

*New York State Power Authority  
Public Hearing*

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*Wednesday, April 1, 2015  
April 01, 2015*

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New York State Power Authority  
Wednesday, April 1, 2015  
2:30 p.m. - 6:30 p.m.  
Niagara Power Project Visitors' Center  
5777 Lewiston Road  
Lewiston, New York 14092

Patricia A. Schreier

1 SPEAKERS :

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MS. DELINCE ..... 3,8  
MS. CRUZ BROWN ..... 5

1 MS. DELINCE: Good afternoon. This is a public  
2 hearing required by law and authorized by the New York  
3 Power Authority's Board of Trustees on the proposed  
4 direct sale contract for the sale of hydropower to  
5 WhiteRock Pigments, Inc.

6 My name is Karen Delince and I'm the Authority's  
7 Corporate Secretary.

8 New York State Public Authorities Law, Section  
9 1009, sets forth procedures for executing certain  
10 contracts negotiated by the Authority.

11 First, prior to the hearing, it requires that  
12 notice of the hearing be provided. Therefore, a notice  
13 was sent to the Governor, the Senate's president Pro  
14 Temp, the Senate's Minority Leader and the Senate  
15 Finance Committee Chair. The Assembly Speaker, the  
16 Assembly Minority leader, the Assembly Ways and Means  
17 Committee Chair.

18 In addition, notice appeared in the following  
19 newspapers, once a week, for the four weeks leading up  
20 to this hearing, Niagara Gazette, Buffalo News, Buffalo  
21 Business First, Lewiston Porter Sentinel, Albany Times -  
22 Union, Dunkirk Observer.

23 The public was also given access to the proposed

1 contract on the Authority's website and at the  
2 Authority's White Plains office during the 30 day period  
3 prior to today's hearing.

4 After the hearing, the public will be given access  
5 to the hearing transcript, once it is completed, at  
6 [www.nypa.gov](http://www.nypa.gov) and at the White Plains office.

7 The next step in the process set forth in Section  
8 1009 will be for the NYPA Trustees to reconsider the  
9 proposed contract, in light of public comments.

10 Once the Trustees have completed their final  
11 review, the contract will be forwarded to the Governor  
12 for his consideration and approval.

13 If you plan to make an oral statement at this  
14 hearing, I ask that you so indicate on the sign-in  
15 sheet. Also, if you have a written statement, please  
16 give a copy to Lorna Johnson at the sign-in table and  
17 one to the reporter.

18 Written statements may be of any length and will  
19 appear in the record of the hearing in addition to oral  
20 statements.

21 The record of the hearing will remain open for any  
22 additional comments through close of business, Thursday,  
23 April 2nd.

1 Additional comments should be mailed, faxed or  
2 e-mailed to the Corporate Secretary at 123 Main Street,  
3 11-P, White Plains, New York, 10601 or (914)390-8048 or  
4 secretarys.office@nypa.gov.

5 At this point I would like to introduce Maribel  
6 Cruz Brown, the Authority's Business Power Allocations  
7 and Compliance Manager, who will provide additional  
8 details on the proposed direct sale contract.

9 Thank you.

10 MS. CRUZ BROWN: Thank you, Ms. Delince. Good  
11 afternoon. My name is Maribel Cruz Brown and I'm the  
12 manager of Business Power Allocations and Compliance  
13 within the Economic Development and Energy Efficiency  
14 Department at the New York Power Authority.

15 I'm here today to present a summary of the proposed  
16 contract with WhiteRock Pigments, Inc., (WhiteRock) for  
17 the direct sale of Replacement Power - hydropower that  
18 is generated here at the Authority's Niagara Power  
19 Project.

20 Under Public Authorities Law Section 1005  
21 Subsection 13, the Authority may allocate and sell  
22 directly or by sale-for-resale, 250 MW of Expansion  
23 Power, known as EP, and 445 MW of Replacement Power,

1 known as RP, to businesses located within 30 miles of  
2 the Niagara Power Project, provided that the amount of  
3 EP allocated to businesses in Chautauqua County on  
4 January 1, 1987 shall continue to be allocated in  
5 Chautauqua County.

6 At its meeting on December 16, 2014, the Power  
7 Authority Board of Trustees approved a hydropower  
8 allocation to WhiteRock in return for commitments made  
9 to expand its business in Western New York.

10 Specifically, WhiteRock, a producer of Titanium  
11 dioxide (TiO<sub>2</sub>) pigment is planning to construct a new  
12 140,000 square foot production plant on 50 acres of  
13 vacant land along the Niagara River in the Town of  
14 Tonawanda in Erie County. WhiteRock was awarded 2,450  
15 kilowatts of Replacement Power in support of this  
16 project for a term of seven years. WhiteRock has  
17 committed to spend \$130 million and create 101 new jobs.

18 To summarize some of the pertinent provisions of  
19 the proposed contract, first, the contract provides for  
20 the direct billing of all hydropower supply charges, all  
21 New York Independent System Operator charges and taxes.

22 The contract includes WhiteRock's agreed upon  
23 commitments with respect to employment and capital

1 investment and retains the Authority's right to reduce  
2 or terminate the allocation if employment, power  
3 utilization or capital investment commitments are not  
4 met.

5 For example, the contract includes an annual job  
6 reporting requirement and a job compliance threshold of  
7 90 percent. Should WhiteRock's average annual  
8 employment fall below the compliance threshold of  
9 90 percent of the employment commitment, the Authority  
10 has the right to reduce the allocation on a pro-rated  
11 basis.

12 The contract compels the company to perform an  
13 energy audit at the facility at least once within five  
14 years, helping to ensure that the customer uses the  
15 hydropower efficiently. Additionally, to accommodate  
16 nonpayment risk that could result from the direct  
17 billing arrangement, the contract includes commercially  
18 reasonable provisions concerning the Authority's ability  
19 to charge late payment fees and to require deposits in  
20 the event of the customer's failure to make payment for  
21 any two monthly bills. These contract provisions are  
22 consistent with other Authority direct sale contracts,  
23 including the Recharge New York sales contracts.



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open for additional comments through close of business,  
Thursday, April 2nd.

Thank you and good night.

(Hearing closed at 6:30 p.m.)

1 STATE OF NEW YORK  
2 COUNTY OF ERIE

3 I, Patricia A. Schreier, a Notary Public in and for  
4 the State of New York, do hereby certify:

5 That the witness, whose testimony appears herein  
6 before, was, before the commencement of his testimony, duly  
7 sworn to testify the truth, the whole truth and nothing but  
8 the truth; that such testimony was taken pursuant to notice at  
9 the time and place herein set forth; that said testimony was  
10 taken down in shorthand by me and thereafter under my  
11 supervision transcribed into the English language, and hereby  
12 certify the foregoing testimony is a full, true and correct  
13 transcription of the shorthand notes so taken.

14 I further certify that I am neither counsel for nor  
15 related to any parties to said action, nor in anywise  
16 interested in the outcome thereof.

17 IN WITNESS WHEREOF, I have here unto subscribed my  
18 name this 3rd day of April, 2015.

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Notary Public  
State of New York

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