

Non-Compliance with Job Commitments – Proposed Reductions in Contract Demands and Hydropower Allocations with Adjustments to Job Commitments

1. Globe Metallurgical, Inc. (Niagara Falls, Niagara County)

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| Allocation: | 7,353 kilowatts (“kW”) of Expansion Power (“EP”) and 32,647 kW of Replacement Power (“RP”) |
| Contract Demand: | 7,353 kW of EP and 32,647 kW of RP |
| Power Utilization: | 98% |
| Capital Spending: | \$3,028,604 or 90% |
| Job Commitment: | 500 jobs |
| Jobs Reported: | 105 jobs, or 21% |

Background: Globe Metallurgical, Inc. (“Globe”) manufactures silicon metal products at four U.S. facilities including Niagara Falls.

The above-table reflects information reported by Globe for 2014, the calendar year for which compliance action is being recommended. The year-end monthly average number of employees reported by Globe for 2014 is 105, or 21% of the Base Employment Level of 500 (Globe’s contractual job commitment).

Recommendation: *Globe currently receives two allocations (7,353 kW of EP and 32,647 kW of RP) for a total hydropower allocation of 40,000 kW (the “Allocation”). Staff recommends that the Trustees authorize a reduction in the contract demand and Allocation by 21,600 kW, which would result in a revised contract demand and Allocation of not less than 18,400 kW. Staff further recommends that Staff be authorized to reduce Globe’s job commitment by 400 jobs, which would result in a revised job commitment of not less than 100 jobs.*