

December 15, 2014

**MEMORANDUM TO THE MEMBERS OF THE BOARD**

**SUBJECT: Recharge New York Power Program**

**SUMMARY**

The Economic Development Power Allocation Board (“EDPAB” or “Board”) is requested to:

1. recommend that the New York Power Authority (“Authority”) Trustees (“Trustees”) award allocations of Recharge New York (“RNY”) Power available for “retention” purposes to the businesses listed in Exhibit “A”;
2. recommend that the Trustees award allocations of RNY Power available for “expansion” purposes to the businesses listed in Exhibit “B”;
3. determine that the applicants identified in Exhibit “C” are ineligible to receive RNY Power;
4. determine that the applications by the businesses listed in Exhibit “D” will not be considered, or will not be recommended for an allocation of RNY Power; and
5. approve the transfers of RNY Power identified in Exhibit “E”.

**BACKGROUND**

On April 14, 2011, Governor Andrew M. Cuomo signed into law the RNY Power Program as part of Chapter 60 (Part CC) of the Laws of 2011 (“Chapter 60”). The program makes available 910 megawatts (“MW”) of “RNY Power,” 50% of which will be provided by the Authority’s hydropower resources and 50% of which will be procured by the Authority from other sources. RNY Power contracts can be for a term of up to seven years in exchange for job and capital investment commitments.

RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion and attraction purposes. Specifically, Chapter 60 provides that at least 350 MW of RNY Power shall be dedicated to facilities in the service territories served by the New York State Electric and Gas, National Grid and Rochester Gas and Electric utility companies; at least 200 MW of RNY Power shall be dedicated to the purpose of attracting new businesses and encouraging expansion of existing businesses statewide; and up to 100 MW shall be dedicated for eligible not-for-profit corporations and eligible small businesses statewide.

Under the statute, “eligible applicant” is defined to mean an eligible business, eligible small business, or eligible not-for-profit corporation, however, an eligible applicant shall not include retail businesses as defined by EDPAB, including, without limitation, sports venues, gaming or entertainment-related establishments or places of overnight accommodations. At its meeting on April 24, 2012, EDPAB defined a retail business as a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services, consistent with the rules previously promulgated by EDPAB for implementation of the Authority’s Economic Development Power program.

Prior to entering into a contract with an eligible applicant for the sale of RNY Power, and prior to the provision of electric service relating to a RNY Power allocation, the Authority must offer each eligible applicant that has received an award of RNY Power the option to decline to purchase the RNY Market Power component of such award. If the applicant declines to purchase the RNY Market Power component from the Authority, the Authority has no responsibility for supplying RNY Market Power component of the award.

RNY, as the new economic development power program unrelated to the previous Power for Jobs (“PFJ”) and Energy Cost Savings Benefit (“ECSB”) programs, required customers participating in such programs on its sunset date on June 30, 2012, to apply for RNY in order to be considered for a RNY Power allocation. All RNY applications are considered solely on their merits under the criteria established by the RNY legislation.

PFJ and ECSB customers who submitted applications prior to June 30, 2012 and who did not receive a RNY Power allocation were considered for the transitional electricity discount (“TED”). Pursuant to section 188-a of the economic development law, the Authority is authorized, as deemed feasible and advisable by the Trustees, to provide such TED as recommended by EDPAB. The amount of the TED for the period of July 1, 2012 through June 30, 2014 shall be equivalent to 66% of the unit (per kilowatt-hour) value of the savings received by the applicant under the PFJ or ECSB during the 12 months ending on December 31, 2010. The amount of the TED for the period July 1, 2014 through June 30, 2016 shall be equivalent to 33% of the unit (per kilowatt-hour) value of the savings received by the applicant under the PFJ or ECSB during the 12 months ending on December 31, 2010.

As part of Governor Andrew M. Cuomo’s initiative to foster business activity and streamline economic development, applications for all statewide economic development programs, including the RNY Power Program, have been incorporated into a single on-line Consolidated Funding Application (“CFA”) marking a fundamental shift in how State economic development resources are marketed and allocated. Beginning in September 2011, the CFA was available to applicants. The CFA continues to serve as an efficient and effective tool to streamline and expedite the State’s efforts to generate sustainable economic growth and employment opportunities. All applications that are considered for an RNY Power allocation are submitted through the CFA process.

Applications for RNY Power are subject to a competitive evaluation process and are evaluated based on the following criteria set forth in the statutes providing for the RNY Power Program (the “RNY Statutes”):

“(i) the significance of the cost of electricity to the applicant's overall cost of doing business, and the impact that a recharge New York power allocation will have on the applicant's operating costs;

(ii) the extent to which a recharge New York power allocation will result in new capital investment in the state by the applicant;

(iii) the extent to which a recharge New York power allocation is consistent with any regional economic development council strategies and priorities;

(iv) the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;

(v) the applicant's payroll, salaries, benefits and number of jobs at the facility for which a recharge New York power allocation is requested;

(vi) the number of jobs that will be created or retained within the state in relation to the requested recharge New York power allocation, and the extent to which the applicant will agree to commit to creating or retaining such jobs as a condition to receiving a recharge New York power allocation;

(vii) whether the applicant, due to the cost of electricity, is at risk of closing or curtailing facilities or operations in the state, relocating facilities or operations out of the state, or losing a significant number of jobs in the state, in the absence of a recharge New York power allocation;

(viii) the significance of the applicant's facility that would receive the recharge New York power allocation to the economy of the area in which such facility is located;

(ix) the extent to which the applicant has invested in energy efficiency measures, will agree to participate in or perform energy audits of its facilities, will agree to participate in energy efficiency programs of the authority, or will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving a recharge New York power allocation;

(x) whether the applicant receives a hydroelectric power allocation or benefits supported by the sale of hydroelectric power under another program administered in whole or in part by the authority;

(xi) the extent to which a recharge New York power allocation will result in an advantage for an applicant in relation to the applicant's competitors within the state; and

(xii) in addition to the foregoing criteria, in the case of a not-for-profit corporation, whether the applicant provides critical services or substantial benefits to the local community in which the facility for which the allocation is requested is located.”

Based on the evaluation of these criteria, the applications were scored and ranked. Evaluations also considered scores provided by the relevant Regional Economic Development Council under the third and eighth criteria.

In arriving at recommendations for RNY Power for EDPAB's consideration, staff, among other things, attempted to maximize the economic benefits of low cost NYPA hydropower, the critical state asset at the core of the RNY Power Program, while attempting to ensure that each recipient receives a meaningful RNY Power allocation.

Business applicants with relatively high scores were recommended for allocations of retention RNY Power of 50% of the requested amount or average historic demand, whichever was lower. These allocations were capped at 10 MW for any recommended allocation. Not-for-profit corporation applicants that scored relatively high were recommended for allocations of 33% of the requested amount or average historic demand, whichever was lower. These allocations were capped at 5 MW. Applicants currently receiving hydropower allocations under other Authority power programs were recommended for allocations of RNY Power of 25% of the requested amount, subject to the caps as stated above.

RNY Power allocations have been awarded by EDPAB and the Trustees on nine prior occasions spanning from April 2012 through July 2014. There is currently 54.9 MW of unallocated RNY Power of the 710 MW available for business "retention" purposes. Of that 710 MW retention block, 100 MW was set aside for not-for-profit corporations and small businesses, of which 5.7 MW is available to allocate to such entities. Lastly, there is 118.7 MW of unallocated RNY Power of the 200 MW available for business "expansion" purposes. These figures include allocations that were awarded, modified, declined, and withdrawn prior to today's recommendations.

## DISCUSSION

### 1. Retention-Based RNY Power Allocations

Staff recommends that EDPAB recommend to the NYPA Trustees that the applications listed on Exhibit "A" be awarded *retention*-based RNY Power allocations in the amounts indicated. Each business has stated a willingness to create or retain jobs in New York State. Additionally, these applicants will be committing to capital investments in exchange for the recommended RNY Power allocations.

The RNY Power "retention" allocations identified in Exhibit "A" are each recommended for a term of seven years except where otherwise indicated. An allocation recommended by EDPAB qualifies the subject applicant to enter into a contract with the Authority for the purchase of the RNY Power if the Authority makes an allocation award. The Authority's standard RNY Power contract template, approved by the Trustees at their March 27, 2012 meeting, contains provisions addressing such things as effective periodic audits of the recipient of an allocation for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an allocation if the recipient fails to maintain mutually agreed

upon commitments, relating to among other things, employment levels, power utilization, and capital investments. In addition, there is a requirement that a recipient of an allocation perform an energy efficiency audit at its facility not less than once during the first five years of the term of the allocation.

As noted in Exhibit “A”, some of these applicants are also being recommended for expansion-based allocations, having satisfied the criteria for both components of the RNY Power Program.

## 2. Expansion-Based RNY Power Allocations

Staff recommends that EDPAB recommend to the NYPA Trustees that the applications listed on Exhibit “B” be awarded *expansion*-based RNY Power allocations in the amounts indicated from the 200 MW block of RNY Power dedicated by statute for the businesses that propose to expand existing businesses or create new business in the State. These applications sought a RNY Power allocation for either (i) expansion only, in the case of a new business or facility, (ii) expansion only, in the case of an applicant that already received a retention-based RNY Power allocation under a previous application, or (iii) expansion *and* retention, in the case of an existing business. Each such allocation would be for a term of seven years.

As with the evaluation process used for the retention recommendations described above, applications for the expansion-based RNY Power were scored based on the statutory criteria, albeit with a focus on information regarding each applicants’ specific project to expand or create their new facility or business (*e.g.*, the expansion project’s cost, associated job creation, and new electric load due to the expansion).

The respective amounts of the expansion-related allocations listed in Exhibit “B” are largely intended to provide approximately 70% of the individual expansion projects’ estimated new electric load. Because these projects have estimated new electric load amounts, and to ensure that an applicant’s overestimation of the amount needed would not cause that applicant to receive a higher proportion of RNY Power to new load, the allocations in Exhibit “B” are recommended on an “up to” amount basis. Each of these applicants would be required to, among other commitments, add the new electric load as stated in its application, and would be allowed to use up to the amount of their RNY Power allocation in the same proportion of the RNY Power allocation to requested load as stated in Exhibit “B.” The contracts for these allocations would also contain the standard provisions previously summarized in the last paragraph of Section 1 above.

## 3. Ineligibility Determinations

In the process of reviewing the current round of applications for RNY Power, staff has identified 5 applications that seek RNY Power for businesses that constitute a retail business as defined by EDPAB. These applications are listed on Exhibit “C”. Staff recommends that the Board determine that these applications are not eligible to receive RNY Power.

#### 4. Applications Not Recommended or Not Considered

As indicated on Exhibit “D”, staff recommends that the Board not consider at this time the eighteen applications for RNY Power allocations for one or more of the following reasons as described in such Exhibit: (i) the application was withdrawn; (ii) the applicant does not have a demand meter; (iii) the applicant was not responsive to outreach, leaving the application currently incomplete, and/or (iv) the applicant was a Transitional Electricity Discount (“TED”) beneficiary. In addition, staff recommends that the Board not recommend for an award the single applicant identified in Exhibit “D” whose demand usage does not meet the level necessary to warrant an allocation.

#### 5. Transfers of RNY Power – Action Item

Staff recommends that EDPAB approve the transfer of three allocations set forth on Exhibit “E” for the reasons indicated on the Exhibit. Notably, the total facility job and capital investment commitments associated with the allocations would not change. EDPAB has previously authorized and/or recommended transfers of RNY Power in similar circumstances.

### RECOMMENDATION

For the reasons stated above, staff recommends that EDPAB: (1) recommend that the Trustees award allocations of RNY Power for retention purposes to the businesses listed in Exhibit “A” in the amounts indicated therein; (2) recommend that the Trustees award allocations of RNY Power for expansion purposes to the businesses listed in Exhibit “B” in the amounts indicated therein; (3) determine that the businesses identified in Exhibit “C” are ineligible to receive a RNY Power allocation for the reasons discussed above and in Exhibit “C”; (4) determine that the applications by the businesses listed in Exhibit “D” will not be considered or not be recommended at this time for an allocation of RNY Power for the reasons discussed above and in Exhibit “D”; and (5) authorize the transfer of the RNY Power allocations identified in Exhibit “E” as indicated therein.

James F. Pasquale  
Senior Vice President  
Economic Development & Energy Efficiency

Att.  
RNY Retention Power Allocations  
RNY Expansion Power Allocations  
Applicants Deemed Ineligible  
Applicants Not Awarded RNY  
Applicants Requesting Allocation Transfers

## **RESOLUTION**

RESOLVED, That the Economic Development Power Allocation Board hereby: (1) recommends that Power Authority of the State of New York (“Authority”) award allocations of Recharge New York (“RNY”) Power for retention purposes to the businesses listed in Exhibit “A” in the amounts indicated therein; (2) recommends that the Authority award allocations of RNY Power for expansion purposes to the businesses listed in Exhibit “B” in the amounts indicated therein; (3) determines that five applicants identified in Exhibit “C” seek RNY Power for a retail business, and therefore these applicants are not eligible to receive RNY Power, as discussed in the attached memorandum of the Senior Vice President – Economic Development & Energy Efficiency (the “Attached Memorandum”) and Exhibit “C”; (4) determines that the applications listed in Exhibit “D” will not be considered for an allocation of RNY Power at this time, or will not be recommended for a RNY Power allocation, for the reasons discussed in the Attached Memorandum and Exhibit “D”; and (5) approves the transfer of the RNY Power allocations listed in Exhibit “E”.

Economic Development Power Allocation Board  
 ReCharge New York Retention Power Allocation Recommendations

Exhibit "A"  
 December 15, 2014

| Line | Company                                    | City      | County     | Economic Development Region | IOU   | Description   | kW Request    | kW Recommendation | Jobs Retained | Jobs Created | Total Job Commitment | Capital Investment (\$) | Contract Term (years) |
|------|--|-----------|------------|-----------------------------|-------|---|---------------|-------------------|---------------|--------------|----------------------|-------------------------|-----------------------|
| 1    | Hanes Supply Inc.                          | Albany    | Albany     | Capital District            | NGRID | Cable, rope and sling manufacturing   | 60            | 26                | 16            | 0            | 16                   | \$200,000               | 7                     |
|      | <b>Capital District Region Sub-totals:</b> |           |            |                             |       |   | <b>60</b>     | <b>26</b>         | <b>16</b>     | <b>0</b>     | <b>16</b>            | <b>\$200,000</b>        |                       |
| 2    | Advanced Interconnect Manufacturing        | Victor    | Ontario    | Finger Lakes                | RGE   | Produces wire harnesses and cable assemblies                                    | 208           | 80                | 62            | 0            | 62                   | \$250,000               | 7                     |
| 3    | AlSCO Inc.                                 | Rochester | Monroe     | Finger Lakes                | RGE   | Textile rental company  | 547           | 270               | 185           | 0            | 185                  | \$3,937,500             | 7                     |
| 4    | Century Mold Company, Inc.                 | Rochester | Monroe     | Finger Lakes                | RGE   | Plastic components manufacturing  | 1055          | 526               | 119           | 0            | 119                  | \$5,000,000             | 7                     |
| 5    | Creative Food Ingredients, Inc.            | Perry     | Wyoming    | Finger Lakes                | NYSEG | Commercial bakery   | 519           | 256               | 120           | 0            | 120                  | \$1,500,000             | 7                     |
| 6    | Diamond Packaging Holdings LLC             | Rochester | Monroe     | Finger Lakes                | RGE   | Manufacturer of paperboard and plastic folding cartons                          | 1871          | 936               | 220           | 0            | 220                  | \$2,500,000             | 7                     |
| 7    | Ferro Corporation                          | Penn Yan  | Yates      | Finger Lakes                | NYSEG | Manufacturer of color pigments  | 3073          | 1,536             | 136           | 0            | 136                  | \$4,000,000             | 7                     |
| 8    | Hanes Supply Inc.                          | Rochester | Monroe     | Finger Lakes                | RGE   | Cable, rope and sling manufacturing   | 80            | 36                | 29            | 0            | 29                   | \$500,000               | <sup>(d)</sup> 7      |
| 9    | Newchem, Inc.                              | Newark    | Wayne      | Finger Lakes                | NYSEG | Photo chemical machine plant  | 359           | 176               | 21            | 0            | 21                   | \$200,000               | <sup>(d)</sup> 7      |
| 10   | Nicholas H. Noyes Memorial Hospital, Inc.  | Dansville | Livingston | Finger Lakes                | NYSEG | Hospital  | 623           | 206               | 170           | 0            | 170                  | \$1,000,000             | 7                     |
| 11   | Unither U.S. Corporation                   | Rochester | Monroe     | Finger Lakes                | RGE   | Manufacturer of pharmaceutical products   | 3204          | 1,600             | 262           | 0            | 262                  | \$10,000,000            | <sup>(d)</sup> 7      |
|      | <b>Finger Lakes Region Sub-totals:</b>     |           |            |                             |       |   | <b>11,539</b> | <b>5,622</b>      | <b>1,324</b>  | <b>0</b>     | <b>1,324</b>         | <b>\$28,887,500</b>     |                       |
| 12   | A& Z Pharmaceutical                        | Hauppauge | Suffolk    | Long Island                 | LIPA  | Manufacturers pharmaceutical products   | 275           | 136               | 56            | 0            | 56                   | \$15,000,000            | <sup>(d)</sup> 7      |
| 13   | Adchem Corporation                         | Riverhead | Suffolk    | Long Island                 | LIPA  | Manufacturer of specialty pressure sensitive adhesive tapes                     | 762           | 366               | 115           | 0            | 115                  | \$1,000,000             | 7                     |
| 14   | American Pride Fasteners, LLC              | Bay Shore | Suffolk    | Long Island                 | LIPA  | Manufacturer of fasteners, pins, rivets   | 91            | 46                | 24            | 0            | 24                   | \$150,000               | <sup>(d)</sup> 7      |
| 15   | American Racing Headers and Exhaust, Inc.  | Deer Park | Suffolk    | Long Island                 | LIPA  | Manufacturer of exhaust products  | 80            | 36                | 33            | 0            | 33                   | \$50,000                | 7                     |
| 16   | Castella Imports Inc.                      | Hauppauge | Suffolk    | Long Island                 | LIPA  | Warehousing and storage of imported food products                               | 136           | 66                | 160           | 0            | 160                  | \$0                     | <sup>(d)</sup> *      |
| 17   | Eastern Wholesale Fence Co., Inc.          | Calverton | Suffolk    | Long Island                 | LIPA  | PVC fencing products  | 1300          | 600               | 130           | 0            | 130                  | \$250,000               | 7                     |
| 18   | Elite Manufacturing Technologies, LLC      | Westbury  | Nassau     | Long Island                 | LIPA  | Manufacturer of parts for the aerospace, defense, and medical device industries | 52            | 26                | 4             | 0            | 4                    | \$760,000               | 7                     |
| 19   | Frank Lowe Rubber & Gasket Company         | Shirley   | Suffolk    | Long Island                 | LIPA  | Produces sealing and protective products  | 136           | 66                | 30            | 0            | 30                   | \$500,000               | <sup>(d)</sup> 7      |

Economic Development Power Allocation Board  
 ReCharge New York Retention Power Allocation Recommendations

Exhibit "A"  
 December 15, 2014

| Line | Company                                     | City          | County    | Economic Development Region | IOU   | Description   | kW Request   | kW Recommendation | Jobs Retained | Jobs Created | Total Job Commitment | Capital Investment (\$)      | Contract Term (years) |
|------|---|---------------|-----------|-----------------------------|-------|---|--------------|-------------------|---------------|--------------|----------------------|------------------------------|-----------------------|
| 20   | Globe Grinding Corp                         | Copiague      | Suffolk   | Long Island                 | LIPA  | Precision grinding facility                           | 79           | 36                | 13            | 0            | 13                   | \$650,000                    | 7                     |
| 21   | Posimech, Inc.                              | Medford       | Suffolk   | Long Island                 | LIPA  | Machine parts processor                               | 48           | 20                | 18            | 0            | 18                   | \$300,000                    | 7                     |
| 22   | Qesos La Ricura Ltd.                        | Hicksville    | Nassau    | Long Island                 | LIPA  | Manufacturer of cheese products                       | 298          | 146               | 186           | 10           | 196                  | \$300,000                    | 7                     |
| 23   | Richner Communications, Inc.                | Garden City   | Nassau    | Long Island                 | LIPA  | Communications company                                | 245          | 120               | 118           | 0            | 118                  | \$1,000,000                  | 7                     |
| 24   | Wonton Food Inc.                            | Plainview     | Suffolk   | Long Island                 | LIPA  | Food manufacturing and distribution                   | 376          | 186               | 43            | 0            | 43                   | \$3,000,000                  | 7                     |
|      | <b>Long Island Region Sub-totals:</b>       |               |           |                             |       |   | <b>3,878</b> | <b>1,850</b>      | <b>930</b>    | <b>10</b>    | <b>940</b>           | <b>\$22,960,000</b>          |                       |
| 25   | Jawonio, Inc.                               | New City      | Rockland  | Mid-Hudson                  | O&R   | Disability assistance provider                        | 118          | 36                | 160           | 115          | 275                  | \$18,000,000                 | 7                     |
| 26   | United Structural Works Inc.                | Congers       | Rockland  | Mid-Hudson                  | O&R   | Structural steel fabrication and erection company.    | 136          | 66                | 90            | 10           | 100                  | \$10,000,000                 | 7                     |
| 27   | Zumtobel Lighting, Inc.                     | Highland      | Ulster    | Mid-Hudson                  | CHUD  | Manufacturer of lighting products                     | 460          | 226               | 231           | 0            | 231                  | \$10,000,000                 | 7                     |
|      | <b>Mid-Hudson Region Sub-totals:</b>        |               |           |                             |       |   | <b>714</b>   | <b>328</b>        | <b>481</b>    | <b>125</b>   | <b>606</b>           | <b>\$38,000,000</b>          |                       |
| 28   | Chef One Corporation                        | Brooklyn      | Kings     | New York City               | CONED | Food manufacturing company                            | 87           | 40                | 17            | 0            | 17                   | \$1,000,000                  | 7                     |
| 29   | Chef One Corporation                        | Brooklyn      | Kings     | New York City               | CONED | Food manufacturing company                            | 115          | 56                | 13            | 0            | 13                   | \$1,000,000                  | 7                     |
| 30   | G.A.L. Manufacturing Corporation            | New York      | Bronx     | New York City               | CONED | Manufacturer of elevator equipment                    | 400          | 196               | 387           | 0            | 387                  | \$6,475,000 <sup>(1)</sup>   | 7                     |
| 31   | HSBC USA, Inc.                              | New York City | New York  | New York City               | CONED | Banking and financial services                        | 1600         | 800               | 452           | 0            | 452                  | \$5,600,000                  | 7                     |
| 32   | Nomura Holding America Inc.                 | New York      | New York  | New York City               | CONED | Investment and financial services                     | 3347         | 1,670             | 1825          | 0            | 1,825                | \$45,000,000                 | 7                     |
| 33   | Parallel Environmental Services Corporation | Bronx         | Bronx     | New York City               | CONED | Recycling service facility                            | 400          | 200               | 79            | 0            | 79                   | \$250,000 <sup>(1)</sup>     | 7                     |
| 34   | Precision Gear, Inc.                        | College Point | Queens    | New York City               | CONED | Manufacturer of aerospace-related gear                | 500          | 240               | 151           | 0            | 151                  | \$0 <sup>(1)</sup>           | 7                     |
| 35   | Signs & Decal Corp.                         | Brooklyn      | Kings     | New York City               | CONED | Manufacturer of high end signage and related services | 61           | 30                | 30            | 0            | 30                   | \$1,000,000 <sup>(1)</sup>   | 7                     |
| 36   | Steuben Foods LLC                           | New York      | Queens    | New York City               | CONED | HQ, R&D facility for dairy business                   | 41           | 20                | 15            | 0            | 15                   | \$1,500,000 <sup>(1)</sup>   | 7                     |
| 37   | Time Inc.                                   | New York      | Manhattan | New York City               | CONED | Media company   | 4500         | 2,250             | 2000          | 0            | 2,000                | \$164,000,000 <sup>(2)</sup> | 7                     |
| 38   | TMI Trading                                 | Brooklyn      | Kings     | New York City               | CONED | Food manufacturing company                            | 134          | 66                | 27            | 0            | 27                   | \$1,000,000                  | 7                     |

Economic Development Power Allocation Board  
 ReCharge New York Retention Power Allocation Recommendations

Exhibit "A"  
 December 15, 2014

| Line                                       | Company                         | City             | County   | Economic Development Region | IOU   | Description  | kW Request    | kW Recommendation | Jobs Retained | Jobs Created | Total Job Commitment | Capital Investment (\$) | Contract Term (years) |
|--|---------------------------------|------------------|----------|-----------------------------|-------|--|---------------|-------------------|---------------|--------------|----------------------|-------------------------|-----------------------|
| 39   | Twin Marquis Inc.               | Brooklyn         | Kings    | New York City               | CONED | Food manufacturing company                         | 769           | 380               | 235           | 0            | 235                  | \$5,500,000             | 7                     |
| 40   | Wonton Food Inc.                | Long Island City | Queens   | New York City               | CONED | Food manufacturing and distribution                | 136           | 66                | 71            | 0            | 71                   | \$2,000,000             | 7                     |
| 41   | Wonton Food Inc.                | Brooklyn         | Kings    | New York City               | CONED | Food manufacturing and distribution                | 764           | 380               | 257           | 0            | 257                  | \$5,000,000             | 7                     |
| <b>New York City Region Sub-totals:</b>    |                                 |                  |          |                             |       |  | <b>12,854</b> | <b>6,394</b>      | <b>5,559</b>  | <b>0</b>     | <b>5,559</b>         | <b>\$239,325,000</b>    |                       |
| 42   | Red Barn Technology Group, Inc  | Binghamton       | Broome   | Southern Tier               | NYSEG | High tech business technology provider             | 30            | 10                | 14            | 0            | 14                   | \$350,000               | 7                     |
| 43   | Saputo Dairy Foods USA, LLC     | Delhi            | Delaware | Southern Tier               | NYSEG | Dairy production facility                          | 1841          | 920               | 140           | 0            | 140                  | \$10,000,000            | 7                     |
| <b>Southern Tier Region Sub-totals:</b>    |                                 |                  |          |                             |       |  | <b>1,871</b>  | <b>930</b>        | <b>154</b>    | <b>0</b>     | <b>154</b>           | <b>\$10,350,000</b>     |                       |
| 44   | Costanzo's Bakery               | Cheektowaga      | Erie     | Western New York            | NYSEG | Bakery - fresh and frozen goods                    | 677           | 336               | 125           | 0            | 125                  | \$3,000,000             | 7                     |
| 45   | Evolution Dental Science        | Buffalo          | Erie     | Western New York            | NGRID | Dental Laboratory, manufacturer of dental products | 45            | 20                | 30            | 0            | 30                   | \$250,000               | <sup>(1)</sup> 7      |
| 46   | Hanes Supply Inc.               | Buffalo          | Erie     | Western New York            | NGRID | Cable, rope and sling manufacturing                | 90            | 46                | 80            | 0            | 80                   | \$100,000               | 7                     |
| 47   | HSBC USA, Inc.                  | Depew            | Erie     | Western New York            | NYSEG | Banking and financial services                     | 719           | 356               | 1574          | 0            | 1,574                | \$4,750,000             | 7                     |
| 48   | HSBC USA, Inc.                  | Buffalo          | Erie     | Western New York            | NGRID | Banking and financial services                     | 880           | 440               | 1454          | 0            | 1,454                | \$1,400,000             | 7                     |
| 49   | Kinedyne                        | Orchard Park     | Erie     | Western New York            | NYSEG | Cable, rope and sling manufacturing                | 90            | 40                | 15            | 0            | 15                   | \$100,000               | 7                     |
| 50   | New Era Cap Co., Inc.           | Derby            | Erie     | Western New York            | NGRID | Manufacturer of field baseball caps                | 425           | 206               | 198           | 0            | 198                  | \$635,000               | 7                     |
| 51   | Precision Abrasives Corporation | Orchard Park     | Erie     | Western New York            | NYSEG | Manufacturer of abrasive products                  | 125           | 60                | 48            | 0            | 48                   | \$150,000               | 7                     |
| 52   | Saputo Dairy Food USA, LLC      | Friendship       | Allegany | Western New York            | RGE   | Dairy production facility                          | 2470          | 1,230             | 256           | 0            | 256                  | \$30,000,000            | 7                     |
| 53   | Wendt Corporation               | Buffalo          | Erie     | Western New York            | NGRID | Manufactures automobile shredders                  | 199           | 96                | 100           | 0            | 100                  | \$500,000               | 7                     |
| <b>Western New York Region Sub-totals:</b> |                                 |                  |          |                             |       |  | <b>5,720</b>  | <b>2,830</b>      | <b>3,880</b>  | <b>0</b>     | <b>3,880</b>         | <b>\$40,885,000</b>     |                       |

**Totals**

|               |               |            |               |                      |
|---------------|---------------|------------|---------------|----------------------|
| <b>17,980</b> | <b>12,344</b> | <b>135</b> | <b>12,479</b> | <b>\$380,607,500</b> |
|---------------|---------------|------------|---------------|----------------------|

<sup>(1)</sup> These companies are also recommended for expansion-related allocations of RNY for separate and distinct job creation and capital investment commitments associated with proposed business expansions.

<sup>(2)</sup> Allocation is recommended to be up to the amount indicated based on the companies' fulfillment of new electric load consistent with the ratio of recommended to requested amount.

<sup>(3)</sup> Allocation term will expire on 6/30/2019, consistent with the customer's in-service allocation currently under contract; existing 5 year capital investment commitment is \$7,500,000.

| Line                                       | Company                            | City                           | County     | Economic Development Region | IOU   | Description  | kW Request | kW Recommendation <sup>(1)</sup> | Base Employment <sup>(3)</sup> | Job Creation Commitment | Project Capital Investment (\$) | Contract Term (years) |
|--|------------------------------------|--------------------------------|------------|-----------------------------|-------|--|------------|----------------------------------|--------------------------------|-------------------------|---------------------------------|-----------------------|
| 1  | Argyle Cheese Factory, LLC         | Argyle                         | Washington | Capital District            | NGRID | Wholesale cheese and yogurt producer                 | 100        | 70                               | 3                              | 12                      | \$150,000                       | 7                     |
| 2  | Castleton Paperboard, LLC          | Village of Castleton-on-Hudson | Rensselaer | Capital District            | NGRID | Manufacturer of light-weight paperboard              | 17000      | 10,000                           | 0                              | 100                     | \$300,000,000                   | 7                     |
| 3  | Ferguson Enterprises, Inc.         | Coxsackie                      | Greene     | Capital District            | CHUD  | Wholesale distribution warehouse                     | 652        | 456                              | 0                              | 75                      | \$60,300,000                    | 7                     |
| 4  | Yankee Distillers LLC              | Clifton Park                   | Saratoga   | Capital District            | NGRID | Distillery   | 150        | 106                              | 0                              | 6                       | \$830,000                       | 7                     |
| <b>Capital District Region Sub-totals:</b> |                                    |                                |            |                             |       |  |            | <b>10,632</b>                    | <b>3</b>                       | <b>193</b>              | <b>\$361,280,000</b>            |                       |
| 5  | Oran Station Brewing Supplies LLC  | Manilus                        | Onondaga   | Central New York            | NGRID | Producer of hops, barley for beer making ingredients | 200        | 140                              | 0                              | 9                       | \$711,200                       | 7                     |
| <b>Central New York Region Sub-totals:</b> |                                    |                                |            |                             |       |  |            | <b>140</b>                       | <b>0</b>                       | <b>9</b>                | <b>\$711,200</b>                |                       |
| 6  | Hanes Supply Inc.                  | Rochester                      | Monroe     | Finger Lakes                | RGE   | Cable, rope and sling manufacturing                  | 35         | 20                               | 29                             | 3                       | \$640,000 <sup>(2)</sup>        | 7                     |
| 7  | Newchem, Inc.                      | Newark                         | Wayne      | Finger Lakes                | NYSEG | Photo chemical machine plant                         | 190        | 130                              | 21                             | 10                      | \$3,920,000 <sup>(2)</sup>      | 7                     |
| 8  | Unither U.S. Corporation           | Rochester                      | Monroe     | Finger Lakes                | RGE   | Manufacturer of pharmaceutical products              | 400        | 280                              | 262                            | 22                      | \$15,741,000 <sup>(2)</sup>     | 7                     |
| <b>Finger Lakes Region Sub-totals:</b>     |                                    |                                |            |                             |       |  |            | <b>430</b>                       | <b>312</b>                     | <b>35</b>               | <b>\$20,301,000</b>             |                       |
| 9  | A& Z Pharmaceutical                | Hauppauge                      | Suffolk    | Long Island                 | LIPA  | Manufacturers pharmaceutical products                | 100        | 70                               | 56                             | 40                      | \$20,000,000 <sup>(2)</sup>     | 7                     |
| 10   | Air Stream Corp.                   | Oceanside                      | Nassau     | Long Island                 | LIPA  | Food service provider                                | 150        | 106                              | 210                            | 50                      | \$5,500,000                     | 7                     |
| 11   | American Pride Fasteners, LLC      | Bay Shore                      | Suffolk    | Long Island                 | LIPA  | Manufacturer of fasteners, pins, rivets              | 30         | 20                               | 24                             | 2                       | \$125,000 <sup>(2)</sup>        | 7                     |
| 12   | Castella Imports Inc.              | Hauppauge                      | Suffolk    | Long Island                 | LIPA  | Warehousing and storage of imported food products    | 100        | 70                               | 160                            | 5                       | \$350,000 <sup>(2)</sup>        | 7                     |
| 13   | DealerTrack Technologies, Inc.     | North Hills                    | Nassau     | Long Island                 | LIPA  | Auto industry software                               | 835        | 580                              | 500                            | 250                     | \$112,343,000                   | 7                     |
| 14   | Frank Lowe Rubber & Gasket Company | Shirley                        | Suffolk    | Long Island                 | LIPA  | Produces sealing and protective products             | 27         | 16                               | 30                             | 8                       | \$750,000 <sup>(2)</sup>        | 7                     |
| 15   | Tekweld Solutions, Inc.            | Hauppauge                      | Suffolk    | Long Island                 | LIPA  | Labeling & screen printing for various products      | 200        | 140                              | 80                             | 15                      | \$4,300,000                     | 7                     |

Economic Development Power Allocation Board  
 ReCharge New York Expansion Power Allocation Recommendations

Exhibit "B"  
 December 15, 2014

|    |   |               |          |                  |       |   |      |              |              |            |                       |     |   |
|----|---|---------------|----------|------------------|-------|---|------|--------------|--------------|------------|-----------------------|-----|---|
|    | <b>Long Island Region Sub-totals:</b>       |               |          |                  |       |   |      | <b>1,002</b> | <b>1,060</b> | <b>370</b> | <b>\$143,368,000</b>  |     |   |
| 16 | Alexander Broadcasting, Inc.                | Nanuet        | Rockland | Mid-Hudson       | O&R   | Radio station   | 26   | 16           | 5            | 2          | \$485,000             |     | 7 |
| 17 | Hepworth Farms, LLC                         | Milton        | Ulster   | Mid-Hudson       | CHUD  | Commercial fruit & vegetable processing               | 250  | 176          | 94           | 10         | \$1,782,237           |     | 7 |
| 18 | Ramland Holdings LLC                        | Orangeburg    | Rockland | Mid-Hudson       | O&R   | Wholesale colocation data center services             | 7020 | 1,000        | 0            | 10         | \$456,000,000         |     | 7 |
|    | <b>Mid-Hudson Region Sub-totals:</b>        |               |          |                  |       |   |      | <b>1,192</b> | <b>99</b>    | <b>22</b>  | <b>\$ 458,267,237</b> |     |   |
| 19 | Cosmoledo LLC                               | New York      | New York | New York City    | CONED | Commercial bakery                                     | 987  | 690          | 0            | 450        | \$60,000,000          |     | 7 |
| 20 | G.A.L. Manufacturing Corporation            | New York      | Bronx    | New York City    | CONED | Manufacturer of elevator equipment                    | 456  | 316          | 387          | 53         | \$3,425,000           | (2) | 7 |
| 21 | Manufacture New York, Inc.                  | Brooklyn      | Kings    | New York City    | CONED | Clothing designing developer                          | 400  | 280          | 0            | 25         | \$14,720,000          |     | 7 |
| 22 | Parallel Environmental Services Corporation | Bronx         | Bronx    | New York City    | CONED | Recycling service facility                            | 300  | 210          | 79           | 29         | \$1,775,000           | (2) | 7 |
| 23 | Precision Gear, Inc.                        | College Point | Queens   | New York City    | CONED | Manufacturer of aerospace-related gear                | 200  | 140          | 151          | 20         | \$2,500,000           | (2) | 7 |
| 24 | Signs & Decal Corp.                         | Brooklyn      | Kings    | New York City    | CONED | Manufacturer of high end signage and related services | 47   | 30           | 30           | 25         | \$2,000,000           | (2) | 7 |
| 25 | Steuben Foods LLC                           | New York      | Queens   | New York City    | CONED | HQ, R&D facility for dairy business                   | 41   | 26           | 15           | 10         | \$3,681,250           | (2) | 7 |
|    | <b>New York City Region Sub-totals:</b>     |               |          |                  |       |   |      | <b>1,692</b> | <b>662</b>   | <b>612</b> | <b>\$88,101,250</b>   |     |   |
| 26 | Incodema3D LLC                              | Freeville     | Tompkins | Southern Tier    | NYSEG | 3D printing facility                                  | 450  | 316          | 0            | 50         | \$25,000,000          |     | 7 |
|    | <b>Southern Tier Region Sub-totals:</b>     |               |          |                  |       |   |      | <b>316</b>   | <b>0</b>     | <b>50</b>  | <b>\$25,000,000</b>   |     |   |
| 27 | Evolution Dental Science                    | Buffalo       | Erie     | Western New York | NGRID | Dental Laboratory, manufacturer of dental products    | 30   | 20           | 30           | 12         | \$60,000              | (2) | 7 |
|    | <b>Western New York Region Sub-totals:</b>  |               |          |                  |       |   |      | <b>20</b>    | <b>30</b>    | <b>12</b>  | <b>\$60,000</b>       |     |   |

**Totals**

**15,424                      682                      1,303                      \$1,097,088,687**

- (1) All Allocations are recommended to be up to the amount indicated based on the companies' fulfillment of capital spending, job creation, and new electric load consistent with the ratio of recommended to requested amount.  
 (2) These companies are also recommended for retention-related allocations of RNY for separate and distinct job retention and capital investment commitments associated with retaining their existing businesses.  
 (3) New jobs committed must be above the base employment level; the base employment total includes only retained jobs not associated with another allocation; specifically Argyle Cheese Factory, LLC, DealerTrack Technologies, Inc., Tekweld Solutions, Inc., Alexander Broadcasting, Inc., and Hepworth Farms, LLC.

**Economic Development Power Allocation Board  
 ReCharge New York Power Program  
 Ineligible Applicants**

**Exhibit "C"  
 December 15, 2014**

| <b>Line</b> | <b>Company</b>          | <b>City</b>  | <b>County</b> | <b>Economic Development Region</b> | <b>IOU</b> | <b>Description</b>           | <b>Classification</b> |
|-------------|-------------------------|--------------|---------------|------------------------------------|------------|------------------------------|-----------------------|
| 1           | KNIC LLC                | New York     | Bronx         | New York City                      | CONED      | Ice center                   | Retail                |
| 2           | Lafayette Centre, LLC   | Suffern      | Rockland      | Mid-Hudson                         | O&R        | Retail office space          | Retail                |
| 3           | RiverWorks LLC          | Buffalo      | Erie          | Western New York                   | NGRID      | Event center for tourism     | Retail                |
| 4           | Stump City Brewery LLC  | Gloversville | Nassau        | Mohawk Valley                      | NGRID      | Tap room                     | Retail                |
| 5           | Wm. H. Buckley Farm LLC | Saratoga     | Saratoga      | Capital District                   | NGRID      | Retail meat & dairy Producer | Retail                |

**Economic Development Power Allocation Board  
ReCharge New York Power Program  
Applications Not Considered**

**Exhibit "D"  
December 15, 2014**

**Applications Not Considered**

| <b>Line</b> | <b>Company</b>                                  | <b>City</b>   | <b>County</b>        | <b>Economic Development Region</b>                      | <b>IOU</b> | <b>Description</b>                                     | <b>Reason</b>                   |
|-------------|---|---------------|----------------------|---|------------|--|---------------------------------|
| 1           | Bantu Recording Corporation                     | Staten Island | Richmond             | New York City   | CONED      | Corporate entertainment facility                       | Incomplete                      |
| 2           | Clearwater Aquaponics, Inc.                     | Berlin        | Rensselaer           | Capital District  | NYSEG      | Aquaponic facility                                     | Withdrawn                       |
| 3           | Dimar Manufacturing Corporation                 | Clarence      | Erie                 | Western New York  | NYSEG      | Sheet metal manufacturing, powder coating and assembly | Withdrawn                       |
| 4           | Elly's Acres Farm                               | Jamesville    | Onondaga             | Central New York  | NGRID      | Farm   | No demand meter                 |
| 5           | Greenwood Woodbuster                            | Constable     | Franklin             | North Country   | NGRID      | Wood pellet manufacturing company                      | Not responsive                  |
| 6           | Hanes Supply Inc.                               | Buffalo       | Erie, Monroe, Albany | MULTI: Capital District, Finger Lakes, Western New York | NGRID      | Cable, rope and sling mfg                              | Withdrawn                       |
| 7           | Campus Labs                                     | Buffalo       | Erie                 | Western New York  | NGRID      | Administers college student data                       | Not responsive                  |
| 8           | Matt Industries                                 | Syracuse      | Onondaga             | Central New York  | NGRID      | Printing company                                       | Withdrawn                       |
| 9           | Oceanside Institutional Industries, Inc.        | Oceanside     | Nassau               | Long Island   | LIPA       | Institutional laundry service                          | TED recipient                   |
| 10          | Pillar Rock USA Corp.                           | Great Neck    | Nassau               | Long Island   | LIPA       | Nutraceutical supplement company                       | Withdrawn                       |
| 11          | Simmons Machine Tool Corporation                | Albany        | Albany               | Capital District  | NGRID      | Machine tool manufacturer                              | Withdrawn                       |
| 12          | Constantino Brumidi Lodge                       | Deer Park     | Suffolk              | Long Island   | NGRID      | Italian community center                               | Withdrawn                       |
| 13          | The Adirondack Distilling Company, Inc.         | Utica         | Oneida               | Mohawk Valley   | NGRID      | Bourbon, vodka and gin distillery                      | Not responsive                  |
| 14          | Tri-Town Packing Inc.                           | Brasher Falls | St. Lawrence         | North Country   | NGRID      | Meat processing facility                               | Not responsive                  |
| 15          | Twenty East, LLC                                | Cazenovia     | Madison              | Central New York  | NGRID      | Farmers market retail products                         | Withdrawn                       |
| 16          | Vino Verona LLC                                 | Oneida        | Oneida               | Mohawk Valley   | NGRID      | Vineyard, winery and potential bistro.                 | Not responsive                  |
| 17          | Warriors of the Cross Ministry                  | Carthage      | Jefferson            | North Country   | NGRID      | Child care, education, training facility               | Not responsive                  |
| 18          | World Peace and Praise Production Incorporation | Buffalo       | Erie                 | Western New York  | TBD        | Community youth services                               | NFP expansion project premature |

**Economic Development Power Allocation Board  
ReCharge New York Power Program  
Applications Not Considered**

**Exhibit "D"  
December 15, 2014**

**Applications Not Recommended**

| <b>Line</b> | <b>Company</b>                             | <b>City</b> | <b>County</b> | <b>Economic Development Region</b> | <b>IOU</b> | <b>Description</b>  | <b>Reason</b>                                 |
|-------------|--|-------------|---------------|------------------------------------|------------|---------------------|---|
| 19          | Union Hill Volunteer Firemen's Association | Ontario     | Wayne         | Finger Lakes                       | RGE        | Volunteer Fire Dept | Demand usage too low to warrant an allocation |

### **Request for Transfers of Recharge New York Power Allocations**

**Bread Alone, Inc.**, has locations in Boiceville and Lake Katrine, both in Ulster County, and is a producer of organic breads and baked goods which it sells in the northeast. The company has requested to transfer its 36 kilowatt ("kW") Recharge New York ("RNY") retention allocation from its Boiceville facility to its Lake Katrine facility to support expansion at the latter facility. The company has not yet started takedown of this allocation. The company will honor all of its commitments under its RNY contract.

**National Pipe and Plastics, Inc.**, located in Vestal, Broome County, produces plastic pipes and fittings. The company has requested to transfer its 1,250 kW RNY allocation to an existing facility the company owns in Endicott. Within one contract, the customer agrees to maintain its 150 job commitment, with 40 administrative jobs in Vestal and the remainder at their Endicott location. Its capital investment commitment of \$15 million will be met by spending at both facilities. The customer is currently in compliance with its commitments, reporting current employment of 207 jobs and capital investments exceeding \$11 million as described in its most recent compliance report. The company will continue to honor all of its commitments under its RNY contract.

**Silver Lake Cookie Company**, located in Islip, Suffolk County, is a producer of baked goods including cookies and other snack items. The company has a 316 kW RNY "expansion" allocation. Silver Lake was recently purchased and is 100% wholly owned by United Baking Co., Inc. In order to meet business requirements for branding, Silver Lake is requesting a transfer of its allocation to an entity named Cookies United LLC which is poised to assume operations of the facility that benefits from the allocation. Silver Lake is currently in compliance with its job commitments which include the addition of 17 jobs over a three-year period, and Cookies United will continue to honor all of Silver Lake's commitments under the RNY contract.