

*New York State Power Authority
Niagara Power Project Visitors' Center*

*Public Hearing
September 10, 2015*



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New York State Power Authority

Thursday, September 10, 2015

2:30 p.m. - 6:30 p.m.

Niagara Power Project Visitors' Center

5777 Lewiston Road

Lewiston, New York 14092

Patricia A. Schreier

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SPEAKERS :

MS . DELINCE 3 , 8
MR . PASQUALE 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 Finger Food Products, Inc.

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

8 The 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 Pro Temp. The
14 Senate's Minority Leader and the Senate Finance
15 Committee Chair, the Assembly Speaker, the Assembly
16 Minority Leader and 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 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 and one to the reporter.

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

20 The record of the hearing will remain open for
21 additional comments through close of business, Friday,
22 September 11, 2015.

23 Additional comments should be mailed, faxed or

1 e-mailed to the Corporate Secretary at 123 Main Street,
2 11-P, White Plains, New York, 10601 or (914)390-8040 or
3 secretaries.office@nypa.gov.

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

8 Thank you.

9 MS. CRUZ BROWN: Thank you, Ms. Delince.

10 My name is Maribel Cruz Brown and I'm the Manager
11 of Business Power Allocations and Compliance within
12 NYPA's Economic Development and Energy Efficiency
13 Department. I'm here today to present a summary of the
14 proposed hydropower contract.

15 Regarding the contract, under Public Authorities
16 Law Section 1005, Subsection 13, the Authority may
17 allocate and sell directly or by sale-for-resale 250 MW
18 of Expansion Power, known as EP, and 445 MW of
19 Replacement Power, known as RP, to businesses located
20 within 30 miles of the Niagara Power Project, provided
21 that the amount of EP allocated to businesses in
22 Chautauqua County on January 1, 1987 shall continue to
23 be allocated in Chautauqua County.

1 Finger Food Products, Inc., has been awarded a
2 hydropower allocation by the Authority's Trustees in
3 return for commitments made to create or expand its
4 business in Western New York.

5 Specifically, Finger Food Products, the
6 manufacturer of Original Pizza Logs, was awarded 100
7 kilowatts of RP in support of building a new,
8 30,000-square-foot facility in the Vantage International
9 Point Business Park in the Town of Wheatfield in Niagara
10 County. Finger Food Products will invest at least three
11 million dollars and create 11 new jobs.

12 To summarize some of the pertinent provisions of
13 the proposed contract: The contract provides for the
14 direct billing of all hydropower supply charges, all New
15 York Independent System Operator, Inc., (NYISO) charges
16 and taxes.

17 The contract includes the customer's agreed upon
18 commitments with respect to employment and capital
19 investment. The contract retains the Authority's right
20 to reduce or terminate a customer's allocation if
21 employment, power utilization or capital investment
22 commitments are not met.

23 For example, the contract includes an annual job

1 reporting requirement and a job compliance threshold of
2 90 percent. Should a company's average annual
3 employment fall below the compliance threshold of
4 90 percent of the employment commitment, the Authority
5 has the right to reduce the allocation on a pro rata
6 basis.

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

19 The contract will serve the allocations in
20 accordance with the Authority's Service Tariff WNY-1
21 which specifies the rates and other terms applicable to
22 all EP and RP allocations. The Service Tariff specifies
23 a three year rate phase-in to a target rate based on the

1 rate of the Authority's other hydropower program -
2 Preservation Power - to ultimately ensure consistency
3 among the Authority's three hydropower programs.
4 Transmission and delivery service for these allocations
5 will be provided by National Grid or NYSEG, in
6 accordance with the utilities' Public Service Commission
7 approved delivery service tariffs.

8 As Mr. Delince stated earlier, the Authority will
9 accept your comments on the proposed contracts until the
10 close of business on Friday, September 11.

11 I will now turn the hearing back to Ms. Delince.

12 MS. DELINCE: Thank you, Ms. Cruz Brown. We
13 will recess now and reconvene when speakers arrive.

14 (recess)

15 MS. DELINCE: The September 10, 2015 public
16 hearing on the proposed Direct Sale Contract to Finger
17 Food Products, Inc. is now officially closed.

18 As I previously stated, the record of the hearing
19 will remain open for additional comments through close
20 of business, Friday, September 11, 2015.

21 Thank you.

22
23 (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 14th day of September, 2015.

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Notary Public
State of New York

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