S T A T E O F N E W Y O R K

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2013-2014 Regular Sessions

I N A S S E M B L Y

June 18, 2013

Introduced by M. of A. BRENNAN, McDONALD -- read once and referred to the Committee on Corporations, Authorities and Commissions -- recommitted to the Committee on Corporations, Authorities and Commissions in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public authorities law, in relation to authorizing the power authority of the state of New York and the Long Island power authority to participate in public-private transmission projects to improve the state's electric transmission grid

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Legislative findings and purpose. The legislature hereby finds and determines that:

1. The state's vital electric transmission grid is aging, congested and subject to outages caused by storms, obsolescence and the growing demands for energy by the state's residents, and such problems and conditions pose serious threats to the health, welfare, safety and economic well-being of the people of the state of New York.

2. The condition and operation of the state's electric transmission grid is a matter of state concern, and it is in the public interest to provide for the means to repair, replace, reinforce, modernize and expand the state's electric transmission grid to ensure the safe and reliable provision of electric service to the state's residents now and into the future.

3. A modernized electric transmission grid and energy highway will also encourage investments in new energy-related infrastructure and technologies, facilitate the development and integration into the power grid of renewable energy resources, and stimulate and support economic development in the state. Public-private transmission projects undertak-

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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en jointly by the owner of transmission facilities, systems and infrastructure, including the power authority of the state of New York and the Long Island power authority, which provide for the ongoing planning, construction, owning, operating, maintaining and expanding of electric transmission facilities, systems and infrastructure can serve as an effective means to address the aforementioned problems and concerns and stimulate ongoing critical investment in the state's electric transmission grid.

4. The purposes of this act can be achieved, while managing and mitigating potential liabilities, by authorizing the power authority of the state of New York and the Long Island power authority to participate in such public-private transmission projects through the formation of subsidiary companies.

S 2. Section 1001 of the public authorities law is amended by adding a new closing paragraph to read as follows:

IT IS FURTHER DECLARED THAT: (A) THERE SHOULD BE FULL COOPERATION AND COORDINATION AMONG PRIVATE AND PUBLIC OWNERS AND OPERATORS OF ELECTRIC TRANSMISSION FACILITIES, SYSTEMS AND INFRASTRUCTURE IN THE STATE, INCLUDING THE AUTHORITY, FOR THE PURPOSE OF EXPEDITIOUSLY REPAIRING, REPLACING, REINFORCING, MODERNIZING AND EXPANDING THE STATE'S ELECTRIC TRANSMISSION GRID; (B) IT IS DESIRABLE THAT THE AUTHORITY, WHICH OWNS AND OPERATES ELECTRIC TRANSMISSION ASSETS IN THE STATE, PARTICIPATE IN PUBLIC-PRIVATE TRANSMISSION PROJECTS THAT ARE UNDERTAKEN BY A LIMITED LIABILITY COMPANY OR OTHER APPROPRIATE ORGANIZATIONAL STRUCTURE, THROUGH A SUBSIDIARY COMPANY FORMED BY THE AUTHORITY AS AUTHORIZED BY THIS TITLE; AND (C) THE AUTHORITY SHOULD BE AUTHORIZED TO PARTICIPATE IN PUBLIC-PRIVATE TRANSMISSION PROJECTS AND TRANSFER TRANSMISSION ASSETS OR ANY INTEREST THEREIN IN CONNECTION WITH ITS PARTICIPATION IN SUCH A LIMITED LIABILITY COMPANY OR OTHER APPROPRIATE ORGANIZATIONAL STRUCTURE ON SUCH TERMS AND CONDITIONS AS THE AUTHORITY MAY NEGOTIATE.

S 3. Section 1005 of the public authorities law is amended by adding a new subdivision 25 to read as follows:

25. A. FOR PURPOSES OF THIS SUBDIVISION, THE FOLLOWING TERMS SHALL HAVE THE MEANINGS INDICATED:

(I) "SUBSIDIARY COMPANY" MEANS A SUBSIDIARY COMPANY FORMED, WHOLLY-OWNED AND CONTROLLED BY THE AUTHORITY IN ACCORDANCE WITH AND SUBJECT TO THE BUSINESS CORPORATION LAW, THE NOT-FOR-PROFIT CORPORATION LAW, THE LIMITED LIABILITY COMPANY LAW OR THE TRANSPORTATION CORPORATIONS LAW.

(II) "TRANSCO MASTER AGREEMENT" MEANS A WRITTEN AGREEMENT PROVIDING FOR THE FORMATION AND OPERATION OF A LIMITED LIABILITY COMPANY OR OTHER ORGANIZATIONAL STRUCTURE TO SERVE AS A TRANSCO COMPANY AND WHICH PROVIDES FOR, AMONG OTHER THINGS, THE RIGHTS AND OBLIGATIONS OF MEMBERS OF SUCH TRANSCO COMPANY.

(III) "TRANSCO ANCILLARY AGREEMENT" MEANS A WRITTEN AGREEMENT, OTHER THAN A TRANSCO PROJECT AGREEMENT, BETWEEN THE AUTHORITY OR SUBSIDIARY COMPANY AND THE TRANSCO COMPANY AND/OR MEMBERS OF A TRANSCO COMPANY, MADE IN ACCORDANCE WITH THE TRANSCO MASTER AGREEMENT, FOR THE PURPOSE OF IMPLEMENTING THE TRANSCO MASTER AGREEMENT.

(IV) "TRANSCO COMPANY" MEANS AN ENTITY FORMED IN ACCORDANCE WITH A TRANSCO MASTER AGREEMENT PRIMARILY FOR THE PURPOSE OF ENGAGING IN THE BUSINESS OF PLANNING, CONSTRUCTING, OWNING, OPERATING, MAINTAINING, AND EXPANDING ELECTRIC TRANSMISSION FACILITIES, SYSTEMS AND INFRASTRUCTURE SERVING THE PEOPLE OF THE STATE OF NEW YORK.

(V) "TRANSCO PROJECT" MEANS A PROJECT UNDERTAKEN BY THE TRANSCO COMPANY IN ACCORDANCE WITH A TRANSCO MASTER AGREEMENT.

(VI) "TRANSCO PROJECT AGREEMENT" MEANS A WRITTEN AGREEMENT BETWEEN THE AUTHORITY OR SUBSIDIARY COMPANY AND THE TRANSCO COMPANY AND/OR MEMBERS OF A TRANSCO COMPANY, MADE IN ACCORDANCE WITH THE TRANSCO MASTER AGREEMENT, THAT RELATES TO A SPECIFIC TRANSCO PROJECT.

(VII) "TRANSMISSION ASSETS" MEANS: (1) ALL PHYSICAL ASSETS (INCLUDING BUT NOT LIMITED TO ELECTRICAL TRANSMISSION LINES, POLES, TOWERS AND SIMILAR STRUCTURES, CONDUITS, SUBSTATIONS, CONVERTER STATIONS, TRANSFORMERS, CONDUCTORS, INSULATORS, SWITCHING DEVICES, CONTROLS, BREAKERS, BUSES, STATIONS, RECTIFIERS, REGULATORS, EMERGENCY AND PROTECTIVE EQUIPMENT AND DEVICES, UTILITY INTERCONNECTIONS AND OTHER EQUIPMENT USED OR NECESSARY FOR THE CONTROL, DISPATCH, RECEIPT AND DELIVERY OF ENERGY BY SUCH FACILITIES) USED FOR THE PURPOSE OF TRANSMITTING OR DELIVERING DIRECT OR ALTERNATING CURRENT ELECTRIC ENERGY AT VOLTAGES PRIMARILY OF ONE HUNDRED KILOVOLTS OR HIGHER TO LOADS OR INTERCONNECTION POINTS; AND (2) ALL ASSOCIATED (A) TANGIBLE AND INTANGIBLE PROPERTY USED TO OPERATE, CONTROL, PROTECT AND MAINTAIN SUCH ASSETS, (B) REAL PROPERTY RIGHTS FOR LANDS AND RIGHTS-OF-WAY, SITES, AND PLACES IN WHICH SUCH ASSETS ARE SITUATED OR INSTALLED, AND (C) LEGAL AND REGULATORY RIGHTS, AUTHORIZATIONS, PERMITS, AND CONSENTS OF ANY NATURE TO OWN, OCCUPY, CONSTRUCT, USE, OPERATE AND MAINTAIN, AND RECEIVE OR DISPOSE OF REVENUES FROM SUCH ASSETS OR LANDS ON WHICH SUCH ASSETS ARE SITUATED, EXISTING, OWNED, LEASED, DESIGNED, USED AND OPERATED.

B. NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, THE AUTHORITY MAY (I) PARTICIPATE IN PUBLIC/PRIVATE PARTNERSHIPS TO PROVIDE FOR THE MEANS TO REPAIR, REPLACE, REINFORCE, MODERNIZE AND EXPAND THE STATE'S ELECTRIC TRANSMISSION GRID TO ENSURE THE SAFE AND RELIABLE PROVISION OF ELECTRIC SERVICE TO THE STATE'S RESIDENTS NOW AND INTO THE FUTURE, (II) FORM A SUBSIDIARY COMPANY FOR THE PURPOSE OF PARTICIPATING IN A TRANSCO COMPANY, (III) PARTICIPATE IN THE TRANSCO COMPANY BY CAUSING THE SUBSIDIARY COMPANY TO BECOME A PARTY TO A TRANSCO MASTER AGREEMENT AND EXERCISE THE RIGHTS AND PERFORM THE OBLIGATIONS OF A TRANSCO COMPANY MEMBER AS MAY BE PROVIDED FOR IN A TRANSCO MASTER AGREEMENT, AND (IV) EXERCISE THE OTHER POWERS AND DUTIES PROVIDED FOR BY THIS SUBDIVISION.

C. NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, IN ADDITION TO ANY OTHER POWERS AND DUTIES GRANTED TO IT UNDER THIS TITLE, THE AUTHORITY SHALL BE AUTHORIZED TO:

(I) EXERCISE ALL OF THE RIGHTS AND PRIVILEGES ASSOCIATED WITH ANY OWNERSHIP INTEREST IN OR ORGANIZER OF THE SUBSIDIARY COMPANY;

(II) ISSUE ITS BONDS, NOTES AND OTHER EVIDENCE OF INDEBTEDNESS TO FINANCE THE OPERATIONS OF THE SUBSIDIARY COMPANY, INCLUDING THE SUBSIDIARY COMPANY'S PARTICIPATION IN AND OBLIGATIONS UNDERTAKEN IN CONNECTION WITH A TRANSCO COMPANY;

(III) LEND, OR OTHERWISE TRANSFER MONIES TO THE SUBSIDIARY COMPANY, INCLUDING THE PROCEEDS OF THE AUTHORITY'S BONDS, NOTES, OTHER EVIDENCE OF INDEBTEDNESS AND OTHER AUTHORITY FUNDS;

(IV) RECEIVE MONIES FROM THE SUBSIDIARY COMPANY, INCLUDING MONIES THAT RESULT FROM THE OPERATION OF THE TRANSCO COMPANY;

(V) AS DEEMED FEASIBLE AND ADVISABLE BY THE TRUSTEES, TRANSFER TO THE SUBSIDIARY COMPANY TRANSMISSION ASSETS OR INTERESTS THEREIN THAT HAVE BEEN OR ARE EXPECTED TO BE USED IN PROJECTS UNDERTAKEN BY THE TRANSCO COMPANY FOR SUCH CONSIDERATION AND ON SUCH OTHER TERMS AND CONDITIONS AS THE AUTHORITY SHALL NEGOTIATE;

(VI) RECEIVE FROM THE SUBSIDIARY COMPANY OR THE TRANSCO COMPANY ANY PERSONAL OR REAL PROPERTY;

(VII) ENTER INTO GUARANTEE AGREEMENTS IN CONNECTION WITH THE SUBSIDIARY COMPANY'S PARTICIPATION IN THE TRANSCO COMPANY;

(VIII) ENTER INTO CONTRACTS AND OTHER FORMS OF AGREEMENT WITH THE TRANSCO COMPANY, THE SUBSIDIARY COMPANY AND OTHER MEMBERS OF THE TRANSCO COMPANY;

(IX) PLEDGE OR ASSIGN ALL OR ANY PORTION OF ANY INTEREST IN A TRANSCO COMPANY;

(X) TRANSFER AND RECEIVE ALL OR ANY PORTION OF ANY INTEREST IN A TRANSCO COMPANY;

(XI) SELL, PURCHASE, OR OTHERWISE TRANSFER ALL OR ANY PORTION OF ANY INTEREST IN A TRANSCO COMPANY ON SUCH TERMS AND CONDITIONS AS THE AUTHORITY DEEMS APPROPRIATE;

(XII) ASSIGN ONE OR MORE EMPLOYEES TO PROVIDE SERVICES TO A TRANSCO COMPANY FOR A SPECIFIED PERIOD OF TIME, PROVIDED THAT ANY SUCH EMPLOYEE SHALL CONTINUE TO BE AN EMPLOYEE OF THE AUTHORITY; AND

(XIII) DISSOLVE OR TERMINATE THE SUBSIDIARY COMPANY IN ACCORDANCE WITH APPLICABLE LAW.

D. NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, NO TRUSTEE, OFFICER OR EMPLOYEE OF THE STATE, OR OF ANY STATE AGENCY, PUBLIC AUTHORITY OR PUBLIC BENEFIT CORPORATION, SHALL BE DEEMED TO HAVE FORFEITED OR SHALL FORFEIT SUCH PERSON'S OFFICE OR EMPLOYMENT OR ANY BENEFITS ASSOCIATED THEREWITH BY REASON OF SUCH PERSON'S ACCEPTANCE OF MEMBERSHIP ON, OR SUCH PERSON BEING AN OFFICER, EMPLOYEE OR AGENT OF A SUBSIDIARY COMPANY, OR BY REASON OF SUCH PERSON'S PROVISION OF SERVICES TO A SUBSIDIARY COMPANY.

E. THE PROVISIONS OF SECTION TWENTY-EIGHT HUNDRED SEVENTY-NINE-A OF THIS CHAPTER SHALL BE APPLICABLE TO ANY TRANSCO MASTER AGREEMENT TO WHICH THE AUTHORITY OR SUBSIDIARY COMPANY IS A PARTY, BUT SHALL BE INAPPLICABLE TO ANY TRANSCO ANCILLARY AGREEMENT OR TRANSCO PROJECT AGREEMENT THAT OTHERWISE SATISFIES THE REQUIREMENTS OF PARAGRAPH (A) OR (B) OF SUBDIVISION ONE OF SUCH SECTION PROVIDED THAT (I) A FINAL OR SUBSTANTIALLY NEGOTIATED FORM OF SUCH TRANSCO ANCILLARY AGREEMENT OR TRANSCO PROJECT AGREEMENT, AS THE CASE MAY BE, IS ANNEXED TO A TRANSCO MASTER AGREEMENT THAT HAS BECOME VALID AND ENFORCEABLE IN ACCORDANCE WITH THE PROVISIONS OF SECTION TWENTY-EIGHT HUNDRED SEVENTY-NINE-A OF THIS CHAPTER, AND (II) IN THE CASE OF A TRANSCO PROJECT AGREEMENT, THE FINAL EXECUTED FORM OF SUCH TRANSCO PROJECT AGREEMENT IS LIMITED TO A TRANSCO PROJECT THAT WAS IDENTIFIED IN SUCH TRANSCO MASTER AGREEMENT.

F. THE PROVISIONS OF TITLE FIVE-A OF ARTICLE NINE OF THIS CHAPTER SHALL BE INAPPLICABLE TO ANY DISPOSAL OF PROPERTY BY THE AUTHORITY OR SUBSIDIARY COMPANY THAT (I) IS OTHERWISE AUTHORIZED BY THIS TITLE, OR (II) IS MADE IN ACCORDANCE WITH A TRANSCO MASTER AGREEMENT THAT HAS BECOME VALID AND ENFORCEABLE IN ACCORDANCE WITH THE PROVISIONS OF SECTION TWENTY-EIGHT HUNDRED SEVENTY-NINE-A OF THIS CHAPTER.

G. NO ACTS OR ACTIVITIES TAKEN OR PROPOSED TO BE TAKEN BY THE AUTHORITY OR A SUBSIDIARY COMPANY PURSUANT TO THE PROVISIONS OF THIS SUBDIVISION, INCLUDING THE EXECUTION OF A TRANSCO MASTER AGREEMENT, AND THE ISSUANCE OF BONDS, NOTES, OR OTHER OBLIGATIONS, SHALL BE DEEMED TO BE "ACTIONS" FOR THE PURPOSES OR WITHIN THE MEANING OF ARTICLE EIGHT OF THE ENVIRONMENTAL CONSERVATION LAW.

H. NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW TO THE CONTRARY, THE AUTHORITY AND THE SUBSIDIARY COMPANY ONLY MAY PARTICIPATE IN A TRANSCO COMPANY THAT REPAIRS, REPLACES, REINFORCES, MODERNIZES AND EXPANDS TRANSMISSION ASSETS, AND, ANY TRANSCO COMPANY IS PROHIBITED FROM FINANCING OR CONSTRUCTING NEW ELECTRIC GENERATING FACILITIES.

S 4. Section 1020-a of the public authorities law, as added by chapter 517 of the laws of 1986, is amended by adding a new closing paragraph to read as follows:

THE LEGISLATURE FURTHER FINDS AND DECLARES THAT: (I) THERE SHOULD BE FULL COOPERATION AND COORDINATION AMONG PRIVATE AND PUBLIC OWNERS AND OPERATORS OF ELECTRIC TRANSMISSION FACILITIES, SYSTEMS AND INFRASTRUCTURE IN THE STATE, INCLUDING THE AUTHORITY, FOR THE PURPOSE OF EXPEDITIOUSLY REPAIRING, REPLACING, REINFORCING, MODERNIZING AND EXPANDING THE STATE'S ELECTRIC TRANSMISSION GRID; (II) IT IS DESIRABLE THAT THE AUTHORITY, WHICH OWNS AND OPERATES ELECTRIC TRANSMISSION ASSETS IN THE STATE, PARTICIPATES IN PUBLIC-PRIVATE TRANSMISSION PROJECTS THAT ARE UNDERTAKEN BY A LIMITED LIABILITY COMPANY OR OTHER APPROPRIATE ORGANIZATIONAL STRUCTURE, THROUGH A SUBSIDIARY COMPANY FORMED BY THE AUTHORITY AS AUTHORIZED BY THIS TITLE; AND (III) THE AUTHORITY SHOULD BE AUTHORIZED TO PARTICIPATE IN PUBLIC-PRIVATE TRANSMISSION PROJECTS AND TRANSFER TRANSMISSION ASSETS OR ANY INTEREST THEREIN IN CONNECTION WITH ITS PARTICIPATION IN SUCH A LIMITED LIABILITY COMPANY OR OTHER APPROPRIATE ORGANIZATIONAL STRUCTURE ON SUCH TERMS AND CONDITIONS AS THE AUTHORITY MAY NEGOTIATE.

S 5. Subdivision 2 of section 1020-c of the public authorities law, as added by chapter 517 of the laws of 1986, is amended to read as follows:

2. The area of operations of the authority shall be the service area, PROVIDED THAT THE AUTHORITY OR SUBSIDIARY COMPANY MAY OWN AN INTEREST IN TRANSMISSION ASSETS THAT ARE LOCATED IN WHOLE OR IN PART OUTSIDE THE SERVICE AREA.

S 6. Section 1020-f of the public authorities law is amended by adding a new subdivision (g-1) to read as follows:

(G-1) (I) FOR PURPOSES OF THIS SUBDIVISION, THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED:

1. "SUBSIDIARY COMPANY" MEANS A SUBSIDIARY COMPANY FORMED, WHOLLY-OWNED AND CONTROLLED BY THE AUTHORITY IN ACCORDANCE WITH AND SUBJECT TO THE BUSINESS CORPORATION LAW, THE NOT-FOR-PROFIT CORPORATION LAW, THE LIMITED LIABILITY COMPANY LAW OR THE TRANSPORTATION CORPORATIONS LAW.

2. "TRANSCO MASTER AGREEMENT" MEANS A WRITTEN AGREEMENT PROVIDING FOR THE FORMATION AND OPERATION OF A LIMITED LIABILITY COMPANY OR OTHER ORGANIZATIONAL STRUCTURE TO SERVE AS A TRANSCO COMPANY AND WHICH PROVIDES FOR, AMONG OTHER THINGS, THE RIGHTS AND OBLIGATIONS OF MEMBERS OF SUCH TRANSCO COMPANY.

3. "TRANSCO ANCILLARY AGREEMENT" MEANS A WRITTEN AGREEMENT, OTHER THAN A TRANSCO PROJECT AGREEMENT, BETWEEN THE AUTHORITY OR SUBSIDIARY COMPANY AND THE TRANSCO COMPANY AND/OR MEMBERS OF A TRANSCO COMPANY, MADE IN ACCORDANCE WITH THE TRANSCO MASTER AGREEMENT, FOR THE PURPOSE OF IMPLEMENTING THE TRANSCO MASTER AGREEMENT.

4. "TRANSCO COMPANY" MEANS AN ENTITY FORMED IN ACCORDANCE WITH A TRANSCO MASTER AGREEMENT PRIMARILY FOR THE PURPOSE OF ENGAGING IN THE BUSINESS OF PLANNING, CONSTRUCTING, OWNING, OPERATING, MAINTAINING, AND EXPANDING ELECTRIC TRANSMISSION FACILITIES, SYSTEMS AND INFRASTRUCTURE SERVING THE PEOPLE OF THE STATE OF NEW YORK.

5. "TRANSCO PROJECT" MEANS A PROJECT UNDERTAKEN BY THE TRANSCO COMPANY IN ACCORDANCE WITH A TRANSCO MASTER AGREEMENT.

6. "TRANSCO PROJECT AGREEMENT" MEANS A WRITTEN AGREEMENT BETWEEN THE AUTHORITY OR SUBSIDIARY COMPANY AND THE TRANSCO COMPANY AND/OR MEMBERS OF A TRANSCO COMPANY, MADE IN ACCORDANCE WITH THE TRANSCO MASTER AGREEMENT, THAT RELATES TO A SPECIFIC TRANSCO PROJECT.

7. "TRANSMISSION ASSETS" MEANS: (A) ALL PHYSICAL ASSETS (INCLUDING BUT NOT LIMITED TO ELECTRICAL TRANSMISSION LINES, POLES, TOWERS AND SIMILAR STRUCTURES, CONDUITS, SUBSTATIONS, CONVERTER STATIONS, TRANSFORMERS, CONDUCTORS, INSULATORS, SWITCHING DEVICES, CONTROLS, BREAKERS, BUSES,

STATIONS, RECTIFIERS, REGULATORS, EMERGENCY AND PROTECTIVE EQUIPMENT AND DEVICES, UTILITY INTERCONNECTIONS AND OTHER EQUIPMENT USED OR NECESSARY FOR THE CONTROL, DISPATCH, RECEIPT AND DELIVERY OF ENERGY BY SUCH FACILITIES) USED FOR THE PURPOSE OF TRANSMITTING OR DELIVERING DIRECT OR ALTERNATING CURRENT ELECTRIC ENERGY AT VOLTAGES PRIMARILY OF ONE HUNDRED KILOVOLTS OR HIGHER TO LOADS OR INTERCONNECTION POINTS; AND (B) ALL ASSOCIATED (I) TANGIBLE AND INTANGIBLE PROPERTY USED TO OPERATE, CONTROL, PROTECT AND MAINTAIN SUCH ASSETS, (II) REAL PROPERTY RIGHTS FOR LANDS AND RIGHTS-OF-WAY, SITES, AND PLACES IN WHICH SUCH ASSETS ARE SITUATED OR INSTALLED, AND (III) LEGAL AND REGULATORY RIGHTS, AUTHORIZATIONS, PERMITS, AND CONSENTS OF ANY NATURE TO OWN, OCCUPY, CONSTRUCT, USE, OPERATE AND MAINTAIN, AND RECEIVE OR DISPOSE OF REVENUES FROM SUCH ASSETS OR LANDS ON WHICH SUCH ASSETS ARE SITUATED, EXISTING, OWNED, LEASED, DESIGNED, USED AND OPERATED.

(II) NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, INCLUDING THE PROVISIONS OF SECTION ONE THOUSAND TWENTY-I OF THIS TITLE, THE AUTHORITY MAY 1. FORM A SUBSIDIARY COMPANY FOR THE PURPOSE OF PARTICIPATING IN A TRANSCO COMPANY, 2. PARTICIPATE IN THE TRANSCO COMPANY BY CAUSING THE SUBSIDIARY COMPANY TO BECOME A PARTY TO A TRANSCO MASTER AGREEMENT AND EXERCISE THE RIGHTS AND PERFORM THE OBLIGATIONS OF A TRANSCO COMPANY MEMBER AS MAY BE PROVIDED FOR IN A TRANSCO MASTER AGREEMENT, AND 3. EXERCISE THE OTHER POWERS AND DUTIES PROVIDED FOR BY THIS SUBDIVISION.

(III) NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, IN ADDITION TO ANY OTHER POWERS AND DUTIES GRANTED TO IT UNDER THIS TITLE, THE AUTHORITY SHALL BE AUTHORIZED TO:

1. PARTICIPATE IN PUBLIC/PRIVATE PARTNERSHIPS TO PROVIDE FOR THE MEANS TO REPAIR, REPLACE, REINFORCE, MODERNIZE AND EXPAND THE STATE'S ELECTRIC TRANSMISSION GRID TO ENSURE THE SAFE AND RELIABLE PROVISION OF ELECTRIC SERVICE TO THE SERVICE AREA AND THE STATE'S RESIDENTS NOW AND INTO THE FUTURE;

2. EXERCISE ALL OF THE RIGHTS AND PRIVILEGES ASSOCIATED WITH ANY OWNERSHIP INTEREST IN OR ORGANIZER OF THE SUBSIDIARY COMPANY;

3. ISSUE ITS BONDS, NOTES AND OTHER EVIDENCE OF INDEBTEDNESS TO FINANCE THE OPERATIONS OF THE SUBSIDIARY COMPANY, INCLUDING THE SUBSIDIARY COMPANY'S PARTICIPATION IN AND OBLIGATIONS UNDERTAKEN IN CONNECTION WITH A TRANSCO COMPANY;

4. LEND, OR OTHERWISE TRANSFER MONIES TO THE SUBSIDIARY COMPANY, INCLUDING THE PROCEEDS OF THE AUTHORITY'S BONDS, NOTES, OTHER EVIDENCE OF INDEBTEDNESS AND OTHER AUTHORITY FUNDS;

5. RECEIVE MONIES FROM THE SUBSIDIARY COMPANY, INCLUDING MONIES THAT RESULT FROM THE OPERATION OF THE TRANSCO COMPANY;

6. AS DEEMED FEASIBLE AND ADVISABLE BY THE TRUSTEES, TRANSFER TO THE SUBSIDIARY COMPANY TRANSMISSION ASSETS THAT HAVE BEEN OR ARE EXPECTED TO BE USED IN PROJECTS UNDERTAKEN BY THE TRANSCO COMPANY FOR SUCH CONSIDERATION AND ON SUCH OTHER TERMS AND CONDITIONS AS THE AUTHORITY SHALL NEGOTIATE;

7. RECEIVE FROM THE SUBSIDIARY COMPANY OR THE TRANSCO COMPANY ANY PERSONAL OR REAL PROPERTY;

8. ENTER INTO GUARANTEE AGREEMENTS IN CONNECTION WITH THE SUBSIDIARY COMPANY'S PARTICIPATION IN THE TRANSCO COMPANY;

9. ENTER INTO CONTRACTS AND OTHER FORMS OF AGREEMENT WITH THE TRANSCO COMPANY, THE SUBSIDIARY COMPANY AND OTHER MEMBERS OF THE TRANSCO COMPANY;

10. PLEDGE OR ASSIGN ALL OR ANY PORTION OF ANY INTEREST IN A TRANSCO COMPANY;

11. TRANSFER AND RECEIVE ALL OR ANY PORTION OF ANY INTEREST IN A TRANSCO COMPANY;

12. SELL, PURCHASE, OR OTHERWISE TRANSFER ALL OR ANY PORTION OF ANY INTEREST IN A TRANSCO COMPANY ON SUCH TERMS AND CONDITIONS AS THE AUTHORITY DEEMS APPROPRIATE;

13. ASSIGN ONE OR MORE EMPLOYEES TO PROVIDE SERVICES TO A TRANSCO COMPANY FOR A SPECIFIED PERIOD OF TIME, PROVIDED THAT ANY SUCH EMPLOYEE SHALL CONTINUE TO BE AN EMPLOYEE OF THE AUTHORITY; AND

14. DISSOLVE OR TERMINATE THE SUBSIDIARY COMPANY IN ACCORDANCE WITH APPLICABLE LAW.

(IV) NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, NO TRUSTEE, OFFICER OR EMPLOYEE OF THE STATE, OR OF ANY STATE AGENCY, PUBLIC AUTHORITY OR PUBLIC BENEFIT CORPORATION, SHALL BE DEEMED TO HAVE FORFEITED OR SHALL FORFEIT SUCH PERSON'S OFFICE OR EMPLOYMENT OR ANY BENEFITS ASSOCIATED THEREWITH BY REASON OF SUCH PERSON'S ACCEPTANCE OF MEMBERSHIP ON, OR SUCH PERSON BEING AN OFFICER, EMPLOYEE OR AGENT OF, A SUBSIDIARY COMPANY, OR BY REASON OF SUCH PERSON'S PROVISION OF SERVICES TO A SUBSIDIARY COMPANY.

(V) THE PROVISIONS OF SECTION ONE THOUSAND TWENTY-CC OF THIS TITLE SHALL BE INAPPLICABLE TO ANY TRANSCO MASTER AGREEMENT, TRANSCO ANCILLARY AGREEMENT AND TRANSCO PROJECT AGREEMENT.

(VI) THE PROVISIONS OF SECTION TWENTY-EIGHT HUNDRED SEVENTY-NINE-A OF THIS CHAPTER SHALL BE APPLICABLE TO ANY TRANSCO MASTER AGREEMENT TO WHICH THE AUTHORITY OR SUBSIDIARY COMPANY IS A PARTY, BUT SHALL BE INAPPLICABLE TO ANY TRANSCO ANCILLARY AGREEMENT OR TRANSCO PROJECT AGREEMENT THAT OTHERWISE SATISFIES THE REQUIREMENTS OF PARAGRAPH (A) OR (B) OF SUBDIVISION ONE OF SUCH SECTION PROVIDED THAT 1. A FINAL OR SUBSTANTIALLY NEGOTIATED FORM OF SUCH TRANSCO ANCILLARY AGREEMENT OR TRANSCO PROJECT AGREEMENT, AS THE CASE MAY BE, IS ANNEXED TO A TRANSCO MASTER AGREEMENT THAT HAS BECOME VALID AND ENFORCEABLE IN ACCORDANCE WITH THE PROVISIONS OF SECTION TWENTY-EIGHT HUNDRED SEVENTY-NINE-A OF THIS CHAPTER, AND 2. IN THE CASE OF A TRANSCO PROJECT AGREEMENT, THE FINAL EXECUTED FORM OF SUCH TRANSCO PROJECT AGREEMENT IS LIMITED TO A TRANSCO PROJECT THAT WAS IDENTIFIED IN SUCH TRANSCO MASTER AGREEMENT.

(VII) THE PROVISIONS OF TITLE FIVE-A OF ARTICLE NINE OF THIS CHAPTER SHALL BE INAPPLICABLE TO ANY DISPOSAL OF PROPERTY BY THE AUTHORITY OR SUBSIDIARY COMPANY THAT 1. IS OTHERWISE AUTHORIZED BY THIS TITLE, OR 2. IS MADE IN ACCORDANCE WITH A TRANSCO MASTER AGREEMENT THAT HAS BECOME VALID AND ENFORCEABLE IN ACCORDANCE WITH THE PROVISIONS OF SECTION TWENTY-EIGHT HUNDRED SEVENTY-NINE-A OF THIS CHAPTER.

(VIII) THE PROVISIONS OF PARAGRAPH (D) OF SUBDIVISION ONE OF SECTION ONE THOUSAND TWENTY-S OF THIS TITLE AND SECTION THREE-B OF THE PUBLIC SERVICE LAW SHALL BE INAPPLICABLE TO THE RATES, SERVICES AND PRACTICES RELATED TO THE TRANSCO MASTER AGREEMENT AND ANY ACTIONS UNDERTAKEN BY THE AUTHORITY OR SUBSIDIARY CORPORATION IN ACCORDANCE WITH THE TRANSCO MASTER AGREEMENT.

(IX) NO ACTS OR ACTIVITIES TAKEN OR PROPOSED TO BE TAKEN BY THE AUTHORITY OR A SUBSIDIARY COMPANY PURSUANT TO THE PROVISIONS OF THIS SUBDIVISION, INCLUDING THE EXECUTION OF A TRANSCO MASTER AGREEMENT, AND THE ISSUANCE OF BONDS, NOTES, OR OTHER OBLIGATIONS, SHALL BE DEEMED TO BE "ACTIONS" FOR THE PURPOSES OR WITHIN THE MEANING OF ARTICLE EIGHT OF THE ENVIRONMENTAL CONSERVATION LAW.

(X) NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW TO THE CONTRARY, THE AUTHORITY AND THE SUBSIDIARY COMPANY ONLY MAY PARTICIPATE IN A TRANSCO COMPANY THAT REPAIRS, REPLACES, REINFORCES, MODERNIZES AND EXPANDS

TRANSMISSION ASSETS, AND, ANY TRANSCO COMPANY IS PROHIBITED FROM FINANCING OR CONSTRUCTING NEW ELECTRIC GENERATING FACILITIES.

S 7. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included therewith.

S 8. This act shall take effect immediately.