STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on July 16, 2026

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
John B. Maggiore
Uchenna S. Bright
Denise M. Sheehan
Radina R. Valova

CASE 26-M-0131 - Joint Petition of Alliance Energy Group, LLC, Alliance Energy, New York LLC, Alliance NYGT, LLC, Seneca Power Partners, L.P., Sterling Power Partners, L.P., Power City Partners, L.P., Alliance Energy Transmissions, LLC, Linger Energy Holdings, LLC, and PowerTransitions LegacyOps II LLC for Approval to Transfer Ownership Interests Pursuant to Section 70 of the Public Service Law.

CASE 26-M-0187 – Petition of PowerTransitions LegacyOps II LLC for an Order Approving Financings Pursuant to Section 69 of the Public Service Law.

ORDER APPROVING TRANSFERS AND FINANCING AND MAKING OTHER FINDINGS

(Issued and Effective July 22, 2026)

BY THE COMMISSION:

INTRODUCTION

By joint petition filed in Case 26-M-0131 on February 27, 2026 (the Transfer Petition), Alliance Energy Group, LLC (AEG), Alliance Energy, New York, LLC (AENY), Alliance NYGT, LLC (Alliance NYGT), Seneca Power Partners, LP (Seneca LP), Sterling Power Partners, LP (Sterling LP), Power City Partners, L.P.

(Power City LP), Linger Energy Holdings, LLC (LEH), and Alliance Energy Transmissions, LLC (AET) (collectively, the Sellers), and PowerTransitions LegacyOps II LLC (PTLO II) (the Buyer)[1] seek Public Service Commission (Commission) approval, pursuant to Public Service Law (PSL) §70, to transfer direct and indirect ownership interests in certain entities owning and operating electric and gas facilities (the Proposed Transaction). As described below, the Proposed Transaction involves the Buyer acquiring from the Sellers interests in the following entities: Alliance NYGT; Sterling LP; Seneca LP; Power City LP; and AET (collectively, the NY Entities).

By a separate petition filed in Case 26-M-0187 on March 20, 2026 (the Financing Petition), PTLO II requests Commission authorization, pursuant to PSL §69, to enter into indebtedness in connection with the assets that are the subject of the Proposed Transaction, with maturity dates more than 12 months, in an aggregate amount up to $45 million. The Financing Petition requests authority to pledge security interests in the assets as collateral security for repayment of that debt. PTLO II additionally requests flexibility to modify, without prior Commission approval, the identity of the financing entities, payment terms, and the amount financed, up to the limit requested.

In this Order, the Commission finds that the transfers to the Buyer related to the NY Entities are in the public interest and accordingly grants approval under PSL §70, subject to conditions stated herein. The Commission also approves the request to incur indebtedness, up to $45 million, along with the requested regulatory flexibility.

[1] As explained below, the ultimate transfers would be to PTLO II or a direct or indirect wholly owned subsidiary of PTLO II.

THE TRANSFER PETITION

The Parties

1. AEG and Relevant Related Entities

The Transfer Petition indicates that AEG is a Nevada limited liability company owned by an individual investor, Samuel Nappi. AEG, in turn, owns 100 percent of the membership interest in AENY, a New York limited liability company that is subject to lightened regulation under the PSL.[2] The Transfer Petition further explains that AENY, in turn, owns, directly and indirectly, 100 percent of the partnership and member interests in the following corporations, which operate in the markets administered by the New York Independent System Operator, Inc. (NYISO), including: (1) Allegany Generation Station LLC (Allegany), which owns a 67 MW gas-fired combined-cycle power plant located in Hume, New York; (2) Carthage Energy, LLC (Carthage), which owns a 62.9 MW dual fuel (gas/oil) combined-cycle cogeneration facility located in Carthage, New York; (3) Power City LP,[3] the owner of a 103.1 MW (nameplate) electric generation facility located in Massena, New York, that is

[2] Case 07-M-0906, Iberdrola S.A., et. al., Order Approving Transfer, Providing for Lightened Ratemaking Regulation, Establishing Rate Treatment and Making Other Findings (issued October 18, 2013) (AENY Lightened Regulation Order); Case 12-E-0294, Alliance NYGT, LLC, et. al., Order Approving a Transfer Subject to Conditions and Approving Financings (issued September 17, 2012).

[3] Power City LP is directly owned, 90 percent, by Massena Energy Holdings, LLC (Massena Holdings), a Delaware limited liability company and wholly owned subsidiary of AENY, as the Limited Partner, and owned, 10 percent, by Massena Energy Holdings GP, LLC, a Delaware limited liability company and wholly owned subsidiary of Messina Holdings, as the General Partner. Massena Holdings is wholly owned by AENY.

subject to lightened regulation;[4] (4) Seneca LP,[5] the owner of a 67.3 MW (nameplate) electric generation facility located in Batavia, New York; and (5) Sterling LP,[6] the owner of a 67.3 MW (nameplate) electric generation facility located in Sherrill, New York.[7]

The Transfer Petition additionally describes AEG as the owner of 100 percent of the membership interest of Alliance NYGT, and indirectly, the owner of 100 percent of the membership interest of AER-NY-Gen, LLC (AER-NY-Gen).[8] Alliance NYGT is

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4 Case 98-E-1961, Power City Partners, L.P, Order Providing for Lightened Regulation (issued September 30, 1999) (Power City Lightened Regulation Order).

5 Seneca LP is directly owned, 90 percent, by AENY as Limited Partner and indirectly owned by AENY, 10 percent, through Seneca Power Corporation, a Delaware corporation and wholly owned subsidiary of AENY, as General Partner.

6 Sterling LP is directly owned, 90 percent, by AENY as Limited Partner and indirectly owned by AENY, 10 percent) through Sterling Power, LLC, a Delaware limited liability company and wholly owned subsidiary of AENY, as General Partner.

7 The Proposed Transaction would not affect the ownership interests in Allegany and Carthage.

8 AEG also owns all the partnership interests in AG Energy, L.P., located in Ogdensburg, New York. The output of the Ogdensburg facility was previously sold into the NYISO markets and, pursuant to a steam delivery agreement, the facility currently provides steam to the St. Lawrence Psychiatric Center of the New York State Office of Mental Health using auxiliary boilers. AEG is also affiliated with Alliance Energy Marketing, LLC (AEM), a New York limited liability company, formed to act as a marketer of wholesale power and other services, but is not currently engaged in making any sales of electric energy. The Proposed Transaction would also not affect the ownership interests in AG Energy, L.P., AER-NY-Gen, or AEM. The Transfer Petition states that AER NY-Gen currently holds no assets.

subject to lightened regulation under the PSL,[9] and is the direct owner and operator of two gas-fired generation facilities: the 47 MW (nameplate) Hillburn Gas Turbine located in Hillburn, New York, and the 41.9 MW (nameplate) Shoemaker Gas Turbine located in Middletown, New York; both of which are operating in the NYISO control area and are interconnected to transmission facilities owned by Orange and Rockland Utilities, Inc.

Regarding transmission or distribution facilities, the Transfer Petition indicates that neither AEG, nor any of its affiliates, owns or controls any electric transmission or distribution facilities in the United States, other than the limited interconnection facilities necessary to connect individual generating facilities to the transmission grid. Further, AEG is not affiliated with any other inputs to electric power production that could be used to prevent competitors from entering relevant markets. Finally, it is noted that AEG is not affiliated with any public utility with a franchised electric service territory.

2. LEH

The Transfer Petition describes LEH as a New York limited liability company that was formed to hold all of the membership interests in AET.[10] AET holds the certificate for an

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[9] Case 11-E-0701, AER NY-Gen, LLC and Alliance NYGT, LLC, Order Approving Transfer and Making Other Findings (issued March 21, 2012) (Alliance NYGT Lightened Regulation Order); Case 07-E-0170, Mirant NY-Gen, LLC and Alliance Energy Renewables, LLC, Order Approving Transfer and Making Other Findings (issued April 23, 2007); Case 96-E-0900, Orange and Rockland Utilities, Inc., Order Approving Transfer of Generating Facilities and Making Other Findings (issued June 24, 1999).

[10] LEH was also formed to hold all of the membership interests in Alliance Energy Transmissions-Syracuse, LLC, but the Proposed Transaction would not affect the ownership interests in that company.

approximately 11.2-mile intrastate natural gas pipeline in upstate New York that is used solely to transport gas to the generating facility owned by Seneca LP. The Transfer Petition states that AET is a gas corporation subject to lightened regulation, which is limited to providing service to less than twenty non-residential customers.[11] The Linger Trust holds one hundred percent of the membership interests of LEH.

The Transfer Petition states that the Linger Trust is a family trust established by Samuel Nappi, the sole member of AEG. The Linger Trust and its affiliates were described fully in the Commission's prior order granting authorization to transfer AET from AEG to LEH.[12]

3. PTLO II

According to the Transfer Petition, PTLO II is a Delaware limited liability company that is directly and wholly owned by PowerTransitions Holdings, LLC (PTH). PTH is a Delaware limited liability company, which is, in turn, directly and wholly owned by PowerTransitions TopCo LLC, which is, in turn, directly and wholly owned by PowerTransitions LLC. The Transfer Petition states that any PTLO subsidiary that is a Buyer would be a direct or indirect wholly owned subsidiary of PTLO II. Further, only one ultimate upstream affiliate, Partners Group Holding AG (Partners Group), owns 10 percent or more of PowerTransitions LLC. Accordingly, PTLO II is an indirect, wholly owned subsidiary of various investment funds controlled by Partners Group.

[11] Case 09-G-0490, Alliance Energy Transmissions, LLC et al., Declaratory Ruling on Review of a Transfer Transaction and Order Providing for Lightened Regulation (issued November 17, 2009) (AET Lightened Regulation Order).

[12] Case 20-G-0385, Alliance Energy Group, LLC et al., Order Approving Transfers (issued December 18, 2020) (AET Second Transfer Order).

The Transfer Petition states that Partners Group is a global private markets investment management firm headquartered in Zug, Switzerland, that is responsible for a variety of investment programs in private infrastructure, private equity, private real estate, private debt, and liquid private markets. The Transfer Petition further describes Partners Group as managing a variety of customized portfolios for its international institutional investors, with offices throughout the United States and the world. The investment vehicles managed or advised by Partners Group are independent investment vehicles organized as limited partnerships that invest in assets around the world; each investment vehicle has a direct or indirect general partner, administrator, or manager (collectively, the PG General Partners). The Transfer Petition describes PG General Partners as exercising all management, operation, and control authority over its respective investment vehicle by means of the authority granted to the PG General Partner though such investment vehicle’s partnership agreement or an administrative agreement. Finally, the indirect owner of 100 percent of the interests in all such PG General Partners is Partners Group, which is publicly traded on the Swiss stock exchange; no individual or entity holds 10 percent or more of Partners Group’s shares.

The Transfer Petition indicates that, except for those assets to be acquired through the Proposed Transaction, Buyer does not directly own, operate, or control any electric generating or transmission assets within the NYISO control area. Through Partners Group, its ultimate upstream parent company, Buyer is affiliated with entities that own or operate electric generating facilities in either the PJM Interconnection, LLC (PJM) control area or the ISO-New England Inc. (ISO-NE) control area.

Within PJM, this includes the following: (1) Cambria Wind LLC (Cambria Wind), which owns and operates a 62.5 MW wind-powered generator in Pennsylvania; (2) Highland North LLC (Highland North), which owns and operates an approximately 75 MW wind-powered generating facility in Pennsylvania; (3) Patton Wind Farm LLC (Patton Wind), which owns and operates an approximately 30 MW wind-powered generating facility located in Pennsylvania that sells 16 MW of the generator’s output pursuant to a long-term contract to Constellation Energy Generation, LLC f/k/a Exelon Generating Company, LLC, through December 2032, with the remainder sold into the PJM wholesale markets; (4) Twin Ridges LLC (Twin Ridges), which owns and operates an approximately 139 MW wind-powered generating facility located in Pennsylvania and Maryland; (5) Camden Plant Holding, LLC (Camden Plant), which owns an approximately 145 MW natural gas-fired, combined-cycle generating facility in New Jersey (Camden Station); and (6) through Partners Group, 77.66 MW of self-certified small production qualifying facilities located within PJM. And within ISO-NE, this includes Dartmouth Power Associates Limited Partnership (Dartmouth Power), which owns an approximately 81.7 MW natural gas-fired, combined-cycle generating facility located in Massachusetts (Dartmouth Station).

The Proposed Transaction

The Transfer Petition states that following the close of the Proposed Transaction, Buyer would own 100 percent of the outstanding direct and indirect equity interests in Alliance NYGT, Sterling LP, Seneca LP, and Power City, LP, which collectively operate approximately 323 MW (nameplate) of electric generation capacity in the NYISO control area. The Transfer Petition alleges that this represents a market share of less than one percent of the total installed capacity in the

NYISO markets.[13] The Transfer Petition also notes that, under the Proposed Transaction, all of the membership interest in AET, which provides gas transportation only to the Seneca LP facility, would transfer to Buyer.[14] Further, the Transfer Petition indicates that the Proposed Transaction would result in Buyer acquiring, indirectly, certain real property associated with the generation facilities.[15] The Transfer Petition states that, after the closing of the Proposed Transaction, Sellers would continue to perform, or cause to be performed, services for the transferred entities for a period after the transfer in connection with the ongoing operations at the facilities and AET pipeline.

The petitioners maintain that the Proposed Transaction is in the public interest and satisfies the requirements of PSL §70. The Transfer Petition contends that the Proposed Transaction would not raise the potential for the exercise of horizontal or vertical market power. As explained therein, neither Buyer nor its affiliates own or control, directly or indirectly, any facilities for the generation, transmission,

[13] See 2025 Load & Capacity Data "Gold Book" (April 2025) pp. 73, 74, available at: https://www.nyiso.com/documents/20142/2226333/2025-Gold-Book-Public.pdf.

[14] AET originally had the same ultimate parent entity as Seneca LP (see, AET Second Transfer Order). In that case, the Commission approved the transfer of the membership interest from AEG to LEH.

[15] Buyer would acquire all of the membership interest in the limited liability company, Meadow Brook LLC, which leases real property to Sterling LP, Seneca LP, and Alliance NYGT's Hillburn facility. The Transfer Petition maintains that this aspect of the Proposed Transaction does not require review because it is dependent upon and subsumed under the review of the Buyer acquiring ownership and control of the entities owning the electric generation facilities under the Proposed Transaction.

distribution, or sale of electric energy, or have substantial influence over inputs, like fuel or fuel transportation, into the production of generations supply in New York State. Additionally, petitioners reason that the Proposed Transaction would not result in any increase in market concentration because AEG would be divesting part of its New York generation portfolio, and Buyer has no existing generation assets in New York. Moreover, petitioners state there are no market power concerns because the 323 MW of generation that Buyer would own is insufficient to confer market power in the NYISO markets or otherwise influence the adjacent control areas.[16]

Similarly, petitioners state that the Proposed Transaction does not raise any vertical market power concerns. The Transfer Petition states that the Proposed Transaction does not involve any electric transmission facilities, other than the limited interconnection facilities associated with the interconnection of the relevant facilities. Moreover, neither Buyer nor its affiliates own or control any electrical transmission facilities, except for those associated with specific interconnection facilities, or own or control any input to power production or own or control sites for new generation development capacity in the United States.

As it relates to AET, the petitioners state that the Proposed Transaction also satisfies the public interest requirement of PSL §70. The Transfer Petition indicates that the Commission previously allowed the combination of AEG's

[16] The petitioners indicates that even when combined with the approximate 550 MW located within PJM and the approximate 82 MW in NE-ISO, the combined total is insufficient to confer market power in the relevant control area.

ownership of AET and Seneca LP.[17] Additionally, the Transfer Petition alleges that the same conditions continue to exist for this Proposed Transaction and Buyer would own the equity interest of AET and Seneca LP at the same time, just as AEG did before.

The Transfer Petition further states that there is no potential for harm to captive ratepayers, and gas utility ratepayers would not be impacted or incur any expenses related to the Proposed Transaction. The Transfer Petition also states that the Proposed Transaction would have no effect on market concentration as the competitive market condition that existed upon the initial certifications and lightened regulation of AET remain. Finally, the Transfer Petition indicates that the AET pipeline would continue to be owned solely by AET and provide dedicated service to one sophisticated market participant pursuant to an existing agreement, while the same personnel continue to operate and maintain the pipeline under an existing operation and maintenance agreement. For the foregoing reasons, the petitioners avers that the Proposed Transaction is in the public interest and should be approved.

Regarding continued lightened regulation, the Transfer Petition states that each of the entities subject to a lightened regulatory regime should continue to be subject to lightened

[17] Case 12-E-0211, Alliance Energy New York, LLC et al., Order Approving Transfer Subject to Conditions and Approving Financing (issued September 17, 2012).

regulation after consummation of the Proposed Transaction, consistent with Commission precedent.[18]

Regarding compliance with the Climate Leadership and Community Protection Act (CLCPA), the petitioners assert that, consistent with Commission precedent, the Commission should determine that the Proposed Transaction would not be inconsistent with or interfere with the attainment of statewide greenhouse gas emissions limits.[19] Similarly, the petitioners suggest that the Commission should determine that the Proposed Transaction would not disproportionately burden disadvantaged communities. Finally, the petitioners state that the Commission should conclude that no further justification or mitigation measures are required under CLCPA §§7(2) or 7(3).

The Transfer Petition also states that the Proposed Transaction would have no significant environmental impact under the New York State Environmental Quality Review Act (SEQRA). The petitioners assert that the facilities' operations would continue in the same manner as they do currently, and there is unlikely to be any significant adverse environmental effect as a result of the Proposed Transaction.

THE FINANCING PETITION

The Financing Petition requests authorization to enter into a financing arrangement for the NY Entities that are the

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[18] See, e.g., Case 18-E-0501, Bayonne Energy Center, LLC, et al. - Transfer of Upstream Ownership Interests, Declaratory Ruling on Transfer and Making Other Findings (issued September 18, 2018); Case 15-E-0462, MACH Gen, LLC et al. – Merger Transaction, Declaratory Ruling on Review of a Merger Transaction (issued October 20, 2015).

[19] Case 25-M-0349, Beaver Falls, L.L.C. et al. - Transfer of Ownership and Approval of Financing, Order on Financing and Ruling on Transfer (issued October 20, 2025).

subject of the Proposed Transaction. As explained therein, the Proposed Transaction would result in PTLO II and/or its subsidiaries acquiring the NY Entities unencumbered and without debt, including all encumbrances associated with financings previously approved by the Commission for the benefit of the current owners.[20] The Financing Petition seeks authorization to enter into indebtedness, in connection with the NY Entities, with maturity dates more than twelve months, in an aggregate amount up to $45 million, including the authority to pledge security interests in the assets of the NY Entities as collateral security for repayment of that debt (the Proposed Financing). Regulatory flexibility is also requested to allow modification, without prior Commission approval, of the identity of the financing entities, payment terms, and the amount financed, up to the ceiling amount of $45 million. This flexibility would provide the ability to quickly refinance to take advantage of changing market conditions.

In support of the requested financing, the Financing Petition asserts that the proposed debt would be used for statutory purposes and would serve the public interest. The Financing Petition claims the financing would not create any potential harm for captive New York ratepayers because the NY Entities would bear all of the financial risk associated with the financing arrangements.

[20] Case 15-M-0406, Alliance Energy, New York LLC, et al., Order Approving Financing (issued November 19, 2015) (granting flexible financing authority for the NY Entities, up to 75 million dollars in the aggregate). Under the terms of the Proposed Transaction, Sellers are required to extinguish all existing debt and deliver the NY Entities unencumbered.

NOTICES OF PROPOSED RULE MAKINGS

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking regarding the Transfer Petition was published in the State Register on April 1, 2026 [SAPA No. 26-M-0131SP1]. The time for submission of comments pursuant to that notice expired on June 1, 2026. No comments on the Transfer Petition were received.

Pursuant to SAPA §202(1), a Notice of Proposed Rulemaking regarding the Financing Petition was published in the State Register on April 22, 2026 [SAPA No. 26-M-0187SP1]. The time for submission of comments pursuant to that notice expired on June 22, 2026. No comments on the Financing Petition were received.

LEGAL AUTHORITY

Pursuant to PSL §69, the Commission is authorized to approve certain forms of indebtedness and financings by electric corporations. Financings proposed under this and other comparable sections of the PSL by lightly regulated companies may be addressed on the basis of representations made in the petition, and do not require an in-depth analysis.[21]

Pursuant to PSL §70, the Commission has the authority to review the proposed transfer of property and to determine whether to grant, deny, or modify Petitioners' request for authorization to transfer the Facilities. The Commission

[21] Case 17-E-0016, TC Ravenswood et al., Order Approving Transfer Subject to Acceptance of Conditions and Making Other Findings (issued April 19, 2017).

applies a public interest standard when reviewing the transfer.[22] Various factors are relevant to this determination, including the financial strength of the transferee, the transferee’s ability to safely own, maintain, operate, or decommission the assets, and “any other matters that may implicate the public interest.” Pursuant to PSL §§5, 65, and 66, the Commission has the legal authority to review, as well as modify, reject, or approve filings.

DISCUSSION AND CONCLUSION

Transfer Transaction

As noted in the Transfer Petition and as described above, the Proposed Transaction involves PTLO II, or a direct or indirect wholly owned subsidiary of PTLO II, purchasing all of the ownership interests in the NY Entities and related assets. This includes: (1) Alliance NYGT (owner of the 47 MW Hillburn Gas Turbine and the 41.9 MW Shoemaker Gas Turbine); (2) Seneca LP (owner of a 67.3 MW gas-fired generator in Batavia); (3) Sterling LP (owner of a 67.3 MW gas-fired generator in Sherrill); (4) Power City LP (owner of a 103.1 MW gas-fired generator in Massena); and (5) AET (owner of an approximately 11.2-mile intrastate natural gas pipeline used solely to transport gas to Seneca LP’s generating facility owned).

[22] Case 19-E-0730, Entergy Nuclear Indian Point 2, LLC et al. – Transfer Proceeding, Order Asserting Jurisdiction and Approving and Adopting Joint Proposal (issued May 19, 2021); Case 20-E-0731, Exelon Generation Co. et al. – Transfer Proceeding, Order Approving Transfer and Making Other Findings (issued April 15, 2021); Case 22-E-0372, Flint Mine Solar LLC, et al. – Transfer Proceeding, Order Approving Transfer (issued November 21, 2022).

The Commission utilizes a public interest standard in its review of proposed transfers under PSL §70.[23] When this review pertains to lightly regulated entities, the level of scrutiny applied may be "reduced to the level that the public interest requires" with concern to their competitive operations.[24] With regard to the NY Entities, the Commission has granted lightened regulation status to Alliance NYGT,[25] AENY (the owner of Seneca LP and Sterling LP),[26] Power City LP,[27] and AET.[28]

In this case, the Commission determines that the Proposed Transaction, based on the facts and circumstances presented in the Transfer Petition, is appropriate and within the public interest. Following the consummation of the Proposed Transaction, PTLO II, or a direct or indirect wholly owned subsidiary of PTLO II, will have an ownership interest in the NY Entities, with a combined generation capacity of approximately 323 MW in the NYISO region. This represents a market share of less than one percent of the total installed capacity in the NYISO markets and is well below levels previously found to raise

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[23] See, e.g., Case 10-M-0186 et al., Alliance Energy Renewables, LLC, et al., Order Approving Transfers Upon Conditions and Making Other Findings (issued July 23, 2010), p. 17; Case 17-E-0016, TC Ravenswood, LLC, Order Approving Transfer Subject to Acceptance of Conditions and Making Other Findings (issued April 19, 2017), pp. 3-4; Case 16-E-0574, Energy Capital Partners I, LP, Order Approving Transfers and Making Other Findings (issued February 23, 2017), p. 12; Case 22-E-0372, Flint Mine Solar LLC et al., Order Approving Transfer (issued November 21, 2022), p. 9.

[24] Case 11-E-0253, First Wind Holdings LLC et al., Order Approving Transfer, Imposing Reporting Requirements, and Making Other Findings (issued September 21, 2010).

[25] Alliance NYGT Lightened Regulation Order.

[26] AENY Lightened Regulation Order.

[27] Power City Lightened Regulation Order.

[28] AET Lightened Regulation Order.

market power concerns.[29] The Commission therefore finds that this amount of capacity does not raise horizontal market power concerns. The Commission also finds that there are no vertical market power concerns given that neither PTLO II nor its affiliates exercise control over any electric delivery infrastructure, other than the limited interconnection facilities necessary to connect individual generating facilities to the transmission grid. Similarly, the Buyer does not own or control fuel inputs for the generation of electricity, other than the intrastate natural gas pipeline, currently owned by AET, that will be used solely to transport gas to Seneca LP's generating facility. Furthermore, as these electric and gas facilities will continue to operate on a merchant basis, the Proposed Transaction will not present a potential harm to captive ratepayers. The Buyer has also demonstrated its ability to provide safe and reliable service as Sellers will continue to perform, or cause to be performed, services for the transferred operating assets for a period after the transfer.

We also note that approval of the Proposed Transaction, which merely affects the ownership status of the NY Entities, will not cause or require any physical alterations to the operations of the subject facilities or their surroundings. As discussed below, we find that approval of the Proposed Transaction will not result in any significant adverse environmental impacts. For the foregoing reasons, the Commission finds that the Proposed Transaction is in the public interest and is approved under PSL §70.

After the Proposed Transaction is consummated, the Buyer will be required to identify the final post-closing

[29] Case 07-E-1385 et al., Calpine Corporation, Declaratory Ruling on Review of Stock Transfer and Acquisition Transactions (issued January 22, 2008).

corporate organizational structure showing whether PTLO II or a subsidiary owns the NY Entities and to file a full written description and detailed diagram. Lightened regulation of the NY Entities will also apply post-closing in accordance with the applicable lightened regulation orders, and will be extended directly to Seneca LP and Sterling LP, given their anticipated future separation with AENY, by applying the same lightened regulatory regime afforded to AENY.[30] PTLO II and the NY Entities are reminded that, under lightened regulation, the NY Entities and/or any entities that exercise control over facility operations remain subject to the PSL with respect to matters such as annual reporting,[31] enforcement, investigation, safety, reliability, system improvement, and the other requirements of PSL Articles 1 and 4, to the extent discussed in the prior lightened regulation orders. Included among those requirements are the obligations to conduct tests for stray voltage on all publicly accessible electric facilities, and to report personal injury accidents pursuant to 16 NYCRR Part 125.[32] PSL §§110(1) and (2), which provide for Commission jurisdiction over affiliated interests, will apply based on any affiliations with power marketers that may arise in the future.

Financing Transaction

Commission authorization is necessary for electric or gas corporations to enter into indebtedness payable at periods

[30] AENY Lightened Regulation Order.

[31] Pursuant to the Order Adopting Annual Reporting Requirements Under Lightened Ratemaking Regulation issued January 23, 2013, in Case 11-M-0294, the owners of lightly regulated entities are required to file Annual Reports.

[32] Case 04-M-0159, Safety of Electric Transmission and Distribution Systems, Order Instituting Safety Standards (issued January 5, 2005) and Order on Petitions for Rehearing and Waiver (issued July 21, 2005).

of more than 12 months. Under the lightened regulatory regime provided to the NY Entities, a reduced level of scrutiny is applied, as compared to that applicable to monopoly utilities under PSL §69. The proposed flexible financing authorization need not be subject to an in-depth analysis. Instead, by relying on the representations made in the Financing Petition, prompt regulatory action is possible.

Because the proposed financing relates to statutory purposes and is intended to support the safe and reliable management and operation of their facilities, the Commission finds that they are within the public interest. Accordingly, we approve of the request to incur indebtedness up to an aggregate amount of $45 million, including the authority to pledge security interests in the jurisdictional facilities as collateral security for the repayment of the debt. This financing approval is granted with the flexibility to modify, without further Commission review or approval, the identities of the financing entities, the payment terms, and the relative amount financed, up to the requested limit of $45 million. This will allow the NY Entities and their affiliates to take advantage of favorable borrowing conditions. Since PTLO II, the NY Entities, and their affiliated companies will bear the financial risk associated with these arrangements, New York ratepayers cannot be harmed by the proposed terms and additional scrutiny is not warranted.

<u>Environmental Quality Review</u>

Under SEQRA, Article 8 of the Environmental Conservation Law and its implementing regulations, Title 6 of the New York Codes, Rules and Regulations (NYCRR) §617, the Commission must determine whether the actions it is authorized to approve, here the Proposed Transaction and Proposed Financing, may have a significant adverse impact on the environment. Other than Commission approval of the actions proposed here, no additional state or local permits are required, so a coordinated review under SEQRA is not needed. The Commission thus assumes Lead Agency status under SEQRA for purposes of conducting an environmental review.

Next, the Commission must determine whether the Proposed Transaction and Proposed Financing are classified as a Type I, Type II, or Unlisted action. If an action does not meet the criteria of Type I or Type II actions, it is an Unlisted action. The Proposed Financing involving approval of a securities issuance is a Type II action for the purposes of SEQRA, 16 NYCRR §§7.2(a) and 7.2(b)(2)(v), and no further review is required under that statute. However, the Proposed Transaction involving the transfers to Buyer of direct and indirect ownership interests in certain entities owning and operating electric and gas facilities does not meet the definition of a Type 1 or Type 2 actions, which are enumerated in 6 NYCRR §§617.4 and 617.5, respectively, as well as in 16 NYCRR §7.2. Therefore, the Proposed Transaction is classified as an Unlisted action requiring SEQRA review.

For an Unlisted action, SEQRA requires the completion of a short-form environmental assessment form (EAF).[33] Petitioners have completed Part 1 of a short-form EAF describing and disclosing the likely impacts of the Commission approving the Proposed Transaction. Department of Public Service Staff has completed Parts 2 and 3 of the short-form EAF, which will be retained in the Commission’s files with a copy made publicly available.

In this case, the proposed action does not raise the potential for environmental impacts because there will not be

[33] 6 NYCRR §617.6(3).

any modifications to the use and operation of the electric and gas facilities following the closing of the Proposed Transaction. As Petitioners note, the Proposed Transaction would not result in any changes in the day-to-day operations and the facilities will continue operating in the same manner as they are currently. Further, approval of the Proposed Transaction will not cause any physical alterations to the facilities or their surroundings. Accordingly, upon reviewing the Petition and the EAF, the Commission concludes, based on the criteria for determining significance set forth in 6 NYCRR §617.7(c), that approval of the Proposed Transaction will not result in a significant adverse impact on the environment.

Having determined, as Lead Agency, that the Proposed Transaction will not have a significant adverse impact on the environment, the Commission adopts a negative declaration pursuant to SEQRA. Because no adverse environmental impacts were found, no public notice requesting comments is required or will be issued, and a coordinated review will not be undertaken. A Notice of Determination of Significance (Negative Declaration) concerning this Unlisted action is attached for issuance in Case 26-M-0131.

<u>CLCPA</u>

As the Commission is approving the Proposed Transaction and Proposed Financing under PSL §§70 and 69, respectively, we address compliance with the CLCPA. CLCPA §7(2) provides that:

> [i]n considering and issuing permits, licenses, and other administrative approvals and decisions, ... all state agencies ... shall consider whether such decisions are inconsistent with or will interfere with the attainment of the statewide greenhouse gas emissions limits established in article 75 of the environmental conservation law.

In this case, Petitioners have stated that there will be no modifications to the use and operation of the subject facilities following the close of the Proposed Transaction. The transfer of the facilities to a new owner does not affect the air permits issued by the New York State Department of Environmental Conservation, which governs the facilities' air emissions and ensures they are operated in a manner that is protective of the environment. Similarly, the Proposed Financing will support the operation of the safe and reliable operation of the facilities and the continuance of day-to-day operations. Therefore, the Commission finds that approval of the Proposed Transaction and Proposed Financing is not inconsistent with, nor will it interfere with, the attainment of the statewide greenhouse gas emissions limits enacted by the CLCPA.

Moreover, CLCPA §7(3) provides that, "[i]n considering and issuing permits, licenses, and other administrative approvals and decisions, ... all state agencies ... shall not disproportionally burden disadvantaged communities ...." CLCPA §7(3) further requires that all state agencies "prioritize reductions of greenhouse gas emissions and co-pollutants in disadvantaged communities ..." The areas designated as disadvantaged communities by the Climate Justice Working Group can be identified in an interactive map.[34] Referencing this map, several of the facilities are located within a disadvantaged community while others are not. However, as previously discussed, the transfers in ownership of the facilities and the related financing will not result in a change to the use and operation of the facilities, or affect the validly-issued air

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[34] NYSERDA, Disadvantaged Communities, https://www.nyserda.ny.gov/ny/Disadvantaged-Communities.

permits.[35] Therefore, the Commission finds that authorizing the Proposed Transaction and Proposed Financing to proceed, as described herein, will not disproportionately burden a disadvantaged community.

The Commission orders:

1. The proposed transfer of ownership interests described in the petition filed in Case 26-M-0131 on February 27, 2026, is approved, as discussed in the body of this Order.

2. PowerTransitions LegacyOps II, LLC shall file with the Secretary, within five days after closing, written notice that the proposed transfer transaction described in the petition filed in Case 26-M-0131 on February 27, 2026, has been completed along with a full written description and diagram of the final post-closing corporate organizational structure, as discussed in the body of this Order.

3. Seneca Power Partners, LP and Sterling Power Partners, LP shall be afforded lightened regulatory regimes and shall comply with the Public Service Law in conformance with the requirements set forth in the body of this Order.

4. The proposed financing and request to incur indebtedness described in the petition filed in Case 26-M-0187 on March 20, 2026, is approved, up to the maximum aggregate amount of $45 million, as discussed in the body of this Order.

[35] Air Title V Facility Permit, https://extapps.dec.ny.gov/data/dar/afs/permits/333090004000004_r4.pdf.

5. These proceedings are closed pending compliance with Ordering Clause 2.

By the Commission,

(SIGNED) MICHELLE L. PHILLIPS
Secretary

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 26-M-0131 - Joint Petition of Alliance Energy Group, LLC, Alliance Energy, New York LLC, Alliance NYGT, LLC, Seneca Power Partners, L.P., Sterling Power Partners, L.P., Power City Partners, L.P., Alliance Energy Transmissions, LLC, Linger Energy Holdings, LLC, and PowerTransitions LegacyOps II LLC for Approval to Transfer Ownership Interests Pursuant to Section 70 of the Public Service Law.

NOTICE OF DETERMINATION OF SIGNIFICANCE
(NEGATIVE DECLARATION)

NOTICE is hereby given that an Environmental Impact Statement will not be prepared in connection with the approval by the Public Service Commission (Commission), pursuant to Public Service Law §70, of the transfers of ownership interests in certain electric and gas facilities located in New York, as identified in the petition filed in Case 26-M-0131 on February 27, 2026. The Commission's finding is based on its determination, in accordance with Article VIII of the Environmental Conservation Law and the implementing regulation under in 6 NYCRR Part 617, that such action will not have a significant adverse impact on the environment. The exercise of this approval constitutes an "unlisted" action, as defined in 6 NYCRR §617.2(an).

Based on its review of the record, the Commission finds that the transfers of ownership interests in the electric and gas facilities will not have a significant adverse environmental impact. These transfers will not result in any modifications to the use and operation of the facilities, or any changes in the day-to-day operations and the facilities, which will continue operating in the same manner as they are currently. Further, approval of the ownership transfers will not cause any physical alterations to the facilities or their surroundings.

The address of the Commission, the Lead Agency for the purposes of environmental quality review of this action, is Three Empire State Plaza, Albany, New York 12223-1350. Questions may be directed to David Drexler at David.Drexler@dps.ny.gov or by mail to the address above.

MICHELLE L. PHILLIPS
Secretary