversee all data backup and audit procedures to ensure the ongoing integrity of the data.

II. Allowance Auction Platform

RGGI, Inc. shall design and implement a platform for the auctioning of allowances. RGGI, Inc. shall provide auction services in three general areas: pre-auction, auction

RGGI, Inc. shall provide and administer, on behalf of the State, an online auction platform capable of accommodating an auction in all of the following formats:

- A sealed bid, uniform price auction
- An ascending price, multiple-round auction

Furthermore, the online auction platform shall be capable of managing allowance purchase limits based on specifications provided by the State, and simultaneous auctions of current vintage year allowances and future vintage year allowances. Such platform shall be capable of tracking bidding activity and must provide for audit level documentation of such activity, in accordance with auction monitoring protocols to be established by RGGI, Inc. in consultation with the State.

II-C. Post-auction Services

RGGI, Inc. shall, on behalf of the State, arrange for and facilitate the transfer of funds from successful bidders to an account designated by the State and arrange for the return of financial security to bidders. RGGI, Inc. shall also be responsible for coordinating with the operation of the Tracking System for the transfer of allowances, at the direction of the State, to the compliance or general accounts of the winning bidders. RGGI, Inc. shall also be required to: (1) work with any independent third party hired by the State to verify the results of the auction, including potential redress; (2) if directed by the State, to post appropriate information about auction results; and (3) to work with the State to use ongoing auction experience to continuously improve subsequent auctions.

III. Model Offset Consistency Applications and Monitoring and Submittal Documents

RGGI, Inc. shall develop model offset consistency applications and model monitoring and verification report submittal forms for each eligible offset category, suitable for customization by the State.

RGGI, Inc. shall design model application and submission materials to facilitate monitoring of the State's offset project approval process by market observers and other participating states. All materials developed by RGGI, Inc. shall be consistent with the Model Rule criteria. The application and submission materials shall be more specific than the Model Rule criteria outlined in Sections XX-10.3, XX-10.5, and XX-10.7, with regard to required documentation. In developing these materials, RGGI, Inc. shall coordinate with the development of the Tracking System to ensure that the applications and submittal materials align with the capabilities and needs of the Tracking System. RGGI, Inc. shall develop the following specific application and submittal materials:

- RGGI, Inc. shall develop general consistency application materials, including application instructions (Model Rule section XX-10.1 through section XX-10.4).

- RGGI, Inc. shall develop six (6) category-specific model guidance documents, for each of the eligible offset categories in the Model Rule. These shall explain, step-by-step, the process, including information submittal requirements and format, by offset category, for consistency applications, approval of offset projects, and submittal of monitoring and verification reports as required in Model Rule sections XX-10.3, XX-10.4, XX-10.5, and XX-10.7.

V. Accreditation Process and Training Program for Independent Verifiers of Offset Projects

RGGI, Inc. shall develop a process for the accreditation of independent offset project verifiers and a related training program, consistent with the requirements of Model Rule section XX-10.6, that can be customized and used by the State in accrediting independent offset verifiers.

RGGI, Inc. shall develop a formalized accreditation process and training program for independent verifiers that meet the requirements of the RGGI Model Rule, including the following:

- A process for the accreditation of independent verifiers, including review of qualifications of candidate verifiers
- A process for evaluation of candidate verifier conflicts-of-interest (COI)
- A training course for candidate verifiers (including supporting training materials)
- Application materials for accreditation

RGGI, Inc. shall develop a formalized process that can be customized for use by the State to support on-going State review of potential verifier conflict-of-interest situations, including the following:

- Submittal forms for accredited verifier disclosure of potential COI information to be submitted and reviewed by regulatory agencies prior to the verifier engaging in work with an offset project developer
- Guidance materials to support regulatory agency staff review of COI

In developing these materials, RGGI, Inc. shall provide a review of existing greenhouse gas independent verifier accreditation standards and processes used by other voluntary and mandatory greenhouse gas management or regulatory programs, and incorporate, if appropriate, elements of these into the materials developed for the State. RGGI, Inc. shall provide a brief evaluation of the standards and processes reviewed.

work. The RGGI, Inc. Project Manager shall be responsible for all projects reporting to the State.

RGGI, Inc. shall submit quarterly progress reports every three months to the State during the project term. These progress reports shall outline the status of progress in providing the deliverables specified in the scope of work, including identification of all completed/not completed work during the preceding three-month period for every major task identified in the scope of work. These progress reports shall also note any problems encountered by RGGI, Inc. and their actual or proposed resolution. At the end of the project term, RGGI, Inc. shall prepare and submit a draft final report that provides a description and summary of all major work tasks and submitted deliverables. The draft final report shall be revised within 60 days to address all State comments, and RGGI, Inc. shall submit a final report addressing all such comments.

In any area where deliverables will be provided, such deliverables shall be presented to the State in draft form for review and ultimate approval by the State.

Delaware

PAGE 1

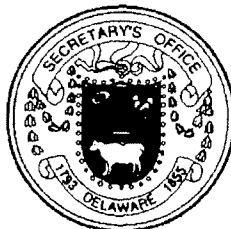
The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "REGIONAL GREENHOUSE GAS INITIATIVE, INC.", FILED IN THIS OFFICE ON THE TWELFTH DAY OF JULY, A.D. 2007, AT 4:16 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

4387873 8100

070808657



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 5841250

DATE: 07-13-07

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:35 PM 07/12/2007
FILED 04:16 PM 07/12/2007
SRV 070808657 - 4387873 FILE

CERTIFICATE OF INCORPORATION
OF
REGIONAL GREENHOUSE GAS INITIATIVE, INC.

**Under Section 102 of the
General Corporation Law
of the State of Delaware**

**Carter Ledyard & Milburn LLP
2 Wall Street
New York, New York 10005
(212) 732-3200**

CERTIFICATE OF INCORPORATION
OF
REGIONAL GREENHOUSE GAS INITIATIVE, INC.

Section 1. Name. The name of the corporation is Regional Greenhouse Gas Initiative, Inc. The corporation is hereinafter referred to as "the Corporation".

Section 2. Registered Office and Agent. The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808. The name of its registered agent at such address is Corporation Service Company.

Section 3. Purpose. The exclusive purpose for which the corporation is formed is to provide technical and scientific advisory services to the States of the United States that are Signatory States in the development and implementation of a multi-state cap and trade program, known as the Regional Greenhouse Gas Initiative (or its successor), to reduce air pollutants that contribute to climate change, and to perform any other charitable or scientific function related to the reduction of greenhouse gas emissions or the increase in carbon sequestration on behalf of the Signatory States.

The Corporation is a non-stock, non-profit corporation. The purposes for which this organization is organized are exclusively religious, charitable, scientific, literary and/or educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended (the "Code"), or the corresponding provision of any future United States Internal Revenue law.

Section 4. Powers. In order to facilitate the attainment of its goals, the Corporation shall have the general and specific powers enumerated in Sections 121 and 122 of the Delaware General Corporation Law, together with, but not in any way limited to, the following other powers:

(a) To solicit, collect, accept, hold, invest and administer contributions, gifts, bequests, devises, benefits of trusts (but not to act within the State of Delaware as trustee of any trust) and property of any and every kind whatsoever without limitation as to amount or value, and to use the income or principal thereof in the furtherance of the purposes of the Corporation;

(b) To sell, transfer, exchange, or otherwise deal with its property, and to hold, invest and reinvest its property and to apply the income and principal thereof in furtherance of its purposes and objects;

(c) To enter into, make, perform and carry out contracts for any corporate purpose, without limitation as to amount, with any person, firm, association, corporation or body politic;

(d) To do any and all acts and exercise any and all powers herein set forth, either as principal, agent, contractor or otherwise and either alone or in conjunction with any other person, firm or corporation, including any governmental agency;

(e) To the extent permitted by law, to exercise its rights, powers and privileges, to hold meetings of its directors and any committees appointed by the Board of Directors, to have one or more officers and to keep its books in any part of the world;

(f) Alone, or in cooperation with or through other organizations or persons, to do any and all lawful acts and things that may be necessary, useful, suitable or proper, for the furtherance, accomplishment or attainment of the purposes of the Corporation;

(g) Nothing herein contained shall be deemed to authorize or permit the Corporation to carry on any activity, exercise any power or do any act that a corporation formed under the General Corporation Law, as the same now exists or may hereafter be amended, may not at the time lawfully carry on or do;

(h) Notwithstanding any other provisions of these articles, the Corporation shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(3) of the Code or the corresponding provision of any future United States Internal Revenue law.

Section 5. Conduct. The Corporation shall not be conducted or operated for profit, and no part of the net earnings of the Corporation shall inure to the benefit of any member or private individual, nor shall any of such net earnings or any of the profits or assets of the Corporation be used other than for the purposes of the Corporation; provided that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 3 hereof.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation (except to the extent otherwise permitted under Section 501(h) of the Code), nor shall the Corporation participate in, or intervene in (including by the publication or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office, and the Corporation shall not exercise any powers or engage in any activities or do any act that might impair its status as a corporation exempt from Federal income taxation under Section 501(c)(3) of the Code.

Section 6. Liquidation. In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary or by operation of law, the property or other net assets of the Corporation, or any net proceeds thereof, shall be distributed to such non-profit organizations, which shall have received notice of recognition of exemption from Federal income taxation under Section 501(c)(3) of the Code, as the Board of Directors shall determine; and no member, director, or officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the State of Delaware for the county in which the principal office of the Corporation is then located, exclusively for such purposes, or to such organization or organizations, as such Court shall determine, which are organized and operated

exclusively for such purposes.

Section 7. Private Foundation Rules. In any taxable year in which the Corporation is a private foundation as described in Section 509(a) of the Code, the Corporation shall distribute such amounts for such period at such time and in such manner as not to subject the Corporation to tax on undistributed income under Section 4942 of the Code; and the Corporation shall not (i) engage in any act of self-dealing which is subject to tax under Section 4941 of the Code; (ii) retain any excess business holdings which are subject to tax under Section 4943 of the Code; (iii) make any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code; or (iv) make any taxable expenditures which are subject to tax under Section 4945 of the Code or corresponding provisions of any subsequent federal tax laws.

Section 8. Stock and Membership. The Corporation shall not have authority to issue any capital stock. The conditions of membership in the Corporation, the rights and obligations of its members and the classification of members, if any, shall be as provided in the By-laws.

Section 9. Incorporator. The name and mailing address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
Clifford P. Case, III	Carter Ledyard & Milburn LLP 2 Wall Street New York, New York 10005

Section 10. Management of Foundation and Initial Directors. The Corporation shall be managed by its Board of Directors as provided in its By-laws. The names and addresses of the persons who are to serve as the initial directors of the Corporation, until their successors are elected and qualify, are as follows:

<u>Name and Title</u>	<u>Address</u>
Gina McCarthy Commissioner	Connecticut Department of Environmental Protection 79 Elm Street Hartford, CT 06106
Anne C. George Commissioner	Connecticut Department of Public Utility Control 10 Franklin Square New Britain, CT 06051
John A. Hughes Secretary	Delaware Department of Natural Resources and Environmental Control 89 Kings Highway Dover, DE 19901

Arnetta McRae
Chair

Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

David Littell
Commissioner

Maine Department of Environmental Protection
17 State House Station
Augusta, ME 04333-0017

Kurt Adams
Chair

Maine Public Utilities Commission
242 State Street
18 State House Station
Augusta, ME 04333

Shari T. Wilson
Secretary

Maryland Department of the Environment
1800 Washington Boulevard
Baltimore, MD 21230

Steven B. Larsen
Chair

Maryland Public Service Commission
6 St. Paul Street, 16th Floor
Baltimore, MD 21202

Arleen O'Donnell
Commissioner

Massachusetts Department of Environmental Protection
One Winter Street, 2nd Floor
Boston, MA 02108

Philip Giudice
Commissioner

Massachusetts Division of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Thomas S. Burack
Commissioner

New Hampshire Department of Environmental Services
2 Hazen Drive
Concord, NH 03302

Clifton Below
Commissioner

New Hampshire Public Utilities Commission
21 S. Fruit St. Suite 10
Concord, NH 03301-2429

Lisa P. Jackson
Commissioner

New Jersey Department of Environmental Protection
401 East State Street
7th Floor East Wing

Trenton, NJ 08625-0402

Jeanne M. Fox
President

New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Alexander B. Grannis
Commissioner

New York Department of Environmental Conservation
625 Broadway, 14th Floor
Albany, NY 12233

Patricia L. Acampora
Chair

New York Department of Public Service
3 Empire State Plaza
Albany, NY 12233-1350

W. Michael Sullivan
Director

Rhode Island Department of Environmental Management
235 Promenade Street
Providence, RI 02908

Andrew C. Dzykewicz
Commissioner

Rhode Island Office of Energy Resources
One Capitol Hill
Providence, RI 02908

Jeffrey Wennberg
Commissioner

Vermont Department of Environmental Conservation
103 South Main Street, 1 South Building
Waterbury, VT 05671-0401

James Volz
Chair

Vermont Public Service Board
112 State Street, 4th Floor
Montpelier, VT 05620

Section 11. By-Laws. The Board of Directors may make, alter or repeal the By-laws of the Corporation, subject only to such limitations, if any, as may from time to time be imposed by the By-laws.

Section 12. Exoneration of Directors. To the fullest extent permitted by the General Corporation Law of the State of Delaware, no director of the Corporation shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director.

Section 13. Indemnification of Directors and Officers. To the fullest extent permitted by the General Corporation Law of the State of Delaware, the Corporation may from time to time indemnify any person who is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation, and any other person whom it shall have power to indemnify, from and against any and all expenses, liabilities or other matters, all as more fully

provided in the By-laws.

Section 14. Amendments. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner provided by law, and all rights conferred herein on members, directors, and officers are subject to this reserved power; except that any amendment, alteration, change, or repeal which reduces or limits the exculpation or indemnification of the persons referred to herein, or which adversely affects (from the point of view of the director) any limitation on the personal liability of a director, shall apply prospectively only and shall not be given retroactive effect.

Section 15. General. As used herein, references to the General Corporation Law refer to such law as in effect as of the date hereof and as amended from time to time, or corresponding provisions of subsequent laws, and references to "law" or "laws" refer to such laws as in effect as of the date hereof and as hereafter amended.

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, makes this certificate, hereby declaring and certifying that this is the act and deed of the undersigned and that the facts herein stated are true, and accordingly has hereunto set such person's hand on

July 12, 2007.



Name: Clifford P. Case, III

Title: Incorporator

Address: Carter Ledyard & Milburn LLP

2 Wall Street

New York, New York 10005